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

This announcement and the listing document referred to herein have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing document) forms the basis for any contract or commitment whatsoever. *For the avoidance of doubt, the publication of this announcement and the listing document 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 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.*

PUBLICATION OF OFFERING CIRCULAR

Yibin Emerging Industry Investment Group Co., Ltd
(宜賓市新興產業投資集團有限公司)

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

CNY1,040,000,000 3.4 per cent. Credit Enhanced Bonds due 2027 (the "Bonds")
with the benefit of an Irrevocable Standby Letter of Credit issued by
Bank of Shanghai Co., Ltd., Chengdu Branch
(Stock Code: 84521)

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Essence International **Hung Sing Securities Limited** **Guosen Securities (HK)**

Joint Lead Managers and Joint Bookrunners

BOSC International	**BOCOM International**	**CEB International**
China CITIC Bank International	**China Galaxy International**	**China Industrial Securities International**
CITIC Securities	**CMB Wing Lung Bank Limited**	**CMBC Capital**
CNCB Capital	**Donghai International**	**Haitong International**
Huatai International	**Industrial Bank Co., Ltd. Hong Kong Branch**	**Shanghai Pudong Development Bank Hong Kong Branch**
SPDB International		**Wilson Securities**

This announcement is issued pursuant to Rule 37.39A of the Listing Rules. Reference is made to the notice of the listing of the Bonds on The Stock Exchange of Hong Kong Limited dated 20 June 2024. The Bonds as described in the offering circular dated 13 June 2024 (the "**Offering Circular**") (appended herewith) are issued 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.

Notice to Hong Kong Investors: Yibin Emerging Industry Investment Group Co., Ltd (宜賓市新興產業投資集團有限公司) (the "**Issuer**") confirms that the Bonds are intended for purchase by Professional Investors only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

Hong Kong, 21 June 2024

As at the date of this announcement, the directors of Yibin Emerging Industry Investment Group Co., Ltd (宜賓市新興產業投資集團有限公司) are Mr. Liu Bin, Mr. Xu Pingping, Ms. Jia Mengni, Mr. Sun Huaike, Mr. Zhou Xin and Mr. Liu Jian.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION INTO THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering circular (the "**Offering Circular**") following this page, 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 (as defined in the Offering Circular) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE FOLLOWING OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation:

In order to be eligible to view the attached Offering Circular or make an investment decision with respect to the securities, investors must be purchasing the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act. By accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to have represented to Yibin Emerging Industry Investment Group Co., Ltd (宜賓市新興產業投資集團有限公司) (the "**Issuer**"), Essence International Securities (Hong Kong) Limited, Hung Sing Securities Limited, Guosen Securities (HK) Capital Company Limited, BOSC International Securities Limited, BOCOM International Securities Limited, CEB International Capital Corporation Limited, China CITIC Bank International Limited, China Galaxy International Securities (Hong Kong) Co., Limited, China Industrial Securities International Brokerage Limited, CLSA Limited, CMB Wing Lung Bank Limited, CMBC Securities Company Limited, CNCB (Hong Kong) Capital Limited, Donghai International Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Huatai Financial Holdings (Hong Kong) Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, SPDB International Capital Limited and Wilson Securities Limited (together, the "**Joint Lead Managers**") that (1) you and any customers you represent are not, and that the electronic mail address that you gave the Issuer and to which this e-mail has been delivered is not, located in the United States, and that (2) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

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 jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

Except with respect to eligible investors in jurisdictions where such offer or invitation is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer, the Joint Lead Managers, the Trustee (as defined in the Terms and Conditions), the Agents (as defined in the Terms and Conditions), the Pre-funding Account Bank (as defined in the Terms and Conditions), the LC Proceeds Account Bank (as defined in the Terms and Conditions) or the LC Bank (as defined in the Terms and Conditions) or any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them 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 any Joint Lead Manager or any affiliate of a Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer 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 Joint Lead Managers, the LC Bank, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank, nor any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of 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.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds, including certain Joint Lead Managers, are "capital market intermediaries" (the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (the "**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Singapore Securities and Futures Act Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and 'Excluded Investment Products' (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

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

STRICTLY CONFIDENTIAL

YIBIN EMERGING INDUSTRY INVESTMENT GROUP CO., LTD
(宜賓市新興產業投資集團有限公司)

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

CNY1,040,000,000 3.4 per cent. Credit Enhanced Bonds due 2027 with the benefit of an irrevocable Standby Letter of Credit issued by Bank of Shanghai Co., Ltd., Chengdu Branch

Issue Price: 100.0 per cent.

The CNY1,040,000,000 3.4 per cent. credit enhanced bonds due 2027 (the "**Bonds**") will be issued by Yibin Emerging Industry Investment Group Co., Ltd (宜賓市新興產業投資集團有限公司) (the "**Issuer**"), a company incorporated in the People's Republic of China (the "**PRC**") with limited liability.

Payments of principal and interest in respect of the Bonds will have the benefit of an irrevocable standby letter of credit (the "**Standby Letter of Credit**") denominated in Renminbi and issued by Bank of Shanghai Co., Ltd., Chengdu Branch (the "**LC Bank**"). See "*Appendix I — Form of Irrevocable Standby Letter of Credit*" for the form of the Standby Letter of Credit.

The Bonds will bear interest on their outstanding principal amount from and including 20 June 2024 (the "**Issue Date**") at the rate of 3.4 per cent. per annum, payable semi-annually in arrear in equal instalments of CNY170.0 per Calculation Amount (as defined in the terms and conditions of the Bonds (the "**Terms and Conditions**")) on 20 June and 20 December in each year, commencing on 20 December 2024. All payments of principal, premium (if any) and interest by or behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC or any political subdivision or any authority therein or thereof having power to tax, unless such set-off, counterclaim, withholding or deduction is required by law, to the extent described under "*Terms and Conditions of the Bonds — Taxation*".

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

The PRC government (including the Yibin Municipal Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds in lieu of the Issuer. See "*Risk Factors — Risks Relating to the Bonds and the Standby Letter of Credit — None of the Yibin Sanjiang Investment and Construction Group Co., Ltd., the Yibin Municipal Government, the Sichuan Provincial Government or any other PRC governmental entity is under any obligation to pay any amount under the Bonds or the Trust Deed if the Issuer fails to meet its obligations thereunder*".

The Issuer undertakes that it will (i) within fifteen (15) Registration Business Days (as defined in the Terms and Conditions) after the Issue Date submit or cause to be submitted to the State Administration of Foreign Exchange of the PRC or its local branch ("**SAFE**") the requisite documents and information pursuant to the Administrative Measures for Foreign Debt Registration (Hui Fa [2013] No. 19) (外債登記管理辦法(匯發[2013]19號)) effective as of 13 May 2013 (the "**Foreign Debt Registration**") and as amended on 4 May 2015 and its operating guidelines issued by SAFE, (ii) use its best endeavours to complete the Foreign Debt Registration and obtain a registration record from SAFE on or before the Registration Deadline (as defined in the Terms and Conditions), (iii) if applicable, as soon as possible upon being required or requested to do so by any relevant governmental authority, file or cause to be filed with SAFE the Bonds pursuant to the Circular of the People's Bank of China on Issues concerning the Macro-prudential Management Policy of Overall Cross-border Financing by the People's Bank of China (Yin Fa [2017] No. 9) (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) (銀發[2017]9號) effective as of 12 January 2017 and as amended from time to time (the "**Cross Border Financing Circular**") and (iv) comply with all applicable PRC laws and regulations in relation to the Bonds and any implementing measures promulgated thereunder from time to time.

In accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (《企業中長期外債審核登記管理辦法》(國家發展和改革委員會令第56號)) (the "**NDRC New Measures**") issued by the NDRC on 5 January 2023 and become effective from 10 February 2023, and any applicable implementation rules, as issued by the National Development and Reform Commission of the PRC or its local counterparts (the "**NDRC**") from time to time (the "**NDRC Post-issue Filing**"), the Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 6 March 2024 evidencing such registration which, as at the date of this Offering Circular, remains valid and in full force and effect. The Issuer undertakes to file or cause to be filed with the NDRC the requisite offering information and the issue details of the Bonds within ten Registration Business Days (as defined in the Terms and Conditions) after the Issue Date and comply with all applicable PRC laws, rules and regulations in connection with the Bonds (including, but not limited to, any related filing requirements under the NDRC New Measures). For consequences of non-registration, see "*Risk Factors — Risks Relating to the Bonds and the Standby Letter of Credit — Any failure to complete the relevant filings under the NDRC New Measures and the relevant registration under SAFE within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the investors of the Bonds*".

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 20 June 2027 (the "**Maturity Date**"). The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (as defined in the Terms and Conditions) in accordance with Condition 16 of the Terms and Conditions and in writing to the Trustee and the CMU Lodging and Paying Agent (which notice shall be irrevocable), at their principal amount together with interest accrued to, but excluding, the date fixed for redemption, in the event of certain changes affecting taxes of the PRC. See "*Terms and Conditions of the Bonds — Redemption and Purchase — Redemption for Taxation Reasons*". Furthermore, at any time following the occurrence of a Relevant Event (as defined in the Terms and Conditions), each Holder (as defined in the Terms and Conditions) will have the right, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Bonds on the Put Settlement Date (as defined in the Terms and Conditions) at 100 per cent. of their principal amount, together with, in each case, accrued but unpaid interest up to but excluding such Put Settlement Date. See "*Terms and Conditions of the Bonds — Redemption and Purchase — Redemption for Relevant Event*".

If a Pre-funding Failure (as defined in the Terms and Conditions) occurs in respect of a scheduled payment of principal or interest payable under Condition 5 or Condition 6(a) of the Terms and Conditions, the Bonds shall be redeemed in whole, but not in part, on the Interest Payment Date (as defined in the Terms and Conditions) immediately falling on the date the Trustee makes a Demand (as defined in the Terms and Conditions) (the Pre-funding Failure Notice (as defined in the Terms and Conditions) is given to the Bondholders) in accordance with Condition 3(b) of the Terms and Conditions (the "**Mandatory Redemption Date**") at their principal amount, together with any interest accrued to, but excluding, the Mandatory Redemption Date. See "*Terms and Conditions of the Bonds — Redemption and Purchase — Mandatory Redemption upon Pre-funding Failure*".

For a more detailed description of the Bonds, see "*Terms and Conditions of the Bonds*" beginning on page 58.

The Bonds will be issued in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.

Investing in the Bonds involves risks. See "*Risk Factors*" beginning on page 17 for a discussion of certain factors to be considered in connection with an investment in the Bonds.

Application will be made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of the Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only and such permission is expected to become effective on 21 June 2024. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved. This document 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 Group (as defined below) and the LC Bank. The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer, the Group, the LC Bank or 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.

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

Upon issue, the Bonds will be represented by a global certificate (the "**Global Certificate**") registered in the name of a nominee of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority (the "**HKMA**") as operator (the "**Operator**") of the Central Moneymarkets Unit Service (the "**CMU**"), the book entry clearing system operated by the HKMA. The Global Certificate will be held for the account of CMU members who have accounts with the Operator, or the CMU participants. Beneficial interests in the Global Certificate will be shown on, and transfer thereof will be effected only through, records maintained by the CMU. For persons seeking to hold a beneficial interest in the Bonds through Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream**"), such persons will hold their interest through an account opened and held by Euroclear and Clearstream (as the case may be) with the Operator. Except as described in the Global Certificate, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate. See "*Summary of Provisions relating to the Bonds in Global Form*" beginning on page 84.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Essence International | **Hung Sing Securities Limited** | **Guosen Securities (HK)**

Joint Bookrunners and Joint Lead Managers

BOSC International | **BOCOM International** | **CEB International**

China CITIC Bank International | **China Galaxy International** | **China Industrial Securities International**

CITIC Securities | **CMB Wing Lung Bank Limited** | **CMBC Capital**

CNCB Capital | **Donghai International** | **Haitong International**

Huatai International | **Industrial Bank Co., Ltd. Hong Kong Branch** | **Shanghai Pudong Development Bank Hong Kong Branch**

SPDB International | **Wilson Securities**

Offering Circular dated 13 June 2024

TABLE OF CONTENTS

SUMMARY 1

THE OFFERING 4

SUMMARY OF PAYMENT ARRANGEMENTS ON EACH SCHEDULED DUE DATE UNDER THE BONDS 13

SUMMARY CONSOLIDATED FINANCIAL INFORMATION 14

RISK FACTORS 17

TERMS AND CONDITIONS OF THE BONDS 58

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM 84

USE OF PROCEEDS 87

CAPITALISATION AND INDEBTEDNESS OF THE ISSUER 88

DESCRIPTION OF THE LC BANK 89

DESCRIPTION OF THE GROUP 93

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 113

PRC REGULATIONS 117

TAXATION 124

SUBSCRIPTION AND SALE 128

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS 134

GENERAL INFORMATION 135

INDEX TO FINANCIAL STATEMENTS F-1

APPENDIX I — FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT A-1

APPENDIX A-1 — FORM OF DEMAND A-5

NOTICE TO INVESTORS

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

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Issuer and its subsidiaries (the "**Group**"). The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong or elsewhere. Investors are advised to exercise caution in relation to the offering of the Bonds. If investors are in any doubt about any of the contents of the Offering Circular, they should obtain independent professional advice.

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

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Group and the LC Bank. Listing of the Bonds on The Stock Exchange of Hong Kong Limited shall not to be taken as an indication of the merits of the Issuer or the Bonds. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the offering of the Bonds, including the merits and risks involved.

The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirm, that (i) this Offering Circular contains all information with respect to the Issuer, the Group, the LC Bank, the Standby Letter of Credit and the Bonds which is material in the context of the issue and offering of the Bonds (including the information which, is required by applicable laws and which, according to the particular nature of the Issuer, the Group and the Bonds, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attaching to the Bonds); (ii) the statements relating to the Issuer, the Group, the LC Bank, the Bonds and the Standby Letter of Credit contained in this Offering Circular are true and accurate in all material respects and not misleading in any material respect in the context of the issue and offering of the Bonds; (iii) the opinions and intentions expressed in this Offering Circular as at the date hereof, in each case with regard to the Issuer and the Group, (a) are honestly held, (b) have been reached after considering all relevant circumstances and (c) are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Group, the LC Bank, the Standby Letter of Credit or the Bonds the omission of which would, in the context of the issue and offering of the Bonds make any statement in this Offering Circular misleading; (v) the statements included in this Offering Circular relating to the LC Bank are based on, or derived or extracted from, among other sources, publicly available information which the Issuer believes to be accurate and reliable in all material respects. The Issuer has taken reasonable care in reproducing or extracting, and thus including in this Offering Circular, such data; (vi) all reasonable enquires have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular; and (vii) the statistical, industry and market-related data and forward-looking statements, which are included in this Offering Circular are, based on or derived or extracted from sources which the Issuer believes to be accurate and reliable in all material respects.

The Issuer has prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds and giving of the Standby Letter of Credit described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of Essence International Securities (Hong Kong) Limited, Hung Sing Securities Limited, Guosen Securities (HK) Capital Company Limited, BOSC International Securities Limited, BOCOM International Securities Limited, CEB International Capital Corporation Limited, China CITIC Bank International Limited, China Galaxy International Securities (Hong Kong) Co., Limited, China Industrial Securities International Brokerage Limited, CLSA Limited, CMB Wing Lung Bank Limited, CMBC Securities Company Limited, CNCB (Hong Kong) Capital Limited, Donghai International Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Huatai Financial Holdings (Hong Kong) Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, SPDB International Capital Limited and Wilson Securities Limited (together, the "**Joint Lead Managers**") or the Issuer to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, Hong Kong and Macau Special Administrative Regions, the PRC, Singapore and Japan and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Bonds, and distribution of this Offering Circular, see "*Subscription and Sale*". By purchasing the Bonds, investors represent and agree to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

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

None of the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank or any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them has independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made or given and no responsibility or liability is accepted, by the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank or any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them, as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Bonds. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank or any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank or any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or the LC Bank or any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer, the LC Bank, the Standby Letter of Credit and the merits and risks involved in investing in the Bonds. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

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

IN CONNECTION WITH THIS OFFERING, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS A STABILISING MANAGER (THE "STABILISING MANAGER") OR ANY PERSON(S) ACTING ON BEHALF OF THE STABILISING MANAGER MAY, PROVIDED THAT CHINA CITIC BANK INTERNATIONAL LIMITED SHALL NOT PARTICIPATE IN SUCH STABILISATION IN ANY EVENT, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND DIRECTIVES, OVER-ALLOT AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE(S) OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME AND MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS.

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

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

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

INDUSTRY AND MARKET DATA

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

PRESENTATION OF FINANCIAL INFORMATION

Financial Information of the Issuer

This Offering Circular contains consolidated financial information of the Issuer as at and for the years ended 31 December 2021, 2022 and 2023, which has been extracted from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2022 (the "**2022 Audited Financial Statements**") and as at and for the year ended 31 December 2023 (the "**2023 Audited Financial Statements**"). The 2022 Audited Financial Statements and 2023 Audited Financial Statements have been audited by Asia Pacific (Group) CPAs (Special General Partnership) (亞太(集團)會計師事務所(特殊普通合夥)) ("**Asia Pacific**"), the independent auditor of the Issuer in accordance with the Auditing Standards for Chinese Certified Public Accountants.

The 2022 Audited Financial Statements and 2023 Audited Financial Statements were prepared and presented in accordance with the Accounting Standards for Business Enterprises in the PRC (the "**PRC GAAP**"). PRC GAAP is substantially in line with International Financial Reporting Standards ("**IFRS**"), except for certain modifications which reflect the PRC's unique circumstances and environment. For a summary of certain differences, see "*Summary of Certain Differences between PRC GAAP and IFRS*".

LC Bank Financial Statements

Copies of the published audited consolidated financial statements and unaudited but reviewed consolidated financial statements of Bank of Shanghai Co., Ltd. (the ''**Bank**''), as well as its public filings, can be downloaded free of charge from the website of the Bank and the Shanghai Stock Exchange at www.bosc.cn and www.sse.com.cn, respectively. The financial statements of the Bank are not included in and do not form part of this Offering Circular. The information contained on the websites of the Bank and the Shanghai Stock Exchange is subject to change from time to time. No representation or warranty, express or implied, is made or given by the Issuer, the Group, the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them and none of the Issuer, the Group, the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them takes any responsibility for any information contained on the websites of the Bank and the Shanghai Stock Exchange.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the "**PRC**" and "**China**" are to the People's Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan); all references to the "**United States**" and "**U.S.**" are to the United States of America; all references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; all references to "**Renminbi**", "**RMB**" and "**CNY**" are to the lawful currency of the PRC; and all references to "**U.S. dollars**" are to the lawful currency of the United States of America.

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

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

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

- "**CBRC**" are to the China Banking Regulatory Commission, which was merged with the China Insurance Regulatory Commission to form China Banking and Insurance Regulatory Commission ("**CBIRC**") that has being replaced by the National Administration of Financial Regulation;
- "**Group**" or "**the Group**" are to the Company and its subsidiaries from time to time;
- the "**Issuer**" or the "**Company**" are to Yibin Emerging Industry Investment Group Co., Ltd (宜賓市新興產業投資集團有限公司);
- "**IFRS**" are to the International Financial Reporting Standards;
- "**MOF**" are to the Ministry of Finance (中華人民共和國財政部) or its competent local counterpart;
- "**NDRC**" are to the National Development and Reform Commission of the PRC or its local counterparts;
- "**NPC**" are to National People's Congress of the PRC (中華人民共和國人民代表大會) and its Standing Committee;
- "**Party Committee**" are to the Committee of the Chinese Communist Party;
- "**PBOC**" are to the People's Bank of China, the central bank of the PRC;
- "**PRC GAAP**" are to The PRC Accounting Standards and Accounting Regulations for Business Enterprises promulgated by the PRC Ministry of Finance on 15 February 2006;
- "**PRC government**" are to the central government of China and its political subdivisions, including provincial, municipal and other regional or local government entities, and instrumentalities thereof, or where the context requires, any of them;
- "**SAFE**" are to the State Administration of Foreign Exchange of the PRC or its competent local branches;

- "**SAT**" are to the State Administration of Taxation of the PRC;
- "**Sichuan Provincial Government**" are to the Sichuan Provincial People's Government (四川省人民政府);
- "**State Council**" are to the state council of the PRC;
- "**VAT**" are to value-added tax;
- "**Yibin Municipal Government**" are to the Yibin Municipal People's Government (宜賓市人民政府); and
- "**Yibin SASAC**" are to Yibin State-owned Assets Supervision and Administration Commission (宜賓市政府國有資產監督管理委員會).

FORWARD-LOOKING STATEMENTS

The Issuer has made certain forward-looking statements in this Offering Circular. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition and results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include but are not limited to statements as to the business strategy, operating income and profitability, planned projects and other matters as they relate to the Issuer and/or the Group discussed in this Offering Circular regarding matters that are not historical fact. Some of these statements can be identified by forward-looking terms, such as "anticipate", "target", "believe", "can", "would", "could", "estimate", "expect", "aim", "intend", "may", "plan", "will", or similar words. These forward-looking statements and any other projections contained in this Offering Circular (whether made by the Issuer or by any third party) involve known and unknown risks, including those disclosed under "*Risk Factors*", uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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

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

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

SUMMARY

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

OVERVIEW

Established on 24 March 2017, the Issuer is a state-owned company directly and wholly owned by Yibin Sanjiang Investment and Construction Group Co., Ltd. (宜賓三江投資建設集團有限公司), which is ultimately controlled by Yibin SASAC and under direct administration of the Yibin Municipal Government. The Issuer is designated as one of the primary state-owned investment and financing companies through which the Yibin Municipal Government promotes emerging industries and economic and urban development in Yibin City. Following the completion of the equity interests' acquisition in Wuhu Cowin Automobile Co., Ltd., which subsequently changed its name to Yibin Cowin Automobile Co., Ltd. ("**Yibin Cowin**") in December 2017 (for further details, see "*History and Development*" below), the Group commenced its automobile manufacturing and sale business operation in 2018 and since then, automobile manufacturing and sale business has become the Group's key business segment. In 2021, the Group commenced its commodities trading business, which has become another key business segment of the Group.

Leveraging the Industrial Development Two-wheel Drive (產業發展雙輪驅動) policy promoted by the Yibin Municipal Government with a strategic focus on accelerating the development of emerging industries and new materials to promote the economic and urban development of Yibin City, the Group has enjoyed and is expected to continue to enjoy greater business opportunities and government support, enabling it to further enhance its businesses, operations and investments in Yibin City. The Group's sales of automobiles has also benefited from, and will continue to benefit from, geographic advantages in Yibin City. Located at the intersection of "Beijing-Kunming High-speed Railway" and "Lanzhou-Guangzhou High-speed Railway" and also situated at the starting point of the Yangtze River Golden Waterway (長江黃金水道), Yibin City serves as an important transportation hub, with one of the largest integrated inland river hub ports in Sichuan.

The Group's business operations primarily focus on the following segments, namely (i) automobile manufacturing and sales business; (ii) commodities trading business and (ii) other businesses. Set forth below is an overview of the business segments of the Group:

- *Automobile Manufacturing and Sale*. The Group commenced its automobile manufacturing and sale business in 2018. The Issuer conducts its automobile manufacturing and sale business primarily through its subsidiaries, namely Yibin Automobile Industry Development Investment Co., Ltd. (宜賓市汽車產業發展投資有限責任公司) ("**Yibin Automobile**") and Yibin Cowin. As at the date of this Offering Circular, the Issuer holds approximately 94.4 per cent. of the equity interest in Yibin Automobile, and Yibin Automobile holds approximately 80.67 per cent. of the equity interest in Yibin Cowin. The Group manufactures and sells a variety of automobile product mix in the passenger vehicles field, including but not limited to Showjet (炫界), Showjet Pro, Xuandu (軒度) and Kunlun (昆侖) automobiles, with an aim to target mid- to lower-end customers in the PRC. The Group also values the capability of research and development as another key factor to upgrade its product mix and strengthen its competitiveness. To achieve this goal, the Group has established a research institute in Shanghai to further develop the use of smart connected technology in automobiles. In addition, the Group has established strategic partnership, alliance and cooperative relationship with Foxconn, iFLYTEK, Tima Networks, China Telecom, Industry Alliance for Vehicles, Research Institute of Intelligent Interconnection, Chengdu Automobile

Industrial Research Institute, China Mobile, Sichuan University, University of Electronic Science and Technology of China, Southwest Jiaotong University, Chengdu University of Technology and Xihua University to jointly apply for projects, conduct vocational education and personnel training and conduct research in the areas of new energy vehicles and advanced technologies in automobiles. For the years ended 31 December 2021, 2022 and 2023, operating income generated from the Group's automobile manufacturing and sale business was RMB1,911.9 million, RMB2,456.7 million and RMB3,652.7 million, respectively, representing 56.0 per cent., 46.4 per cent. and 49.1 per cent. of the Group's operating income for the respective period.

- *Commodities Trading*. The Group started to engage in commodities trading business in 2021 through its wholly-owned subsidiary, namely Yibin Xinxing Supply Chain Management Co., Ltd (宜賓市新興供應鏈管理有限公司). Since 2021, the Group's commodities trading business has become a pillar of the Group's business operation. The Group primarily trades electrolytic copper, copper rods, mobile phone screens, cameras, motherboards, mobile phone screens, chips, motherboards, cameras and other raw materials and equipment. For the years ended 31 December 2021, 2022 and 2023, operating income generated from the Group's commodities trading business was RMB1,443.0 million, RMB2,381.0 million and RMB3,028.3 million, respectively, representing 42.3 per cent., 45.0 per cent. and 40.7 per cent. of the Group's operating income for the respective period.

- *Other Businesses*. The Group also conducts other businesses including financial consultant service business, leasing business and big data analytics business, among which, the financial consultant service business is mainly conducted through Yibin Emerging Industry Development Investment Fund Management Co., Ltd. (宜賓市新興產業發展投資基金管理有限責任公司) and the leasing services business and big data analytics business are mainly conducted through Yibin Big Data Co., Ltd. (宜賓市大數據有限責任公司). For the years ended 31 December 2021, 2022 and 2023, operating income generated from the Group's other businesses was RMB60.3 million, RMB458.1 million and RMB764.1 million, respectively, representing 1.8 per cent., 8.6 per cent. and 10.3 per cent. of the Group's operating income for the respective period.

For the years ended 31 December 2021, 2022 and 2023, the Group's total operating income was RMB3,415.1 million, RMB5,295.7 million and RMB7,445.1 million, respectively. As at 31 December 2021, 2022 and 2023, the Group's total assets amounted to RMB26,288.3 million, RMB30,338.0 million and RMB37,055.8 million, respectively.

COMPETITIVE STRENGTHS

The Issuer believes that the following strengths are important to its success and future development:

- Strong support (but not including credit support) from the Yibin Municipal Government and the strategic role played by the Group in the Yibin Municipal Government's policies to develop Yibin automobile industry

- Cost-effective and high-performance automobile products

- Strong research and development capability

- Yibin City's strategic location and strong economic growth

- Prudent financial structure

- Experienced management team with support from a dedicated team of staff

BUSINESS STRATEGIES

The Issuer's objective is to expand its automobile manufacturing and sale business into upstream and downstream automobile industry and to develop its business operations and invest in other business segments. The Issuer intends to implement the following strategies to achieve this objective:

- Continue to focus on technological improvement and product development
- Continue to explore new distribution channels and optimise existing distribution channels
- Continue to promote the brand name of "Cowin" automobiles

THE OFFERING

The following is a brief summary of the offering and is qualified in its entirety by the remainder of this Offering Circular. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in "Terms and Conditions of the Bonds" and "Summary of Provisions Relating to the Bonds in Global Form" shall have the same meanings in this summary. For a more complete description of the terms and conditions of the Bonds, see "Terms and Conditions of the Bonds" in this Offering Circular.

Issuer	Yibin Emerging Industry Investment Group Co., Ltd (宜賓市新興產業投資集團有限公司).
LC Bank	Bank of Shanghai Co., Ltd., Chengdu Branch.
The Bonds	CNY1,040,000,000 3.4 per cent. credit enhanced bonds due 2027.
Issue Price	The Bonds will be issued at 100.0 per cent. of their principal amount.
Form and Denomination	The Bonds will be issued in registered form in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.
Issue Date	20 June 2024.
Interest	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.4 per cent. per annum, payable semi-annually in arrear in equal instalments of CNY170.0 per Calculation Amount (as defined in the Terms and Conditions) on 20 June and 20 December in each year, commencing on 20 December 2024.
Maturity Date	20 June 2027.
Standby Letter of Credit	The Bonds will have the benefit of the Standby Letter of Credit which is issued in favour of the Trustee, on behalf of itself and the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or otherwise as permitted under the Standby Letter of Credit) sent by the Trustee or on behalf of the Trustee in relation to the Standby Letter of Credit to the LC Bank in accordance with the Standby Letter of Credit (a "**Demand**") stating that (i) the Issuer has failed to comply with Condition 3(b) of the Terms and Conditions in relation to pre-funding the amount that is required to be pre-funded under the Terms and Conditions and/or failed to provide the Required Confirmations (as defined in Condition 3(b) of the Terms and Conditions) in accordance with Condition 3(b) of the Terms and Conditions; or (ii) an Event of Default (as defined in Condition 9 of the Terms and Conditions) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 9 of the Terms and Conditions.

Only one drawing is permitted under the Standby Letter of Credit. Such drawing on the Standby Letter of Credit will be payable in Renminbi in immediately available and cleared funds to or to the order of the Trustee and at the time and to the account specified in the Demand presented to the LC Bank. Payments received by the Trustee in respect of a Demand will be deposited into the LC Proceeds Account (as defined in Condition 3(b) of the Terms and Conditions).

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

The LC Bank's aggregate liability under the Standby Letter of Credit shall be expressed and payable in Renminbi and shall not in any circumstances exceed CNY1,064,780,000 (the "**Maximum Limit**"), which includes an amount representing the aggregate principal amount of CNY1,040,000,000 of the Bonds plus interest payable for one Interest Period (as defined in Condition 5 of the Terms and Conditions) plus CNY7,100,000 being the maximum amount payable under the Standby Letter of Credit for any fees, costs, expenses, indemnity payments and all other amounts payable to the Trustee under or in connection with the Terms and Conditions, the Bonds, the Trust Deed, the Agency Agreement and/or any other transaction documents relating to the Bonds. The Standby Letter of Credit takes effect from the date thereof and shall remain valid and in full force until 6:00 p.m. (Hong Kong time) on 14 July 2027 (the "**Expiry Date**") unless extended in accordance with its terms.

See "*Terms and Conditions of the Bonds — Standby Letter of Credit, Pre-funding and Status*" and "*Appendix I — Form of Irrevocable Standby Letter of Credit*".

Pre-funding . . . . . In order to provide for the payment of any amount in respect of the Bonds and under the Trust Deed (other than the amounts payable under Condition 6(d) of the Terms and Conditions) (the "**Relevant Amount**") as the same shall become due, the Issuer shall, in accordance with the Agency Agreement, by no later than 10:00 a.m. (Hong Kong time) on the Business Day (as defined in the Terms and Conditions) falling ten Business Days (as defined in the Terms and Conditions) (the "**Pre-funding Date**") prior to the due date for such payment under the Terms and Conditions:

(i) unconditionally and irrevocably pay or procure to be paid the Relevant Amount in immediately available cleared funds into the Pre-funding Account; and

(ii) deliver to the Trustee and the CMU Lodging and Paying Agent by facsimile or by way of scanned copy in email (with originals to follow promptly thereafter) (A) a Payment and Solvency Certificate, which shall be substantially in the form set out in Schedule 3 in the Agency Agreement, signed by an Authorised Signatory (as defined in the Trust Deed), and (B) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank (which shall be substantially in the form set out in Schedule 4 of the Agency Agreement, signed by an Authorised Signatory) requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the CMU Lodging and Paying Agent by no later than 10:00 a.m. (Hong Kong time) on the Business Day immediately preceding the due date for such payment (together, the "**Required Confirmations**").

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

(A) as soon as reasonably practicable send the notice substantially in the form set out in the Trust Deed (the "**Pre-funding Failure Notice**") to the Bondholders by the second Business Day immediately following the Pre-funding Date of (A) the Pre-funding Failure and (B) the redemption of the Bonds in accordance with Condition 6(d) of the Terms and Conditions to occur as a result of the Pre-funding Failure; and

(B) by no later than 6:00 p.m. (Hong Kong time) on the second Business Day immediately following the Pre-funding Date, issue a Demand to the LC Bank for the aggregate of (A) interest accrued up to the date when the Bonds cease to bear interest pursuant to the Terms and Conditions, (B) the principal amount of the outstanding Bonds, and (C) all fees, costs, expenses, indemnity payments and other amounts payable by the Issuer under or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Standby Letter of Credit and/or any other transaction documents relating to the Bonds, provided that, subject to and in accordance with the Standby Letter of Credit, the Trustee need not physically present an original of the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to submit the Demand by authenticated SWIFT (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a copy of the Demand to the LC Bank by such method of communication as otherwise permitted under the Standby Letter of Credit).

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

See "*Terms and Conditions of the Bonds — Standby Letter of Credit, Pre-funding and Status*" and "*Appendix I — Form of Irrevocable Standby Letter of Credit*".

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

Use of Proceeds . . . . . See "*Use of Proceeds*".

Events of Default	The Bonds will contain certain events of default in respect of the Issuer as further described in Condition 9(I) of the Terms and Conditions. The Bonds will also contain certain events of default in respect of the LC Bank as further described in Condition 9(II) of the Terms and Conditions.
Cross-Default	The Bonds will contain a cross-default provision in respect of present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised or under any present or future guarantee and/or indemnity thereof of the Issuer or of any of its Subsidiaries which equals or exceeds aggregate U.S.$50,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which Condition 9(I)(c) of the Terms and Conditions operates). The Bonds will contain a cross-default provision in relation to the LC Bank as further described in Condition 9(II)(a) of the Terms and Conditions.
Taxation	All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC or any political subdivision or any authority therein or thereof having power to tax, unless such set-off, counterclaim, withholding or deduction is required by law. Where withholding or deduction is made by the Issuer for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC at a rate of up to and including the aggregate rate applicable on 13 June 2024 (the "**Applicable Rate**"), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amount which would otherwise have been receivable by them had no such withholding or deduction been required. If the Issuer is required to make a deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC in excess of the Applicable Rate, then the Issuer shall pay such additional amounts (the "**Additional Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond.

Final Redemption	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date. The Bonds may not be redeemed at the option of the Issuer other than in accordance with Condition 6 of the Terms and Conditions.
Redemption for Relevant Events	At any time following the occurrence of a Relevant Event, a Holder will have the right, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Bonds on the Put Settlement Date (as defined below) at 100 per cent. of their principal amount, together with, in each case, accrued but unpaid interest up to but excluding such Put Settlement Date, as further described in Condition 6(c) of the Terms and Conditions. A "**Change of Control**" occurs when: (i) Yibin SASAC together with any other PRC Person(s) cease to Control the Issuer; or (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person or persons, unless such person(s) (in the case of asset sale or transfer) or the surviving entity (in the case of consolidation or merger) is/are directly or indirectly Controlled by PRC Person(s); which "**Control**" means (i) the ownership, acquisition or control of more than 67 per cent. of the voting rights of the issued share capital of the relevant person or (ii) the right to appoint and/or remove the majority of the members of the relevant person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; the term "**Controlled**" has meanings correlative to the foregoing; and the term "**PRC Persons**" include Yibin SASAC and any person directly or indirectly Controlled by Yibin SASAC.

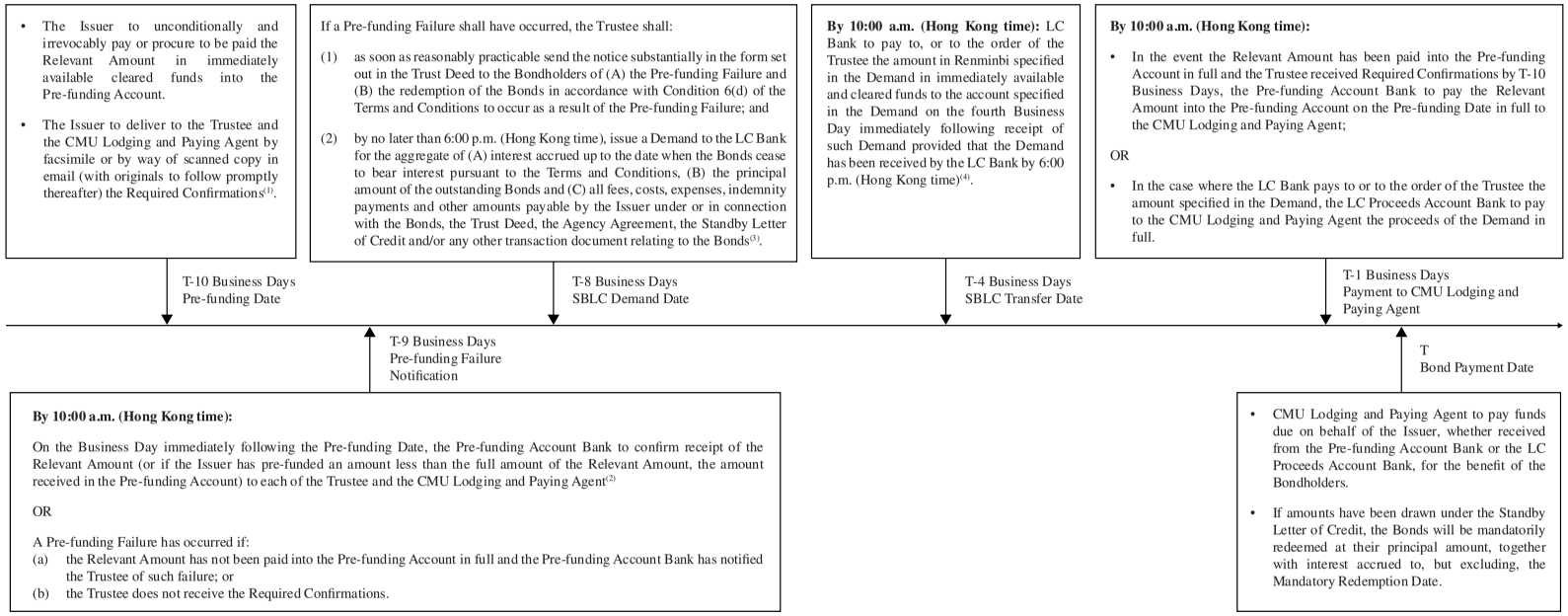
Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 16 of the Terms and Conditions and in writing to the Trustee and the CMU Lodging and Paying Agent (which notice shall be irrevocable), at their principal amount together with interest accrued to, but excluding, the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such Tax Redemption Notice that: (i) the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in Condition 8 of the Terms and Conditions) as provided or referred to in Condition 8 of the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, or the stating of an official position with respect to, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 13 June 2024; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due, as further described in Condition 6(b) of the Terms and Conditions.
Mandatory Redemption upon Pre-funding Failure	If a Pre-funding Failure occurs in respect of a scheduled payment of principal or interest payable under Condition 5 or Condition 6(a) of the Terms and Conditions, the Bonds shall be redeemed in whole, but not in part, on the Interest Payment Date immediately falling on the date the Trustee makes a Demand (the Pre-funding Failure Notice is given to the Bondholders) in accordance with Condition 3(b) of the Terms and Conditions (the "**Mandatory Redemption Date**") at their principal amount, together with any interest accrued to, but excluding, the Mandatory Redemption Date, as further described in Condition 6(d) of the Terms and Conditions.

Further Issues	The Issuer may from time to time without the consent of the Bondholders create and issue further securities having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the first payment of interest on them, as the case may be, and the timing for performing and completing the NDRC Post-issue Filing, complying with the Registration Conditions (as defined in the Terms and Conditions) and the making of the Foreign Debt Registration and if applicable, the filing of the Bonds under the Cross Border Financing Circular) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in the Terms and Conditions to the Bonds include (unless the context requires otherwise) any further securities issued pursuant to Condition 15 of the Terms and Conditions and forming a single series with the Bonds, provided that such further securities may only be issued if (i) a further or supplemental or replacement standby letter of credit is issued by the LC Bank (or an amendment is made to the Standby Letter of Credit) on terms that are substantially similar to the Standby Letter of Credit (including that the stated amount of such further or supplemental standby letter of credit represents an increase at least equal to the principal of and an amount equal to one interest payment which is or would be due on such further securities) and (ii) such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. References to the Standby Letter of Credit shall thereafter include such further or supplemental or replacement or amended standby letter of credit. Any further securities forming a single series with the Bonds shall be constituted by a deed supplemental to the Trust Deed. References to the Standby Letter of Credit shall thereafter include such further or supplemental or replacement or amended standby letter of credit. See "*Terms and Conditions of the Bonds — Further Issues*".
Trustee	CMB Wing Lung (Trustee) Limited.
CMU Lodging and Paying Agent	CMB Wing Lung Bank Limited.
Registrar and Transfer Agent . . .	CMB Wing Lung Bank Limited.
Pre-funding Account Bank and LC Proceeds Account Bank . . .	CMB Wing Lung Bank Limited.

Clearing Systems	Upon issue, the Bonds will be represented by a Global Certificate registered in the name of, and lodged with a sub-custodian for, the HKMA as operator of the CMU. The Global Certificate will be held for the account of CMU members who have accounts with the Operator, or the CMU participants. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. For persons seeking to hold a beneficial interest in the Bonds through Euroclear or Clearstream, such persons will hold their interest through an account opened and held by Euroclear or Clearstream (as the case may be) with the Operator. Except as described in the Global Certificate, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate.
Clearance and Settlement	The Bonds have been accepted for clearance through CMU under CMU Instrument Number WLHKFB24042, Common Code 283837858 and ISIN HK0001026621.
Listing	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors.
Notices	So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, notices to the holders of the Bonds shall be validly given by the delivery of the relevant notice to each relevant accountholder via the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Bonds, in the form of interests in this Global Certificate to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.
Governing Law	English law.
Jurisdiction	Exclusive jurisdiction of Hong Kong courts.
Selling Restrictions	The Bonds and the Standby Letter of Credit have not been and will not be registered under the Securities Act or under any state securities laws of the United States, are being offered only outside the United States in reliance of Regulation S of the Securities Act and will be subject to customary restrictions on transfer and resale. See "*Subscription and Sale*".
LEI	300300W7ZB0D5K7PB672.

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

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



Notes:

(1) The Required Confirmations consist of: (A) a Payment and Solvency Certificate, which shall be substantially in the form set out in Schedule 3 in the Agency Agreement, signed by any Authorised Signatory (as defined in the Trust Deed); and (B) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank (which shall be substantially in the form set out in Schedule 4 of the Agency Agreement, signed by an Authorised Signatory) requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the CMU Lodging and Paying Agent by no later than 10:00 a.m. (Hong Kong time) on the Business Day immediately preceding the due date for such payment.

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

(3) Provided that, subject to and in accordance with the Standby Letter of Credit, the Trustee need not physically present an original of the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to submit the Demand by authenticated SWIFT (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a copy of the Demand to the LC Bank by such method of communication as otherwise permitted under the Standby Letter of Credit).

(4) If such Demand is received after 6:00 p.m. (Hong Kong time) on a Business Day, the payment is to be made by 10:00 a.m. (Hong Kong time) on the fifth Business Day immediately following receipt of such Demand.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The summary consolidated financial information of the Issuer as at and for the years ended 31 December 2021, 2022 and 2023 set forth below is derived from the 2022 Annual Financial Statements and 2023 Annual Financial Statements, which have been audited by Asia Pacific, Certified Public Accountants of the Chinese Institute of Certified Public Accountants.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them has independently verified any of the information contained therein and can give assurance that such information is accurate, truthful or complete. The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the relevant consolidated financial statements of the Issuer, which are included in the F-pages of this Offering Circular. Historical results are not necessarily indicative of results that may be achieved in any future period.

The Issuer's consolidated financial statements were prepared in accordance with PRC GAAP. PRC GAAP differs in certain material respects from IFRS. For a discussion of certain differences between PRC GAAP and IFRS, see "Summary of Certain Differences between PRC GAAP and IFRS".

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

SUMMARY CONSOLIDATED BALANCE SHEET DATA

	As at 31 December		
	2021	2022	2023
	(RMB)	(RMB) (in millions)	(RMB)
Current assets			
Monetary capital	2,029.2	1,444.8	1,396.5
Trading financial assets	419.0	499.8	–
Notes receivable	196.5	211.8	213.2
Account receivable	1,365.8	1,927.7	2,233.5
Prepayments	423.4	851.5	1,240.6
Other receivables	1,203.8	1,433.0	2,405.1
Inventory	407.1	446.9	1,050.8
Non-current assets due within one year	88.5	3,522.0	2,835.3
Other current assets	967.2	696.7	545.5
Total current assets	**7,100.5**	**11,034.4**	**11,920.6**
Non-current assets			
Debt investments	6,227.3	2,696.3	3,706.5
Long-term equity investment	3,598.4	6,976.1	8,888.8
Investment in other equity instrument	–	–	221.8
Investment real estate	416.9	874.0	1,248.5
Fixed asset	2,932.7	2,678.8	2,853.8
Construction-in-process	1,718.9	1,726.8	1,831.0
Intangible assets	1,189.4	1,209.2	2,960.7
Development expenditure	1,293.4	1,264.6	1,638.2
Goodwill	1,206.6	1,206.6	1,206.6
Long-term unamortized expenses	78.9	108.9	161.8
Deferred income tax assets	175.2	212.3	217.1
Other non-current assets	350.0	350.0	200.4
Total non-current assets	**19,187.7**	**19,303.6**	**25,135.1**
Total assets	**26,288.3**	**30,338.0**	**37,055.8**

	As at 31 December		
	2021	2022	2023
	(RMB)	(RMB) (in millions)	(RMB)
Current liabilities			
Short-term borrowing	591.0	1,646.7	2,440.5
Notes payable	431.2	980.4	1,481.1
Account payable	2,661.0	3,326.0	3,396.8
Advance receipts	–	–	0.5
Contract liability	88.1	80.5	221.5
Staff remuneration payable	49.6	76.2	105.4
Tax payable	19.6	78.1	43.2
Other payables	921.6	2,852.0	1,096.2
Non-current liabilities due within one year	1,795.8	575.2	4,103.0
Other current liabilities	203.5	248.9	231.6
Total current liabilities	**6,761.5**	**9,864.0**	**13,119.8**
Non-current liabilities			
Long-term loans	2,766.0	5,286.0	10,358.4
Bonds payable	6,793.9	6,817.2	2,995.0
Long-term accounts payable	1,021.4	710.4	968.0
Estimated liabilities	6.6	6.1	62.2
Deferred income	3.2	5.3	5.1
Deferred income tax liabilities	1.5	7.0	8.5
Total non-current liabilities	**10,592.7**	**12,832.0**	**14,397.2**
Total liabilities	**17,354.1**	**22,696.0**	**27,517.0**
Owner' equity			
Paid-up capital	4,650.0	4,650.0	5,000.0
Other equity instruments	–	520.0	520.0
Capital reserves	96.9	–	2,072.8
Other comprehensive income	–	7.9	(50.8)
Surplus reserves	36.8	–	13.4
Undistributed profit / (loss)	(173.3)	(580.2)	(553.5)
Total owners' equity attributable to the parent company	4,610.4	4,597.6	7,001.9
Minority shareholders' rights and interests	4,323.7	3,044.3	2,536.9
Total owner's equity	**8,934.1**	**7,642.0**	**9,538.8**
Total liabilities and owner's equity	**26,288.3**	**30,338.0**	**37,055.8**

SUMMARY CONSOLIDATED PROFIT STATEMENT DATA

	For the year ended 31 December		
	2021	2022	2023
	(RMB)	(RMB) (in millions)	(RMB)
Total operating income	**3,415.1**	**5,295.7**	**7,445.1**
Operating costs	(3,616.1)	(4,959.9)	(6,001.3)
Taxes and surcharges	(64.7)	(78.8)	(96.9)
Sales expenses	(240.5)	(205.3)	(291.5)
Administrative expenses	(324.9)	(424.8)	(459.1)
R&D expenses	(2.0)	(114.4)	(1.7)
Finance charge	(543.2)	(805.8)	(605.8)
Other incomes	884.5	15.1	53.2
Investment income	637.6	1,274.2	51.7
Income front changes in fair value	34.6	115.9	71.4
Credit impairment loss	–	–	(1.0)
Earnings/(Loss) from disposal of assets	(0.0)	(8.8)	(1.2)
Operating profit	**180.6**	**103.0**	**162.9**
Non-operating income	4.2	1.3	3.2
Non-operating expenses	(0.4)	(1.6)	(0.7)
Total profits	**184.3**	**102.8**	**165.4**
Income tax expense/(gains)	(44.9)	17.4	(39.2)
Net profits	**139.4**	**120.2**	**126.2**
Net profit/(loss) attributable to shareholders of parent company	21.6	(49.5)	44.4
Gains of minority shareholders	117.8	169.7	81.8
Other comprehensive incomes to be reclassified into profit and loss	–	7.9	(58.7)
Total comprehensive incomes	**139.4**	**128.1**	**67.5**
Total comprehensive incomes attribute to owners of parent company	21.6	(41.7)	(14.3)
Total comprehensive incomes attributable to the minority shareholders	117.8	169.7	81.8

SUMMARY CONSOLIDATED CASH FLOW STATEMENT DATA

	For the year ended 31 December		
	2021	2022	2023
	(RMB)	(RMB) (in millions)	(RMB)
Net cash flows from operating activities	150.5	1,635.3	810.8
Net cash flows (used in) investing activities	(4,129.0)	(4,100.5)	(3,687.5)
Net cash flows from financing activities	1,148.2	2,292.0	2,486.6
Influence of fluctuation in exchange rate on cash and cash equivalents	(0.8)	2.6	2.3
Net (decrease) in cash and cash equivalents	**(2,831.1)**	**(170.5)**	**(387.8)**
Balance of cash and cash equivalents at the beginning of the period	4,213.4	1,382.3	1,211.8
Balance of cash and cash equivalents at the end of the term	**1,382.3**	**1,211.8**	**824.0**

RISK FACTORS

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

The Issuer does not represent that the statements below regarding the risk factors of holding any Bonds are exhaustive. 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 actual results of the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.

RISKS RELATING TO THE GROUP AND ITS BUSINESS

The production and profitability of automobile manufacturers in the PRC may be materially and adversely affected by changes in the regulatory environment in the PRC.

The Group is engaged in the production and sale of automobile products and is subject to various laws, rules and regulations in the PRC imposed at both the national and regional levels that regulate or affect the automobile industry and the automobile parts and components manufacturing industry in the PRC, including: (i) crash test requirements and other safety compliance standards in relation to automobile, automobile parts and components; (ii) emission standards; (iii) maximum fuel consumption standards; (iv) automobile recall requirements; (v) noise, waste, discharge and other pollution controls relating to manufacturing of automobiles; and (vi) market entry requirements and minimum production requirements for automobiles, automobile parts and components manufacturers. All models of automobiles manufactured by the Group must be submitted to, and approved and announced by, the Ministry of Industry and Information Technology of the PRC. This approval process can be lengthy and may materially and adversely impact the Group's ability to introduce new automobile products to the market in a timely manner, as well as increasing the costs and expenses incurred by the Group in complying with the relevant policies and procedures in the approval process. Accordingly, any failure in obtaining the requisite approvals and any delay in the approval process can limit the Group's flexibility to respond to market conditions or competition in a timely manner.

The Group is also subject to challenges in addition to rapid changes in economic and regulatory environment in the PRC. For example, competitive pressure on local automobile brands in the PRC market may continue to intensify in the coming years as most major international brands have been strengthening their presence in the PRC market through more products offering, more aggressive pricing strategies, adding new production capacity and enhancing marketing efforts and customer services. The implementation of more stringent regulatory requirements in fuel efficiency, product warranty, product recall and emissions standards in the PRC could impose cost pressure on local automobile brands in the

PRC. In addition, it is possible that more major cities in the PRC will introduce local policies to restrict new car licences to ease traffic and combat air pollution, thus restricting the demand for passenger vehicles. All these factors could materially and adversely impact the local automobile brands, as their major competitive edges in pricing could be undermined by the introduction of an auction and lottery system to curb the growth of new vehicles.

In addition, existing PRC automobile industry and foreign investment policies impose regulations on investment by foreign vehicle companies in vehicle production projects in the PRC. If these regulatory requirements were loosened, there could be a higher level of participation by foreign vehicle manufacturers in the PRC automobile market, which, in turn, could increase the level of competition in the PRC market. Increased competition could lead to lower vehicle prices and profits for vehicle manufacturers, which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group's automobile manufacturing and sale business is sensitive to changes in the PRC government's policies relating to the automobile industry. The imposition of additional stringent requirements for automobile product design and safety may result in substantial increases in the cost of production for the Group's automobile or automobile parts and components designs. In addition, failure by the Group to comply with such laws and regulations may result in fines, penalties or lawsuits, which may have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may not be able to identify or offer popular automobile models to meet changing trends and consumer demands, or to gain market acceptance of the Group's new automobile models.

Market trends, consumer demands, needs and preferences in the markets in which the Group operates change and depend upon various factors, some of which are beyond the Group's control, such as changes in the economic environment, consumption patterns, disposable income and inherent uncertainty in the market. To compete effectively in the automobile industry, the Group needs to launch new products in a timely and cost-effective manner to meet changing consumer preferences and demands. While the Group believes that it is able to identify and respond to these trends in a timely manner, the Group might not be able to accurately anticipate the changes in customer needs and preferences or fail to timely offer new automobile models that meet those changing trends.

There can be no assurance that the Group's automobile model development will accurately reflect the prevailing market trends or customer needs and preferences at any given time, or that new automobile models launched by the Group will be well received by the market or achieve the expected sales level. If new automobile models offered by the Group fail to gain market acceptance, the Group's brand image, business, financial condition and results of operations may be materially and adversely affected.

The Group's efforts to develop and launch new automobile products, such as electric vehicles and smart connected automobiles, may not be successful, which may materially and adversely affect the Group's future performance.

The Group's success in launching the new products, such as a new generation of more environmental friendly electric vehicles and smart connected automobiles, depends on its ability to offer products that appeal to its target customers, its marketing strategy, general customer perception and the cooperation between the Group and its partners. As this represents a relatively new business area for the Group, there can be no assurance that the Group's efforts to develop, launch and market these new automobile products will be successful or can be completed within the Group's anticipated timeframe. Any failure or delay in the development and launch of the Group's new automobile products could materially and adversely affect the Group's brand image, business, financial condition, results of operations and prospects.

The Group may not be able to maintain relationships with its existing dealers or effectively manage its dealers.

The Group sells a significant amount of its products primarily through 4S dealers. Therefore, the Group's success depends on its ability to retain existing and attract new dealers. There is no assurance that the Group will be able to successfully renew its existing sales contracts upon their expiration on favourable terms, or at all. Competition for dealers is intense, as the Group must compete with other leading passenger vehicle brands for dealers in markets where it has operations or has plans to enter. Such competitors may benefit from higher visibility, greater brand recognition, greater financial resources and a broader product offering than the Group does, which may provide them with a competitive advantage in securing dealers. The Group's competitors may also enter into long-term or exclusive agreements that effectively prevent their dealers from selling the Group's products. Consequently, engaging new dealers, maintaining relationships with existing dealers and replacing them can be difficult and time consuming. Any disruption to the Group's distribution network, including a failure on its part to renew its existing agreements with its preferred dealers or to attract new dealers, could negatively affect the Group's ability to effectively sell its products to its end-user customers which in turn could materially and adversely affect its business, financial condition, results of operations and prospects.

In addition, the Group has limited ability to manage and control the activities of its dealers. They could take certain actions that potentially have a material adverse effect on the Group's reputation, business and prospects, such as selling products that compete with the Group's products, focusing only on the sales of those products that provide them with higher margins or commissions thus undermining the Group's efforts to maintain a well-balanced portfolio of its products, selling the Group's products outside their designated territory, failing to adequately promote the Group's products or conducting their business in violation of relevant laws or regulations in their respective jurisdictions. The Group's reputation, business and prospects could be materially and adversely affected as a result of any improper or illegal actions taken by its dealers.

The Group has significant reliance on its related party for the automobile manufacturing and sale business.

The Group acquired approximately 50.50 per cent. of the equity interest in Yibin Cowin Automobile Co., Ltd (宜賓凱翼汽車有限公司) ("**Yibin Cowin**") in December 2017. Prior to that, the Group had no relevant manufacturing, management and operation experience in the automobile industry. Given the relatively short period of the acquisition of Yibin Cowin, the automobile manufacturing and operation of Yibin Cowin, to a certain extent, still relied on Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司) ("**Chery Automobile**"). Although the Group has taken several measures to reduce its reliance on Chery Automobile, including but not limited to (i) carrying out work to sort out credit and debts between the Group and Chery Automobile and reduce current accounts; (ii) developing independent procurement, manufacturing and sales capabilities of the Group; and (iii) taking advantage of the support from the Yibin Municipal Government, there can be no assurance that the Group could completely get rid of its dependence on Chery Automobile.

In the event that Chery Automobile no longer provides complete supply chain information of the relevant automobile models to Yibin Cowin in the future, including but not limited to supplier information, procurement costs, as well as technical and sales support, it may have a material adverse impact on the Group's business, financial condition, results of operations and future development.

The Group's research and development efforts may not be successful, which may affect the continued growth of the Group's automobile manufacturing and sale business.

The automobile market is characterised by changing technologies, periodic new model introductions and evolving end-user customer and industry requirements. Competitors of the Group are continuously

developing automobiles that have adopted advanced technologies to operate more efficiently and cost-effectively. Therefore, the Group's business depends on its ability to continually develop new automobiles that can successfully compete with those offered by its competitors in terms of design, performance and price, which, in turn, depends largely on the Group's research and development capabilities. In the event that the Group's research and development capabilities were not able to improve its existing automobile products and/or develop new models or designs, or if the Group were not able to accurately anticipate its customers' changing needs and preferences, the Group may be placed at a disadvantaged position compared to its competitors which may in turn result in a material adverse effect on the Group's business, financial condition, results of operations and future development.

In addition, the Group's research and development efforts may not be successful or yield the anticipated level of economic benefits. Even if the Group's research and development efforts were successful, the Group may not be able to apply its newly developed technologies to products that will be widely accepted by the market or apply them in a timely manner to take advantage of the opportunities presented in the market. The level of economic benefit that can be derived from newly developed technologies or products may also be affected by the ability of the Group's competitors to replicate such technologies or products or develop more advanced or cheaper alternatives. If the Group's technologies or products are replicated, replaced or made redundant, or if the demand for the Group's products was not as anticipated, the turnover associated with such technologies and products may not offset the costs that the Group incur in developing such new technologies and products. If any of these occurs, the Group's business, financial condition, results of operations and future development may be materially and adversely affected.

Volatility in demand in the PRC for automobiles could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Demand for automobiles in the domestic and international markets is cyclical in nature and is affected by various factors, including sales and financing incentives, costs of raw materials, parts and components, cost of fuel, environmental concerns, economic conditions and governmental regulations, including tariffs, import regulation and other taxes. Fluctuations in demand may lead to lower vehicle sales and increased inventory, which may result in further downward price pressure. As a result, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Any slowdown in demand for automobiles in the PRC may lead to an inventory surplus and could result in under-utilisation of the Group's production capacity, which would in turn result in diminished returns to the substantial resources invested in the expansion of the Group's production capacities. If these events occur, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

The growth and profitability of the Group's automobile manufacturing and sale business depend on the level of consumer confidence and spending in the PRC.

The Group's automobile manufacturing and sale business is sensitive to changes in the overall economic and political conditions that affect consumer spending in the PRC and a large portion of the Group's turnover is derived from income from the sales of passenger vehicles in the PRC. The passenger vehicle market is particularly sensitive to macro-economic changes, as consumer purchases tend to decline during economic downturns. There are a number of factors that are beyond the Group's control, including interest rates, recession, inflation and deflation, energy costs and availability, consumer credit availability and terms, availability of consumer finance, tax rates and policy and employment trends influencing consumer confidence and spending. The domestic and international political environment, including military conflicts and political instability, may also affect consumer confidence and spending in the PRC. A general reduction in the level of consumer spending could in turn materially and adversely affect the growth and profitability of the Group's automobile manufacturing and sale business.

Increasing competition in the PRC automobile market could have a material adverse effect on the Group's ability to maintain competitiveness.

Increasing consumer purchasing power in the PRC has resulted in significant growth in the demand for automobiles in the PRC. Such growth in the automobile market has encouraged, and may continue to encourage, foreign competitors, Sino-foreign equity joint ventures established in the PRC and new domestic automobile companies to further expand their production capacity. The Group's current market share and profit margin may be diluted or reduced if there is increasing competition for passenger vehicles or further price reductions caused by increased competition in the PRC market. The pricing, recognition and loyalty to the Group's brand of automobile products and the financial and technical resources allocated to the Group's products may be materially and adversely affected if competing domestic or foreign automobile products gain a competitive advantage.

Volatility in fuel prices may materially and adversely affect demand for automobiles.

Fuel prices are inherently volatile and cyclical. Increases in fuel prices may have a material adverse impact on the PRC's economy and thereby result in a slowdown for automobile demand, an increase in the Group's production costs due to the increase in costs of petrochemical products, a decrease in demand from customers for purchasing automobiles due to increased operating costs and changes to customers' needs and preferences. If fuel prices increase or remain at high levels in the future, consumers may choose to use alternative means of transportation, which may adversely affect the demand for the Group's automobile products and have a negative impact on the Group's sales and profitability.

The Group has significant reliance on major customers for the commodities trading business.

For the years ended 31 December 2021, 2022 and 2023, the Group's aggregated sales to the five largest customers in the commodities trading business accounted for approximately 97.8 per cent., 98.3 per cent. and 98.6 per cent. of the Group's operating income of the business segment, respectively. During the same period, sales to Far East Cable (Yibin) Co., Ltd. (遠東電纜(宜賓)有限公司) accounted for 81.2 per cent., 81.2 per cent. and 88.7 per cent. of the Group's operating income of the commodities trading business, respectively. Although the Group will continue to endeavour to diversify and expand the customer base, the Group expects that the present key customers will continue to account for a relatively large percentage of the sales in the coming years. There can be no assurance that any of the major customers will continue to place orders with the Group in the future nor that the income generated therefrom will be maintained or increase in the future. In the event of any unexpected cessation of, or substantial reduction in, the volume of business from Far East Cable (Yibin) Co., Ltd. or other major customers, the Group's financial condition and results of operations may be materially and adversely affected.

The commodities trading industry is very competitive and the Group may have difficulty in effectively competing with other trading companies.

The commodities trading industry is characterised by strong competition. The Group faces intense competition with trading companies with greater diversification across different commodity groups and global geographical presence and scale. These competitors are generally in a better position in regards of operating scale, profitability, resources, distribution networks, import and export permit for commodities traded by the Group and completeness of the industrial chain, while the Group mainly focuses on a narrower commodity group and geographic area. Furthermore, these competitors may, in the future, use their resources to expand into all of the markets in which the Group operates and therefore compete further against the Group. These competitors may also expand and diversify their commodity sourcing, processing or marketing operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on the Group across each of the commodities it has trading business on. The Group also faces increasing competition from domestic and international competitors. Increased

competition may result in losses of market share for the Group and could materially adversely affect its business, financial condition, results of operations and prospects.

The Group is exposed to fluctuations in commodity prices and to deterioration in economic and financial condition.

The operating income generated from the Group's commodities trading business is influenced by prevailing commodity prices. Commodity prices are influenced by a number of external factors, including the supply and demand for commodities, speculative activities by market participants, global political and economic conditions and related industry cycles and production costs in major producing countries. Fluctuations in the price of commodities traded by the Group could materially impact the Group's business, financial condition, results of operations and prospects.

If the prices for a particular commodity are higher on average, the premiums/margins that the Group generates in its trading operations relating to such commodity tend to be higher. The Group's commodities trading business also generally benefits from fluctuating market prices, rather than long periods of stable prices, as it seeks to physically arbitrage such resulting price differentials. When prices of commodities rise, the Group generally has higher working capital financing requirements over the same quantity of such commodities. During periods of falling commodity prices, the Group requires less working capital financing for its commodities trading business.

A significant downturn in the price of commodities generally results in a decline in the Group's profitability during such a period and could potentially result in a devaluation of inventories and impairments. Although the impact of a downturn in commodity prices has limited influence on the Group's commodities trading business, as the Group principally operates in a "sales-oriented procurement" business model, it could have greater influence on the Group's future business. The Group has not historically engaged in hedging against declines in commodity prices and, as a result, volatility in commodity prices has directly impacted its results of operations. If the Group does not engage in meaningful hedging against declines in commodity prices, its business and results of operations could also be impacted by volatility in commodity prices.

In addition, an actual or perceived decline in the economic and financial condition globally or in a specific country, region or sector may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group. For example, although fixed pricing periods of most commodities are relatively short, a significant reduction or increase in commodity prices could result in customers or suppliers unwilling or unable to honour their contractual commitments to purchase or sell commodities on pre-agreed pricing terms. In addition, a tightening monetary policy may make it more difficult to raise sufficient capital for the Group's business operations. Changing production levels in response to current price levels or estimates of future price levels imposes costs, and, if mistimed, could adversely affect the results of the Group's operations or financial condition. In addition, a default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which the Group operates as well as the businesses, economic condition and prospects of its counterparties, customers, suppliers or creditors, directly or indirectly, in ways which it is difficult to predict. The impact of this could be detrimental to the Group and could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Group is exposed to the risks relating to low profit margin of its commodities trading activities.

The Group has experienced low profit margin in conducting its commodities trading business. For the years ended 31 December 2021, 2022 and 2023, the gross profit margin of the Group's commodities trading business was 1.6 per cent., 3.1 per cent. and 2.7 per cent., respectively. The sustainability of the Group's profit margin depends on a number of factors, including the types of products traded, selling

prices and purchase costs. The selling price and purchase cost for each transaction vary according to a combination of factors including, but not limited to, the Group's bargaining power with its supplier and buyer, the pricing basis, demand and supply in the market and the market price trend. Some of these factors are beyond control of the buyer, the supplier and the Group. Therefore, the selling price and purchase cost may differ for the same product traded within the same period. There is no assurance that the profit margin will not fluctuate from period to period. If the commodities trading business continues to generate low profit margin in the future, the Group's financial condition and profitability may be materially and adversely affected.

The Group has a relatively high level of indebtedness and may incur 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.

The Group relies on bank loans and proceeds from bond issuances to satisfy a portion of its capital requirements and the Group has a significant amount of outstanding indebtedness. As at 31 December 2023, the Group's total interest-bearing indebtedness (comprising short-term borrowing, notes payable, non-current liabilities due within one year, long-term loans, bonds payable and long-term accounts payables (interest-bearing portion)) amounted to RMB22,345.9 million, representing 60.3 per cent. of the Group's total assets as at the same date. Out of the Group's total interest-bearing indebtedness as at 31 December 2023, RMB8,024.5 million would become due within 12 months. In addition, as at 31 December 2023, the total amount of the Group's outstanding guarantees for third parties was approximately RMB7.0 million, representing 0.02 per cent. of the Group's total assets as at the same date.

The Group may incur additional indebtedness and continuing liabilities in the future, including the issuance of debt securities or entering into financing or other loan arrangements. The level of existing indebtedness and incurrence of further indebtedness could have important consequences to the Group's business, including:

- increasing the Group's vulnerability to adverse general economic and industry conditions;
- requiring the Group to dedicate a substantial portion of its cash flows from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures and other general corporate purposes;
- limiting the Group's ability to capture investment and/or acquisition opportunities and inhibiting its ability to grow and expand its business;
- 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 less debt; and
- increasing the costs of additional financing.

Creditors of the Issuer's respective subsidiaries would have a claim on such subsidiaries' assets that would be prior to the claims of the Issuer's creditors. As a result, the payment obligations under the Issuer's indebtedness and liabilities will be effectively subordinated to all existing and future obligations of the Issuer's subsidiaries, and all claims of creditors of such subsidiaries, will have priority as to the assets of such entities over the Issuer's claims and those of their respective creditors.

In addition, the Group continually reviews its current and expected future funding requirements and evaluates and engages in discussions with financial institutions and other market participants, from time

to time, on proposals regarding different sources of funding. In incurring indebtedness and liabilities from time to time, members of the Group may create security over their assets, receivables or equity interests in companies or entities held by them in favour of the relevant creditors. Examples of security interests given by the Group include fixed charges and pledges which have been created on the receivables, land or movable property of some members within the Group. Should any of such secured indebtedness becomes immediately due and payable as a result of any default in payment or the occurrence of other events of default as defined under the relevant secured indebtedness, the relevant secured creditors would be entitled to take enforcement actions against such secured assets, receivables and equity interests. The secured creditors might take over the relevant subsidiaries' titles to the secured assets, receivables and equity interests or sell them through auction. In such an event, the value of the Group's assets portfolio will diminish and fewer assets and/or equity interests will be available for distribution to unsecured creditors if the relevant subsidiaries are in liquidation. If any member of the Group incurs additional debt, the risks that the Group faces as a result of its already substantial indebtedness and leverage could intensify.

As the Group's business scale continues to grow, its capital requirement and its reliance on external financing may continue to increase. The Group's financial performance and operating results may be materially and adversely affected if its cash flow and capital resources are insufficient to fund its debt service obligations. Failure to service the Group's debt could result in the imposition of penalties, including increases in interest rates that the Group pays on its debt, acceleration of the legal actions against the Group by its creditors, or bankruptcy.

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

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

If the relevant members of the Group are unable to comply with the restrictions (including restrictions on future investments) and covenants in its current or future debt obligations and other agreements, a default under the terms of such agreements may occur. In the event of a default under such agreements, the holders of the debt could terminate their commitments to the relevant members of the Group, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing contracts entered into by the relevant members of the Group may contain cross-acceleration or cross-default provisions. As a result, a default by the relevant members of the Group under any of such agreements may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds, or result in a default under other debt agreements. If any of these events occurs, there can be no assurance that the relevant members of the Group will be able to obtain the lenders' waiver in a timely manner or that the assets and cash flow of the relevant members of the Group would be sufficient to repay in full all of their respective debts as they become due, or that the relevant members of the Group would be able to find alternative financing. Even if the relevant members of the Group could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the relevant members of the Group.

The Group's borrowings may be secured. Third-party security rights may limit the Group's use of the underlying collateral assets and adversely affect its operational efficiency. If the relevant members of the Group are unable to service and repay their debts under such loan facilities on a timely basis, the assets provided as security for such bank loans may be subject to foreclosure, which may materially and adversely affect the Group's business, prospects and financial condition.

Failure to obtain sufficient capital on acceptable terms or in a timely manner may adversely affect the Group's business and growth prospects.

The Group's business requires and will continue to require substantial capital expenditures. The Group has historically satisfied its capital requirements with cash flows generated from its operating activities, bank loans and other borrowings and equity contributions from its shareholder.

The ability of the Group to generate sufficient operating cash flow is affected by a number of factors, such as the Group's ability to manage and implement its business activities, changes in general market conditions, the regulatory environment, governmental policies and the competition in certain sectors in which the Group operates. Any material adverse change in these factors may cause the Group to experience a capital shortfall. There is no assurance that the Group's operations are or will be able to generate sufficient cash to satisfy its cash need at all times.

Insufficient cash flow generated from the Group's operating activities will increase the Group's reliance on external financing. The Group's ability to access and raise sufficient capital through different sources depends upon a number of factors, such as the PRC's economic condition, relationships with key commercial banks, prevailing conditions in capital markets, regulatory requirements and the Group's financial condition. Some of these factors are beyond the Group's control and there is no assurance that the Group will be able to procure sufficient funds in a timely manner or to obtain external financing on commercially acceptable terms, or at all. In these cases, the Group may not be able to fund the capital expenditures necessary to implement its business plans and strategies, which may in turn have a material and adverse impact on its business, financial condition, results of operations and prospects.

The Group's business, financial condition, results of operations and prospects may be affected by the level of economic development in Sichuan Province.

A substantial part of the Group's businesses and assets are located in Sichuan Province, the PRC. Therefore, the Group's business, financial condition, results of operations and prospects have been, and will continue to be, affected by the social conditions, local government policies and level of economic activity in Sichuan Province.

Sichuan Province has experienced rapid economic growth in recent years. However, in recent years, there was a slowdown in the overall growth of the PRC economy. It is difficult to predict how the economic development of Sichuan Province will be affected by this slowdown in the growth of the PRC economy. As such, there can be no assurance that the level of economic development in Sichuan Province will continue to be maintained at the past rate of growth, if at all.

It is expected that a substantial part of the Group's business and operations will continue to be located in Sichuan Province. If economic growth slows, adverse changes in social conditions or local government policies arise or any severe natural disasters or catastrophic events occur in Sichuan Province, the Group's business, financial condition, results of operations and prospects would be materially and adversely affected.

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

The Issuer is wholly-owned by Yibin Sanjiang Investment and Construction Group Co., Ltd. (宜賓三江投資建設集團有限公司), which is ultimately controlled by Yibin SASAC and thus under direct

administration of the Yibin Municipal Government. As the Issuer's sole shareholder, Yibin Sanjiang Investment and Construction Group Co., Ltd. participates in and closely monitors the Group's decision-making process for key issues, reviews the Group's development strategies and investment plans and appoints, and conducts annual appraisals on, the directors and supervisors of the Issuer. Because of the involvement of Yibin Sanjiang Investment and Construction Group Co., Ltd. as the Issuer's sole shareholder in the affairs of the Group, there can be no assurance that Yibin Sanjiang Investment and Construction Group Co., Ltd. will not interfere with the business and operations of the Group, and any such interference may have a material adverse effect on the Group's business, financial position, results of operations and prospects.

In addition, Yibin SASAC and the Yibin Municipal Government may also exert significant influence on the Group's major business decisions and strategies, including the scope of its operations, investment decisions and dividend policy. There can be no assurance that Yibin SASAC and the Yibin Municipal Government would always take action that is in the Group's best interests or that aims to maximise the Group's profits. The Group may be tasked to undertake projects or businesses which may not be profitable to the Group. Yibin SASAC and the Yibin Municipal Government may use their ability to influence the Group's business and strategy in a manner which is beneficial to Yibin City as a whole, but which may not necessarily be in the Group's best interests.

Yibin SASAC and the Yibin Municipal Government may also change their policies, intentions, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the economic, political and social environment as well as their projections of population and employment growth in Yibin City and any such change may have a material effect on the Group's business and prospects. Any amendment, modification or repeal of Yibin SASAC's or the Yibin Municipal Government's existing policies could result in a modification of the existing regulatory regime which in turn could have a material adverse effect on the Group's financial condition and results of operations.

PRC regulations on the administration of local government debt may have a material adverse effect on the Group's financing and business models.

The PRC government has in recent years issued multiple regulations intended to restrict the ability of local governments to use state-owned enterprises to incur debt that should be directly incurred by government bodies. These regulations include the Notice on Strengthening the Administration of Local Government Financing Vehicles (Guo Fa [2010] No. 19) (關於加強地方政府融資平臺公司管理有關問題的通知(國發[2010]19號)) ("**Circular 19**") in June 2010, the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (Guo Fa [2014] No. 43) (關於加強地方政府性債務管理的意見(國發[2014]43號)) ("**Circular 43**") released by the State Council in September 2014, the Notice on Further Regulating Issuance of Bonds by Local Government Financing Vehicles (Fa Gai Ban Cai Jin [2010] No. 2881) (關於進一步規範地方政府投融資平臺公司發行債券行為有關問題的通知(發改辦財金[2010]2881號)) released by the NDRC issued in November 2010 ("**Circular 2881**"), the Circular on Further Regulating the Debt Financing Behaviours of Local Government (Cai Yu [2017] No. 50) (關於進一步規範地方政府舉債融資行為的通知(財預[2017]50號)) ("**Circular 50**") jointly issued by the MOF, the NDRC, the Ministry of Justice of the PRC, the PBOC and the China Securities Regulatory Commission in April 2017, the Circular on Firmly Curbing Local Governments' Illegal Financing Activities in the Name of Government Procurement of Services (Cai Yu [2017] No. 87) (關於堅決制止地方以政府購買服務名義違法違規融資的通知(財預[2017]87號)) ("**Circular 87**") issued by the MOF in May 2017, the Notice of the Ministry of Finance on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (Cai Jin [2018] No. 23) (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知(財金[2018]23號)) ("**Circular 23**") in March 2018, the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (Fa Gai Wai Zi [2018] No. 706) (國家發展改革委 財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知(發改外資[2018]706號))

("**Circular 706**") jointly issued by the NDRC and the MOF in May 2018, the Guiding Opinion on Strengthening the Asset and Liability Constraints of State-Owned Enterprises (中共中央辦公廳、國務院辦公廳關於加強國有企業資產負債約束的指導意見) jointly issued by the General Office of the Central Committee of the Communist Party of China and the State Council in September 2018 (the "**Joint Opinion**") and the Circular on Filing Requirements with respect to Application for Foreign Debt Issuance by Local State-owned Enterprises (Fa Gai Ban Wai Zi [2019] No. 666) (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知(發改辦外資[2019]666號)) issued by the General Office of NDRC in June 2019 ("**Circular 666**") (Circular 43, Circular 50, Circular 87, Circular 23, Circular 706, the Joint Opinion and Circular 666, together, the "**Debt Control Circulars**").

According to Circular 2881, in addition to the relevant requirements on the assets composition under Circular 19, the financing vehicles of a local government must rely on their internal operating cash flow to finance more than 70.0 per cent. of the cash requirements for repaying their corporate bonds issued in the PRC. If revenue from the construction of public interest projects represents more than 30.0 per cent. of their total revenue, the financing vehicles should provide the authorities that review the application of corporate bonds issuance with information relating to the balance of the local government's debts and other detailed information to demonstrate the local government's comprehensive financial capacity. In addition, it reinforces the requirements under Circular 19 which prohibit local governments from providing guarantees or credits to secure the debts of its financing vehicles through financial funds and state-owned assets of administrative institutions, or any direct or indirect means. As at the date of this Offering Circular, the Group has not received any notice from any governmental authority that it is not in compliance with Circular 2881.

Circular 50 reaffirmed the Circular 43 policy that local governments are not permitted to use any means other than bonds for debt financing and are prohibited from requesting or ordering enterprises to issue debt on their behalf. Circular 87 required that local governments and their departments shall not take advantage of or make up a contract for the government procurement of services in such a manner that conceals an underlying objective of raising funds for any construction project. Circular 23 and Circular 706 established policies for foreign debt issuance including exclusions on public assets being listed as enterprise assets and restrictions on making disclosures in offering circulars that imply government endorsement of the issuance or an association with the government's credit. The Joint Opinion, consistent with Circular 43 and Circular 50, bans local governments from engaging in "disguised" borrowing by using state-owned enterprises to issue corporate debt on their behalf.

On 6 July 2019, the General Office of the NDRC issued Circular 666, which aims to strengthen the management of local government debt and prevent the risks of medium and long-term foreign debts and hidden debt of local government. Circular 666 expressly restricts the use of proceeds of foreign debt issued by local state-owned enterprises which undertake local government financing functions to repaying medium and long-term foreign debts due within one year.

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

The PRC government may continue to release new policies or amend existing regulations to control the increase in local governmental debts in the PRC. There is no assurance that the Group's financing and

business model and also its indebtedness will not be materially affected by future changes in the regulatory regime concerning the local state-owned enterprises in response to such regulations.

The Group relies on government support and a reduction or discontinuance of government support could materially and adversely affect the financial condition and results of operations of the Group.

As a wholly-owned company of Yibin Sanjiang Investment and Construction Group Co., Ltd. and ultimately controlled by Yibin SASAC, the Group regularly receives financial support and certain preferential treatments from the Yibin Municipal Government. These supports come in various forms, such as favourable policies, government subsidies and preferential tax treatment. However, there can be no assurance that Yibin SASAC and the Yibin Municipal Government will continue to provide support to the Group or that the other types of government support will not be adjusted or terminated due to changes in government policy or otherwise. If the support or other incentives which are currently available to the Group are reduced or eliminated in the future, the viability of the Group's businesses may be affected and the financial condition and results of operations of the Group will be materially and adversely affected.

Any material disruption to the Group's production facilities may materially and adversely affect its business, financial condition and results of operations.

Substantially all of the Group's production facilities are located in the PRC. If operations at any of the Group's facilities were to be materially disrupted as a result of equipment failure, natural disasters, power outages, explosions, adverse weather conditions, strikes, civil unrest or other factors, its business, financial condition and results of operations may be materially and adversely affected. The occurrence of any of these significant events could also require the Group to make significant unanticipated capital expenditures. Interruptions in production may limit the Group's production capacity and cause a reduction or delay in its sales. The Group's insurance policies may not cover lost sales or increased costs incurred as a result of disruption of operations, and prolonged business disruptions could result in a loss of customers. If any of the aforesaid events were to materialise, the Group's business, financial condition and results of operations may be materially and adversely affected.

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

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases, may materially and adversely affect the Group's businesses and results of operations. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activities in affected areas, which may in turn adversely affect the Group's businesses. For example, the outbreak of the COVID-19 pandemic, a highly infectious novel coronavirus initially detected toward the end of 2019, started a pandemic globally since early 2020. From 2020 to 2022, the PRC government implemented various restrictive measures in response to the COVID-19 pandemic, including imposing lockdowns and other restrictions from time to time. Such measures had adversely and materially affected the manufacturing, exports and imports and consumption of goods and services globally and significantly reduced global market liquidity and depressed spending and economic activities. Moreover, the PRC has experienced natural disasters such as earthquakes, floods and droughts in the past few years. For instance, serious earthquakes hit Sichuan Province in May 2008 and April 2013 and resulted in significant loss of lives and destruction of economic condition and development in Sichuan Province. As the Group's businesses are dependent on economic conditions in the PRC as a whole, any future occurrence of severe natural disasters in the PRC may adversely affect its economy and, in turn, the Group's businesses and results of operations. There is no assurance that any future occurrence of natural disasters or outbreak of avian influenza, severe acute respiratory syndrome, swine influenza or other epidemics or the measures taken by the PRC government or other countries in response to such events will not seriously disrupt the Group's operations or those of the Group's business partners or prospective investors in the Group's, which may have a material adverse effect on the Group's results of operations.

In addition, acts of war and terrorist attacks may cause damage or disruption to the Group, its employees, facilities, markets, suppliers and customers, any of which may materially and adversely affect its operating income, cost of sales, results of operations or financial condition. Potential war or terrorist attacks may also cause uncertainty and cause the Group's business to suffer in ways that it cannot currently predict. Any of the aforementioned factors may materially and adversely affect the Group's business, financial condition and results of operations.

The Group's business is subject to operational risks.

The Group's production is exposed to hazards inherent to manufacturing industries, including but not limited to fires, unexpected wear and tear or degradation, mechanical failure or misuse and power outages, unscheduled downtimes, performance below expected levels of output or efficiency, transportation interruptions, other industrial accidents, environmental risks and terrorist acts. As at the date of this Offering Circular, the Group has not experienced any material operational problems at its production facilities. However, any future occurrence of material operational problems at the Group's facilities may materially reduce the Group's productivity and profitability during and after the period of such operational difficulties. Some hazards may interrupt operations, cause personal injury, loss of life, severe damage to or destruction of property and equipment and environmental damage and result in legal and regulatory liabilities and/or the imposition of civil or criminal penalties, which may not be fully covered by insurance policies. Furthermore, the Group may be subject to claims with respect to workplace, workers' compensation and other matters. Consequently, the Group's business, financial condition or results of operations could be materially and adversely affected.

The Group's operations involve hazardous working conditions.

The Group's operations involve hazardous working condition and are subject to various national and local laws and regulations of the PRC where it operates, which require the Group to provide a safe and healthy production and working environment for the employees by providing them with adequate protective clothing and gear, safety education and training and having dedicated safety management personnel. In addition, operators of some of the Group's equipment must undergo special training and obtain special work permits. Any failure to meet and maintain such legal and regulatory standards and requirements could subject the Group to warnings from relevant governmental authorities, governmental orders to rectify such non-compliance within a specified time frame, governmental fines and legal proceedings. The Group could also be required to temporarily suspend production or permanently cease its operations in the event of significant non-compliances.

Automobile production presents significant risks of workplace injury or fatality despite the implementation of safety precautions, training and compliance with state and local safety and health laws and regulations. The Group has in place and intends to continuously maintain policies and procedures to minimise these risks. As at the date of this Offering Circular, the Group has not experienced any material accidents which resulted in any fatality of the Group's employees. However, there is no assurance that the Group will not become subject to material liabilities for workplace injuries or fatalities in the future, which could interrupt its production operations and damage the Group's reputation, as well as have a material adverse effect on its business, financial condition or results of operations.

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

The performance, quality and safety of the Group's products are critical to the success of its business and these characteristics depend significantly on the effectiveness of the Group's quality control systems. For example, the Group relies heavily on its quality control systems to ensure the safety and quality of its manufacturing and production process in relation to its automobile manufacturing operations. The Group therefore needs to maintain effective quality control systems for its key business activity. The

effectiveness of the Group's quality control system depends significantly on a number of factors, including the design of the system, the related training programme as well as its ability to ensure that the Group's employees adhere to its quality control policies and guidelines. Any failure or deterioration of the Group's quality control systems could result in defects in the production of its automobile products, which in turn may subject the Group to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause the Group to incur significant costs, harm its business reputation and result in significant disruption to its operations. In addition, if any such claims were ultimately successful, the Group could be required to pay substantial monetary damages or penalties. Although the Issuer believes that the Group's quality control systems have functioned properly, there can be no assurance that failures in its quality control systems will not occur in the future, and any such failure could have an adverse effect on the Group's business and operations.

The Group is subject to product liability exposure which could harm the Group's reputation and materially and adversely affect the Group's business, financial condition and results of operations.

The Group is exposed to potential product liability claims if the products manufactured or produced by the Group fail to perform as expected, or are proven to be defective, or if their use causes, results in or is alleged to have caused or resulted in personal injuries or damage or other adverse effects. Any product liability claim or regulatory action, whether relating to personal injuries or damages, could be costly and time-consuming to defend and have the potential to harm the Group's brand reputation. If successful, product liability claims may require the Group to pay substantial damages. The Group currently does not maintain product liability insurance to cover potential product liability arising from the use of the Group's products and may be unable to obtain sufficient product liability insurance coverage on commercially reasonable terms, or at all. Furthermore, certain product liability claims may be the result of defects from parts and components purchased from third-party suppliers. Such third-party suppliers may not indemnify the Group for defects as to such parts and components or would only provide the Group with limited indemnification that is insufficient to cover the Group's damages resulting from the product liability claim. Product liability claims, with or without merit, may result in significant negative publicity and thus materially and adversely affect the marketability of the Group's products and the Group's reputation, business, financial condition and results of operations. In addition, a material design, manufacturing or quality-related failure or defect in products manufactured or produced by the Group or other safety issues could warrant a product recall by the Group and result in increased product liability claims. If authorities in the jurisdictions in which the Group sells its products decide that the Group's products fail to conform to applicable quality and safety requirements and standards, the Group could be subject to regulatory actions. Violation of PRC product quality and safety requirements in the PRC may expose the Group to monetary and injunctive penalties, including orders to cease manufacturing and sales of relevant products or to cease operations pending the required rectification. Furthermore, if the violation is determined to be serious in nature, the Group's business licences to manufacture or sell relevant products could potentially be revoked, and the Group could be subject to criminal liability. If any of these occurs, the Group's business, financial condition, results of operations and prospect may be materially and adversely affected.

The Group consists of a number of companies operating in various business segments and is subject to challenges not found in companies with a single business line.

The Group conducts businesses in various industries and is exposed to risks associated with multiple businesses.

The Group is exposed to business, market and regulatory risks relating to different industries and markets, and may from time to time expand its businesses to new industries and markets in which it has limited operating experience. The Group needs to devote substantial resources to become familiar with, and monitor changes in, different operating environments so that it can succeed in its businesses.

In addition, as the Issuer has a number of subsidiaries, successful operation of the Group requires an effective management system. As the Group continues to grow its businesses and expand into various

industries, the Group's operations may become more complex, which would increase the difficulty of implementing its management system.

The Issuer may provide direct funding, guarantees and other support to certain of its subsidiaries from time to time. For example, the Issuer may provide shareholder loans to, or act as a guarantor for the borrowings of, certain subsidiaries. If a subsidiary defaults on any borrowings lent or guaranteed by the Issuer, the Issuer will not receive the repayment as planned or the relevant lender may exercise its right under the guarantee to demand repayment from the Issuer. The occurrence of either of these types of events may result in a funding shortage for the Issuer and may materially and adversely affect the Issuer's ability to provide financial support to its other subsidiaries. If the Issuer's financial or non-financial support ceases or diminishes for any reason, the operations of the relevant subsidiaries may be materially and adversely affected, which in turn may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may not be able to successfully identify, acquire, invest in or operate suitable investment projects, acquisition targets or businesses.

There can be no assurance that the Group will be able to identify suitable investments and acquisition targets, complete the investments and acquisitions on satisfactory terms, if at all, or if any such investments and acquisitions are consummated, satisfactorily integrate the acquired businesses and investments. Any failure of the Group to implement its expansion plans through investments and acquisitions could have a material adverse effect on the Group's business, financial position and results of operations, as well as its future prospects.

In addition, the Issuer's subsidiaries operating in different segments may determine that it is in their shareholders' interests to pursue new business ventures. There can be no assurance that such business ventures will be successful or generate the synergies expected, if any. The successful completion of this type of transaction will depend on several factors, including satisfactory due diligence findings and the receipt of necessary regulatory approval, among others. If the Group fails to complete such business ventures or such ventures prove to be unsuccessful, the Group's operating segments involved may be materially and adversely affected.

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

The Group may consider expanding its business by acquiring certain interests in other companies. For example, the Issuer acquired approximately 50.50 per cent. of the equity interest in Yibin Cowin in December 2017. During the course of these transactions, the Group will conduct due diligence investigations with respect to the target companies, but the due diligence with respect to any acquisition opportunity may not reveal all relevant facts that are necessary or useful in evaluating such opportunity, which could subject the Group to unknown financial, legal and other risks and liabilities. When determining the consideration for any acquisition, the Group will consider various factors, including but not limited to the quality of the target business, estimated costs associated with the acquisition and the management of the target business, prevailing market conditions and intensity of competition. The Group will also face various issues arising from the acquisition after the relevant transaction is completed, such as integration of the business into its operations and allocation of internal resources. There can be no assurance that the Group will be able to address these issues effectively.

In addition, any major acquisition or transaction of similar nature may consume substantial management attention and financial resources of the Group or even cause the Group to incur significant indebtedness. Any material decrease in its financial resources may limit the Group's ordinary operating activities and increase pressure on its liquidity, and in turn could adversely affect its business, financial condition and results of operations.

The Group is unable to predict whether there will be any target suitable for acquisition or when any suitable acquisition opportunities could arise. In the event that the Group enters into any letter of intent or

agreement for any material acquisition after the issue of the Bonds, the market price and the trading volume of the Bonds may be materially and adversely affected.

The Group may not be successful in integrating and managing future investments and/or acquisitions.

The Group may from time to time consider investment and acquisition opportunities that may complement its core business portfolio and capabilities, and assist in expanding the market share of its core business operations. For example, the Issuer acquired approximately 50.50 per cent. of the equity interest in Yibin Cowin in December 2017. The ability of the Group's operations to grow by investments in and/or acquisitions of its target businesses is dependent upon, and may be limited by, the availability of attractive projects, its ability to agree on commercial, technical and financing terms to the satisfaction of the Group and to obtain required approvals from relevant regulatory authorities.

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

- diversion of management's attention from the Group's existing businesses;
- increases in the Group's expenses and working capital requirements, which may reduce its return on invested capital;
- difficulty of expanding into different markets and challenges of operating in markets and industries that the Group does not have substantial experience in;
- increases in debt, which may increase the Group's financing costs as a result of higher interest payments;
- exposure to unanticipated contingent liabilities to acquired businesses; and
- difficulties in integrating acquired businesses or investments into the Group's existing operations, which may prevent it from achieving, or may reduce, the anticipated synergies.

In addition, where the Group invests in joint ventures, it may not have management control over its investments and there can be no assurance that such joint ventures will operate smoothly or successfully, if at all. There can also be no assurance that joint venture partners will act in a way which is consistent with the interests of the Group and be able and willing to fulfil their obligations under the relevant joint venture or other agreements.

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

The success of the Group's business depends, to a large extent, on the strategic vision of its board of directors, the continued service of key managerial personnel including directors and key senior executives and the ability to attract and retain highly skilled personnel. In particular, the automobile manufacturing and sale business is a highly specialised area which requires professional knowledge and know-how. There is significant competition in the PRC for such talent. If key personnel leaves the Group to join other employers, including the Group's competitors, the Group may face difficulties employing and assimilating suitable replacement personnel in the short term. Failure to recruit, train, develop and retain personnel with the necessary qualifications may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, if any of them fails to

observe and perform their obligations under their service agreements, this may have a material adverse effect on the Group's results of operations and profits.

In addition, some of the Group's employees are currently represented by labour unions. Also, certain employees of some of the Group's suppliers, contractors or companies in which the Group has investments are or may become unionised in the future or experience labour-related instability. Although the Group enjoys good labour relations with its employees and has not experienced any labour disputes that could cause material adverse effect to the Group's operation and performance as at the date of this Offering Circular, the Group is unable to predict the outcome of any future labour negotiations. Any conflicts with the Group's employees or contractors and/or their respective unions could have a material adverse effect on its financial condition and results of operations.

The Group's ability to generate cash to serve its indebtedness depends on many factors beyond its control.

The Group's ability to make payments on and to refinance its indebtedness, including the Bonds, and to fund planned capital expenditures and project development will depend on the Group's ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Group's control. The Group's business operations might not generate sufficient cash flow from operations to enable it to pay its indebtedness, including the Bonds, or to fund the Group's other liquidity needs. The Group may need to refinance all or a portion of its indebtedness, including the Bonds, on or before maturity. However, the Group might not be able to refinance any of its indebtedness, including the Bonds, on commercially reasonable terms or at all.

For the years ended 31 December 2021, 2022 and 2023, the Group recorded net cash flow generated from operating activities of RMB150.5 million, RMB1,635.3 million and RMB810.8 million, respectively. The fluctuation in net cash flow generated from operating activities was primarily due to the continuous increase in cash payments for purchasing goods and accepting services with the business scale of the Group expanding. In addition, the Group has historically experienced negative net operating cash flows, primarily due to the reason that the automobile industry requires substantial capital investment in the early stage and the fact that significant cash flows has been invested in the Group's automobile business. The Group's operating cash flow is also affected by a number of other factors, such as the credit terms granted by the Group's suppliers and accordingly the Group's trade payables, the sales of the Group's products and its inventories. If the Group is not able to improve its operating cash flow in a timely manner or at all, its reliance on external financing to meet its working capital and capital expenditures may increase.

If the Group is unable to service its indebtedness or obtain refinancing on terms acceptable to the Group, it may be forced to adopt an alternative strategy that may include reducing or delaying capital expenditures, selling assets or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

There can be no assurance that the Group can match the maturity profile of its assets and liabilities as it grows. Inability to do so will impact the Group's liquidity and its ability to repay its borrowings and settle its outstanding liabilities.

The Group's failure to collect its receivables may affect its liquidity. The Group's account receivables are mainly outstanding amounts owed by its related parties. The Group's other receivables are mainly outstanding amounts owed by the PRC government. As at 31 December 2021, 2022 and 2023, the Group's accounts receivable amounted to RMB1.4 billion, RMB1.9 billion and RMB2.2 billion, respectively, representing approximately 5.2 per cent., 6.4 per cent., and 6.0 per cent. of the Group's total assets, respectively. As at 31 December 2021, 2022 and 2023, the Group's other receivables amounted to RMB1.2 billion, RMB1.4 billion, and RMB2.4 billion, respectively, representing 4.6 per cent, 4.7 per cent. and 6.5 per cent., respectively, of the Group's total assets.

According to the Group's accounting policies, the Group will make provisions for overdue receivables in its balance sheet as a reserve against the future recognition of certain accounts receivables and other receivables as bad debt. There are inherent risks associated with the government or the Group's customers' ability to make timely payments and their failure to make timely payments could materially and adversely affect the Group's liquidity and in turn affect its business, financial condition and results of operations.

If the Group fails to match the relative maturities of its assets and liabilities or manage its interest rate exposures between its borrowings and its receivables, net liquidity shortfalls may occur, and the Group may not be able to meet its financial liabilities as they fall due. In addition, such liquidity shortfalls may also impair the Group's ability to obtain sufficient additional financing, if at all. As a result, the Group's liquidity may be impaired, which would have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group requires various approvals, permits and licences to operate its businesses.

Pursuant to the applicable laws and regulations in the PRC, the Group is required to obtain or renew approvals, permits and licences with respect to its relevant operations. There can be no assurance that the Group will be able to obtain or renew all necessary approvals, permits and licences on a timely basis or at all. Failure to comply with the applicable laws and regulations or the inability to obtain the relevant approvals, permits and licences could expose the Group to the imposition of sanctions, fines, penalties, revocation of licences or other punitive actions, including suspension of the Group's business operations or restrictions or prohibitions on certain of the Group's business activities, which may materially and adversely affect the Group's financial condition and results of operations.

Non-compliance with environmental regulations, including those to be implemented in the future, may result in material adverse effects on the Group's results of operations.

A variety of general and industry-specific PRC environmental laws and regulations apply to the Group's operations such as damage caused by air emissions, noise emissions, waste water discharges, waste pollution and solid and hazardous waste handling and disposal. Costs and liabilities relating to compliance with applicable environmental laws and regulations are an inherent part of the Group's business operations. These laws can impose liability for non-compliance or clean-up liability on the generation of hazardous waste and other substances from the Group's business operations that are disposed of either on- or off-site, regardless of fault or the legality of the disposal activities. The Group may also be required to investigate and remedy contamination at its properties or where the Group conducts operations, including contamination that was caused in whole or in part by previous owners of properties.

In addition, environmental laws and regulations are becoming increasingly stringent and may in the future impose onerous obligations on the Group or significant penalties for non-compliance. While the Group intends to comply with applicable environmental legislation and regulatory requirements, it is possible that such compliance may materially restrict the operation of its business and/or result in significant costs for the Group.

In addition to potential clean-up liability, the Group may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may result in closure or temporary suspension or the imposition of restrictions on the Group's operations. The Group may become involved in legal proceedings that may require it to pay fines, comply with more rigorous standards or incur capital and operating expenses for environmental compliance. Third parties may sue the Group for damages and costs resulting from environmental contamination from its properties and/or production facilities. There can be no assurance that changes in laws or regulations, in particular environmental laws and regulations, will not result in the Group having to incur substantial capital

expenditures to upgrade or supplement its existing facilities or becoming subject to any fines or penalties. If the Group were to incur significant fines or penalties or become involved in protracted litigation, or if any of its facilities are closed down or required to be temporarily suspended or if any upgrade is required to comply with the applicable laws and regulations, then the Group's financial condition and results of operations may be materially and adversely affected.

The Group is subject to extensive regulatory requirements and any failure to comply with the applicable laws, rules and regulations may materially and adversely affect the Group's financial condition and results of operations.

Certain business segments of the Group, in particular, the business operation of automobile manufacturing and sale is extensively regulated in the PRC. The Group is subject to extensive laws, policies and regulatory requirements issued by the relevant governmental authorities in the PRC, including but not limited to extensive health and safety regulations in the PRC. The Group is also subject to the supervision of a number of government ministries and departments, including but not limited to NDRC and the State Administration of Work Safety. Any breach of the applicable laws or regulations to which the Group is subjected to may result in the imposition of fines and penalties, the suspension or closure of its relevant operations or the suspension or revocation of its licences or permits to conduct its relevant businesses.

Given the magnitude and complexity of the laws and regulations to which the Group is subjected to, compliance with such laws and regulations or the establishment of effective monitoring systems may be onerous or may require a significant amount of financial and other resources. Although the Group is obliged to comply with all applicable laws and regulations, there can be no assurance that the Group will be in compliance with all applicable laws and regulations in the PRC updated from time to time. Any failure of the Group to comply with applicable laws and regulations could subject the Group to, among other things, civil liabilities and penalties.

As at the date of this Offering Circular, the Group has not received any notice regarding material non-compliance with the applicable safety regulations or requirements from any government authority. However, PRC health and safety laws and regulations are constantly evolving. There can be no assurance that the PRC government will not impose additional or stricter health and safety laws or regulations, which may increase the Group's compliance costs and in turn could materially and adversely affect the Group's operations and financial condition.

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

Following the 18th Chinese Communist Party Congress in 2012 and the wide-reaching anticorruption campaign in the PRC, the Central Leading Group for Inspection Work (the "**Inspection Leading Group**"), a coordination body set up under the Central Committee of the Chinese Communist Party for the purpose of managing party disciplinary inspections nationwide, has dispatched inspection teams to provinces and central government organs such as ministries and state-owned enterprises, including the Issuer, in the PRC to conduct inspection work on party disciplinary enforcement.

The Issuer believes that the inspection team's findings will not materially and adversely affect the business, financial condition and results of operations of the Group. However, there can be no assurance that there will not be any further investigations or actions against the Group or its officers or employees resulting from the findings taken by the Inspection Leading Group or other governmental authorities or that such investigations or actions would not affect the Group as a result.

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

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

In particular, the Group is required to comply with applicable anti-money laundering, anti-terrorism laws and other regulations in the PRC and other relevant jurisdictions.

The Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner, if at all. In addition, it is not always possible to detect and prevent fraud and other misconduct, and the precautions undertaken by the Group to prevent and detect such activities may not be effective. There can be no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity as a result and the relevant government agencies may freeze its assets or impose fines or other penalties on the Group. Any of these may materially and adversely affect the Group's reputation, financial condition and results of operations.

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

A material fluctuation in interest rates may have a material impact on the Group's interest expenses and payables under its bank loans and in turn negatively affect its financing costs and results of operations. Since the outbreak of the global financial crisis in 2008, the PBOC progressively lowered the benchmark lending rates with an aim to encourage lending, increase liquidity in the market and promote the recovery of China's economy. On 20 July 2013, pursuant to the Notice on Further Promoting the Market-oriented Interest Rate Reform (中國人民銀行關於進一步推進利率市場化改革的通知), the PBOC abolished the regulation of the benchmark lending rates for financial institutions and began allowing lending rates to be determined by financial institutions pursuant to market principles, known as the loan prime rate (the "**LPR**" On 28 December 2019, the PBOC issued the Announcement on Matters Concerning the Shift of the Pricing Benchmark for Existing Floating Rate Loans to the LPR (存量浮動利率貸款的定價基準轉換為LPR有關事宜公告), which provides that financial institutions shall not be allowed to enter into floating rate loan contracts based on the benchmark lending rates after 1 January 2020, and, in principle,

the shift of pricing benchmark for existing floating rate loans from the benchmark lending rates to the LPR should be completed before 31 August 2020. As at the date of this Offering Circular, all of the Company's existing floating rate bank loans bear interest based on the LPR. The Group has substantial indebtedness outstanding. As at 31 December 2023, the Group's total interest-bearing indebtedness (comprising short-term borrowing, notes payable, non-current liabilities due within one year, long-term loans, bonds payable and long-term accounts payables (interest-bearing portion)) amounted to RMB2.2 billion. For the years ended 31 December 2021, 2022 and 2023, the Group's finance charges were RMB543.2 million, RMB805.8 million and RMB605.8 million, respectively. Although the Group's financial condition and results of operations may benefit from the current low-interest environment, there is no assurance that this environment will continue. Any increase in the LPR in the future will increase the Group's financing costs and adversely affect the Group's profitability, financial condition and results of operations.

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

The historical financial information of the Group included in this Offering Circular is not indicative of its future financial results. This financial information is not intended to represent or predict the results of operations of any future periods. The Group's future results of operations may change materially if its future growth does not follow the historical trends for various reasons, including factors beyond its control, such as changes in economic environment, PRC environmental rules and regulations and the competitive landscape of the industries in which the Group operates its business. Furthermore, the future results of operations of the Group may also fluctuate or change materially due to changes in the Group's business model and/or the accounting treatments applied thereto. In addition, there is no assurance that the Group will not record an operating loss in the future, which may have an adverse effect on the Company's ability to pay its debt, including the Bonds.

The Group's consolidated financial statements have been prepared and presented in accordance with the PRC GAAP, which is different from IFRS in certain respects.

The Group's consolidated financial statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. Please see "*Summary of Certain Differences between PRC GAAP and IFRS*" for further details. Each investor should consult its own professional advisers for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

The Group may be subject to legal, litigation and regulatory proceedings.

The Group may be involved, from time to time, in legal proceedings arising in the ordinary course of its operations. Please see "*Description of the Group — Legal Proceedings*" for further information. Litigation arising from any failure, injury or damage from the Group's operations may result in the relevant member of the Group being named as defendant in lawsuits asserting large claims against such member of the Group or subject such member of the Group to significant regulatory penalties. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for a substantial period of time. Actions brought against the Group may result in settlements, injunctions, fines, penalties or other sanctions adverse to the Group's reputation, financial condition and results of operations. Even if the Group is successful in defending against these actions, the costs associated with the Group's defence may be significant. When the market experiences a downturn, the number of legal claims and amount of damages sought in litigations and regulatory proceedings may increase. A significant judgment, arbitration award or regulatory action against the Group, or a disruption in the Group's business arising from adverse adjudications in proceedings against the Group's directors, senior

management or key employees, would materially and adversely affect the Group's liquidity, business, financial condition, reputation, results of operations and prospects.

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

The Group may not have adequate insurance to cover all potential liabilities or losses.

The Issuer believes that the Group maintains insurance coverage in amounts that are commensurate with its risk of loss and industry practice. However, the Group faces various risks in connection with its businesses and may lack adequate insurance coverage or may have no relevant insurance coverage. There can be no assurance that the insurance maintained by the Group will provide adequate coverage in all circumstances. Although the Group has had a track record of safe operation and it has not suffered any material hazards over the last three years, there can be no assurance that hazards, accidents or mishaps will not occur in the future. The occurrence of any such incident for which the Group is uninsured or inadequately insured may have a material adverse effect on its business, financial condition and results of operations.

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

The Group's business depends on the integrity and performance of its business, accounting and other data processing systems. If the Group's systems cannot cope with increased demand or otherwise fail to perform, the Group could experience unanticipated business disruptions, slower response times and limitation on its ability to monitor and manage data and exposure to risk, control financial and operation conditions, and keep accurate records. These consequences could result in operating outages, poor operating performance, financial losses, and potential intervention by regulatory authorities.

Although the Group's systems have not experienced major system failures and delays in the past, there can be no assurance that the Group's systems would not experience future system failures and delays, or the measures taken by the Group to reduce the risk of system disruptions are effective or adequate. If internet traffic and communication volume increase unexpectedly or other unanticipated events occur, the Group may need to expand and upgrade the Group's technology, systems and network infrastructure. There can be no assurance that the Group will be able to accurately project the rate, timing or cost of any increases, or expand and upgrade the Group's systems and infrastructure to accommodate any increases in a timely manner.

The Group may not be able to adequately protect its intellectual property, which could adversely affect its business operations.

The Group may rely on patents, copyrights, trademarks and/or contractual rights to protect its intellectual property. There can be no assurance that any protective measures adopted by the Group will be sufficient to prevent any misappropriation of the Group's intellectual property. The legal regime governing intellectual property in the PRC is still evolving and the level of protection afforded in respect of intellectual property rights in the PRC differs from those in other jurisdictions. In the event that the measures taken by the Group and the protection afforded by law do not adequately safeguard the Group's proprietary technology or property, the Group could suffer significant losses due to the sales of competing products or services that appoints the Group's intellectual property, which in turn could materially and adversely affect its business, financial condition and results of operations.

Changes in the organisational structure of the Group may affect the Group's financial condition and results of operations.

The Group may undergo certain organisational restructuring from time to time which may involve disposal by the Issuer of certain subsidiaries or affect whether certain subsidiaries will be consolidated in the Issuer's consolidated financial statements. In particular, the Group's subsidiary, Yibin Big Data Co., Ltd. (宜賓市大數據有限責任公司), may undergo reorganisation pursuant to the instruction of Yibin Municipal Government with a view to integrating the state-owned resource in Linyi. There can be no assurance that any such organisational restructuring or changes in the Issuer's shareholding structure will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Investors should not place any reliance on financial information which is unreviewed or unaudited and shall not place undue reliance on the discussion of material financial trends in relation to the Group's unaudited and unreviewed financial information.

The Issuer from time to time issue debt securities in the domestic capital markets in the PRC. According to applicable PRC securities regulations on debt capital markets, the Issuer is required to publish its quarterly, semi-annual and annual financial information to satisfy its continuing disclosure obligations relating to its debt securities issued in the domestic capital markets. After the Bonds are issued, the Issuer is obligated by the terms of the Bonds, among others, to provide holders of the Bonds with its audited financial statements and certain unaudited interim financial statements. The interim financial information published by the Group in the PRC is normally derived from its management accounts and is neither audited nor reviewed by independent auditors. Unless specifically included in this Offering Circular, such financial information does not form part of this Offering Circular, and should not be referred to or relied upon by potential investors to provide the same quality of information associated with any audited or reviewed financial information. The Group is not responsible to holders of the Bonds for the financial information from time to time published in the PRC and therefore investors should not place any reliance on any such financial information.

The Issuer's reporting auditor, Asia Pacific, has received adverse regulatory decisions and warnings issued by relevant PRC authorities in recent years.

In recent years, as part of an effort to improve effective regulatory oversight, PRC regulators have increased their examinations of PRC public accountants. As a result, auditors in the PRC have been subject to more frequent examinations. Asia Pacific, the auditors who audited the financial statement included in this Offering Circular, is a registered accounting firm in the PRC supervised by relevant PRC regulatory agencies and are subject to investigations by such relevant PRC regulatory agencies. Asia Pacific and certain of its auditors have previously received warning letters issued by the China Securities Regulatory Commission (the "**CSRC**"). The CSRC regulatory warnings focused on issues relating to the performance of Asia Pacific's audit services for corporate clients that are unrelated to the Group. Asia Pacific has confirmed that the auditors who participate in the audit of the Audited Annual Statements were not the subject of, or involved in, the abovementioned CSRC regulatory matters and are qualified to provide audit services under applicable PRC laws, rules, and guidelines. The CSRC warning letters do not disqualify Asia Pacific team from participating in this offering as the Issuer's reporting auditor or have any impact on Asia Pacific's opinions for the 2022 Audited Financial Statements and 2023 Audited Financial Statements. There is no assurance that Asia Pacific's involvement in such administrative actions or any negative publicities would not affect investors' confidence in the audit or review of the Issuer's financial statements.

Certain facts and statistics in this Offering Circular are derived from publications not independently verified by the Issuer, the placing agents, the Trustee, the Agents or their respective advisers.

This Offering Circular contains facts and statistics relating to the economy of the PRC, Sichuan Province and the industries in which the Group operates. While the Company has taken reasonable care to select reputable and reliable information sources and ensure that the facts and statistics relating to the PRC, Sichuan Province and the industries in which the Group operates presented are accurately extracted from such sources, such facts and statistics have not been independently verified by the Company, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank, the Agents or any of its or their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them and, therefore, none of them makes any representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the PRC. Due to ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon.

RISKS RELATING TO THE PRC

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

The economy of the PRC experienced rapid growth in the past 40 years. There has been a slowdown in the growth of the PRC's GDP since the second half of 2013 and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. According to the National Statistics Bureau of the PRC, the annual growth rate of China's GDP in 2019 slowed down to 6.0 per cent. on a year-on-year basis compared to 6.6 per cent. in 2018, and it further decreased to 2.2 per cent. in 2020 on a year-on-year basis. In March 2016, Moody's and S&P changed China's credit rating outlook to "negative" from "stable", which highlighted the country's surging debt burden and questioned the government's ability to enact reforms. On 24 May 2017, Moody's downgraded China's long-term local currency and foreign currency issuer ratings to A1 from Aa3 and changed the outlook to stable from negative. On 21 September 2017, S&P's rating services downgraded China's credit rating by one notch from AA-to A+. On 5 December 2023, Moody's downgraded its outlook on China's credit rating to negative from stable. Any slow-down in the PRC economy may create a credit-tightening environment, increase the Group's financing costs, or reduce government subsidies to the Group, resulting in a material adverse effect on its business, results of operations and financial condition.

The future performance of the PRC's economy is not only affected by the economic and monetary policies of the PRC government, but it is also exposed to material changes in global economic and political environments as well as the performance of certain major developed economies in the world. For example, the international trade environment and various governments' trade and economic policies, particularly the recent trade conflicts between the PRC and the United States, may cause uncertainties to the PRC's economy and financial, foreign exchange and capital markets. In addition, the United Kingdom's exit from the European Union took place on 31 January 2020, where the United Kingdom legally revoked its membership in the European Union. The United Kingdom then entered into the transition period which was agreed between the British government and the European Union to negotiate, among others, trade agreements in details. On 24 December 2020, the United Kingdom and the European Union entered into a provisional free-trade agreement that ensures the two sides can trade goods without tariffs or quotas. However, key details of the future relationship remain uncertain, such as trade in services. There is also substantial uncertainty relating to the impact of the United Kingdom's exit from the European Union on the economic conditions of other part of the world, such as the PRC's, including but not limited to further decreases in global stock exchange indices, increased foreign exchange volatility (in particular a further weakening of the pound sterling and euro against other leading

currencies) and a possible economic recession involving more countries and areas. Since February 2022, the military conflict between Russia and Ukraine has resulted in an escalated regional instability, amplified the existing geopolitical tension among Russia and other countries in the region and in the west, as well as adversely affected commodity and other financial markets or economic conditions. In addition, the escalating conflict between Russia and Ukraine could lead to regional and global instability, as well as further adversely affect commodity and other financial markets or economic conditions. Therefore, significant uncertainty remains for the overall prospects for the global and the PRC economy.

On 11 March 2020, the World Health Organisation declared COVID-19 as a global pandemic. The COVID-19 pandemic has resulted in a number of countries declaring a state of emergency and a number of countries, including the PRC, Japan, the United States, members of the European Union and the United Kingdom, imposing extensive business and travel restrictions with a view to containing the pandemic. Widespread reductions in consumption, industrial production and business activities arising from the COVID-19 pandemic will significantly disrupt the global economy and global markets and is likely to result in a global economic recession. In addition, COVID-19 has led to significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time.

As such, there continues to be uncertainty for the overall prospects for the global and the PRC economies this year and beyond. Any material change in the financial markets, the PRC economy or regional economies as a result of these events or developments may materially and adversely affect the Group's business, financial condition and results of operations.

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

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

However, a large portion of productive assets in the PRC remain owned by the PRC government. The PRC government continues to play a significant role in regulating industrial development, the allocation of resources, production, pricing and management and the economy in general through policy measures, and there can be no assurance that the PRC government will continue to pursue the existing economic reforms. In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. Other political, economic and social factors may also lead to further adjustments of the reform measures. This refining and adjustment process may not necessarily have a positive effect on the Group's operations and business development.

The Group's operations and financial results could also be affected by changes in political, economic and social conditions or the relevant policies of the PRC government, such as changes in laws and regulations (or the interpretation thereof). In addition, the growth of infrastructure construction demand in the PRC depends heavily on economic growth. If the PRC's economic growth slows down or if the economy of the PRC experiences a recession, the growth of infrastructure construction demand may also slow down, and the Group's business prospects may be materially and adversely affected. The Group's operations and

financial results, as well as its ability to satisfy its obligations under the Bonds, could also be materially and adversely affected by changes to or introduction of measures to control changes in the rate or method of taxation, the imposition of additional restrictions on currency conversion, a reduction in tariff protection and the imposition of other import restrictions.

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

Economic growth in the PRC has 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 foreign 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 business, financial condition or results of operations.

Recently, concerns have arisen over deflationary pressures in the PRC as a result of weak domestic demand and 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 business, financial condition or results of operations.

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

The Group's core business is conducted in the PRC and substantially all of its operations are located in the PRC, hence its business operations are regulated primarily by PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, past court judgments in the PRC have limited precedential value and may be cited only for reference. Furthermore, PRC written statutes often require detailed interpretations by courts and enforcement bodies for their application and enforcement. Since 1979, the PRC government has been committed to developing and refining its legal system and has achieved significant progress in the development of its laws and regulations governing business and commercial matters, such as in foreign investment, company organisation and management, commercial transactions, tax and trade. However, China has not developed a fully integrated legal system and the recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in the PRC. In particular, as these laws and regulations are still evolving, in view of how the PRC's financial industry is still developing, and because of the limited number and non-binding nature of published cases, there exist uncertainties about their interpretation and enforcement, and such uncertainties may have a negative impact on the Group's business.

Also, the PRC legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, the Group may not be aware of the Group's violation of these policies and rules until sometime after the violation. In addition, PRC laws and regulations required and applicable to the regulation of internal affairs of PRC companies are generally less developed than those applicable to companies incorporated in other developed countries or regions such as Hong Kong, the United States and/or the United Kingdom, and any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management's attention.

Furthermore, the administration of PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to other more developed jurisdictions. In addition, it may be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of judgments by a court of another jurisdiction. These uncertainties relating to the interpretation and implementation of

PRC laws and regulations may adversely affect the legal protections and remedies that are available to the Group in its operations and to Bondholders.

As a result of these uncertainties with respect to the PRC legal system, lack of uniform interpretation and effective enforcement, the Group may be subject to uncertainties in its operations. These uncertainties can also affect the legal remedies and protections available to investors, and can adversely affect the value of their investment.

It may be difficult to effect service of process or enforce any judgments obtained from non-PRC courts against the Group or its directors and senior management who reside in the PRC.

The Terms and Conditions of the Bonds 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 to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed and the Agency Agreement. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken.

A substantial part of the Group's assets is located within the PRC. In addition, most of the Group's directors and senior management reside within the PRC, and assets of the directors and senior management may also be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon most of the Group's directors and senior management, including for matters arising under applicable securities laws. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction. On 14 July 2006, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "**Choice of Court Arrangement**"), pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a "choice of court" agreement in writing may apply for recognition and enforcement of the judgment in the PRC. Similarly, a party with a final court judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a "choice of court" agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A "choice of court" agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Choice of Court Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute do not enter into a "choice of court" agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against the Company or the Company's directors or members of its senior management in the PRC and/or to seek recognition and enforcement for foreign judgments in the PRC. The Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters between 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 "**2019 Arrangement**") came into operation and is applicable to civil and commercial judgments given by the courts of Mainland China and Hong Kong on or after 29 January 2024. Under the 2019 Arrangement, PRC courts will generally recognise and enforce civil and commercial judgments given by Hong Kong courts provided that certain jurisdictional requirements are satisfied. A PRC court may refuse to recognise or enforce a Hong Kong judgment under the 2019 Arrangement if the PRC court considers that doing so would be manifestly contrary to the public principles of PRC law or the social and public interests of the PRC.

Furthermore, the PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States, United Kingdom, or some other European countries or Japan. Hence, the recognition and enforcement in the PRC of judgment of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

The payment of dividends by the Company's operating subsidiaries in the PRC is subject to restrictions under the PRC law.

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

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

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

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 PRC. Substantially all of the Group's 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 principal and interests under the Bonds or other foreign currency denominated debt, if any. Under the existing PRC laws and regulations on foreign exchange, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE provided that certain procedural requirements are complied with. Approval from or

registration with competent governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may, at its discretion, take measures to restrict access to foreign currencies for current account and capital account transactions under certain circumstances. If the foreign exchange control system prevents the Group from obtaining sufficient foreign currencies to satisfy the Group's foreign currency demands, the Group may not be able to pay interest and/or principal under the Bonds to Bondholders or due under other foreign currency denominated debt, if any. In addition, there can be no assurance that new laws or regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of the PRC. The proceeds from the offering of the Bonds will be received in U.S. dollars. As a result, any appreciation of Renminbi against the U.S. dollar 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 Bonds. Conversely, any depreciation of Renminbi may adversely affect the Group's ability to service the Bonds.

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

The PRC Labour Contract Law became effective on 1 January 2008 in the PRC and was amended on 28 December 2012. It imposes more stringent requirements on employers in relation to entry into fixed-term employment contracts and dismissal of employees. Pursuant to the PRC Labour Contract Law, the employer is required to make compensation payment to a fixed-term contract employee when the term of their employment contract expires, unless the employee does not agree to renew the contract even though the conditions offered by the employer for renewal are the same as or better than those stipulated in the current employment contract. In general, the amount of compensation payment is equal to the monthly wage of the employee multiplied by the number of full years that the employee has worked for the employer. A minimum wage requirement has also been incorporated into the PRC Labour Contract Law.

In addition, unless otherwise prohibited by the PRC Labour Contract Law or objected to by the employees themselves, the employer is also required to enter into non-fixed-term employment contracts with employees who have previously entered into fixed-term employment contracts for two consecutive terms.

In addition, under the Regulations on Paid Annual Leave for Employees, 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 five to 15 days, depending on the length of the employees' work time. Employees who consent to waive such vacation at the request of employers shall be compensated an amount equal to three times their normal daily salary for each vacation day being waived. Under the National Leisure and Tourism Outline 2013-2020 which became effective on 2 February 2013, all workers must receive paid annual leave by 2020. As a result of the PRC Labour Contract Law, the Regulations on Paid Annual Leave for Employees and the National Leisure and Tourism Outline 2013-2020, the Group's labour costs (inclusive of those incurred by contractors) may increase. Further, under the PRC Labour Contract Law, when an employer terminates its PRC employees' employment, the employer may be required to compensate them for such amount which is determined based on their length of service with the employer, and the employer may not be able to efficiently terminate non-fixed-term employment contracts under the PRC Labour Contract Law without cause. In the event the Group decides to significantly change or decrease its workforce, the PRC Labour Contract Law could adversely affect its ability to effect these changes in a cost-effective manner or in the manner that the Group desires, which could result in an adverse impact on the Group's business, financial condition and results of operations.

Further, in the event that there is a labour shortage or a significant increase in labour costs, the Group's business operation costs is likely to increase. In such circumstances, the profit margin may decrease and the financial results may be adversely affected. In addition, inflation in the PRC has increased in recent

years. Inflation in the PRC increases the cost of raw materials required by the Group for conducting its business and the costs of labour as well. Rising labour costs may increase the Group's operating costs and partially erode the cost advantage of the Group's operations and therefore negatively impact the Group's profitability.

RISKS RELATING TO THE BONDS AND THE STANDBY LETTER OF CREDIT

The bankruptcy laws of the PRC may differ from those of other jurisdictions with which the holders of the Bonds are familiar.

Each of the Issuer and the LC bank is a company incorporated under the laws of the PRC. Any bankruptcy proceeding relating to the Issuer or the LC Bank would likely involve PRC bankruptcy laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

None of the Yibin Sanjiang Investment and Construction Group Co., Ltd., the Yibin Municipal Government, the Sichuan Provincial Government or any other PRC governmental entity is under any obligation to pay any amount under the Bonds or the Trust Deed if the Issuer fails to meet its obligations thereunder.

The Issuer is beneficially controlled and owned by the Yibin Municipal Government with the Yibin Sanjiang Investment and Construction Group Co., Ltd. as its registered shareholder holding 100.0 per cent. of the Issuer's shares. Similar to other companies ultimately controlled by the PRC government, the Issuer may be generally perceived to have access to liquidity and/or financial support from its beneficial controlling shareholder in light of its ownership structure and the nature of its beneficial controlling shareholder, particularly in the event that the Group becomes financially distressed. However, none of the Yibin Municipal Government, the Sichuan Provincial Government or any other PRC governmental entity is under any obligation to pay any amount under the Bonds or the Trust Deed if the Issuer fails to meet its obligations thereunder. This position has been reinforced by Circular 23 promulgated on 28 March 2018 and taking effect on the same day, Circular 706 jointly issued by the NDRC and the Ministry of Finance of the PRC on 11 May 2018 and taking effect on the same day, and Circular 666 issued by the NDRC on 6 June 2019 which emphasised that local state-owned enterprises shall bear the responsibility for the repayment of foreign debt as independent legal persons, and local governments and their' departments shall not pay the foreign debt of local state-owned enterprises directly or by committing to the payment of the foreign debt with financial funds, nor shall they provide guarantees for the issuance of foreign debt by local state-owned enterprises.

None of the Yibin Sanjiang Investment and Construction Group Co., Ltd., the Yibin Municipal Government, the Sichuan Provincial Government or any other PRC governmental entity has any obligation to pay any amount under the Bonds. Investments in the Bonds are relying on the credit risk of the Issuer. As a result, no financial support from the Yibin Sanjiang Investment and Construction Group Co., Ltd., the Yibin Municipal Government, the Sichuan Provincial Government nor any other the PRC governmental entity may materialise. The Yibin Sanjiang Investment and Construction Group Co., Ltd. only have limited liability in the form of its respective equity contribution in the Issuer, and the Bonds are to be repaid solely by the Issuer and the obligations of the Issuer under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person. In addition, ownership or control by the PRC government does not necessarily correlate to, or provide any assurance as to, the Issuer's and the Group's financial condition. If the Issuer does not fulfil its obligations under the Bonds and the Trust Deed, the Bondholders will only have recourse against the Issuer, and not the Yibin Sanjiang Investment and Construction Group Co., Ltd., the Yibin Municipal Government, the Sichuan Provincial Government or any other PRC governmental entity. Investors should base their investment decision on the financial condition of the Issuer and the Group and any perceived credit risk associated with an investment in the Bonds based on the Group's own financial information reflected in its financial statements.

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

The NDRC issued the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (Fa Gai Wai Zi [2015] No. 2044) (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) (the "**NDRC Circular**") on 14 September 2015, which came into effect on the same day. On 5 January 2023, the NDRC issued the NDRC New Measures, which came into effect on 10 February 2023, simultaneously repealing the NDRC Circular. According to the NDRC New Measures, domestic enterprises and their overseas controlled entities shall procure formalities for examination and registration of any debt securities issued outside the PRC with the NDRC prior to the issue of the securities and notify the particulars of the relevant issues within the prescribed time frame in accordance with the NDRC New Measures after the Issue Date. On 9 February 2023, the NDRC published the frequently asked questions on the NDRC New Measures and its responses (the "**FAQs**"), which provided further clarifications on the practical implications of certain provisions in the NDRC New Measures. In accordance with the FAQs, the Issuer's NDRC Review and registration certification dated 6 March 2024 remains in full force and effect as of the date of this Offering Circular, and that the Issuer shall comply with the provisions relating to foreign debt risk management and interim and ex-post supervision under the NDRC New Measures.

If the Issuer fails to report relevant information according to the NDRC New Measures, the examination and registration authorities shall, depending on the seriousness of the circumstances, impose disciplinary measures such as interviews and public warnings on the Issuer concerned and its principal responsible person, etc.

Potential investors of the Bonds are advised to exercise due caution when making their investment decisions. The Issuer will undertake to file or cause to be filed with the NDRC the particulars in relation to the Bonds within the relevant timeframes after the Issue Date.

In accordance with the Administrative Measures for Foreign Debt Registration (Hui Fa [2013] No. 19) (外債登記管理辦法(匯發[2013]19號)) (the "**Foreign Debt Registration Measures**") issued by SAFE on 28 April 2013, which came into effect on 13 May 2013 and were amended on 4 May 2015, the Issuer shall complete foreign debt registration in respect of the issue of the Bonds with the local branches of SAFE in accordance with laws and regulations. According to the Operation Guidelines for Administration of Foreign Debt Registration (外債登記管理操作指引) promulgated together with the Foreign Debt Registration Measures, the Circular of the PBOC on Matters Concerning the Macro Prudential Management of Full-Covered Cross-border Financing (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) and the SAFE Operational Guideline on Capital Account (2024) (資本項目外匯業務指引 (2024)), the Issuer is required to register the Bonds within fifteen (15) working days after Issue Date and complete such registration in accordance with the Foreign Debt Registration Measures. Before such registration of the Bonds is completed, it is uncertain whether the Bonds are enforceable as a matter of PRC law and it may be difficult for Bondholders to recover amounts due from the Issuer, and the Issuer may not be able to remit the proceeds of the offering into the PRC or remit money out of the PRC in order to meet its payment obligations under the Bonds. Pursuant to article 27(5) of the Foreign Debt Registration Measures, a failure to comply with registration requirements may result in a warning and fine as set forth under article 48 of the Foreign Exchange Administrative Regulations (外匯管理條例) promulgated by the State Council in 2008. However, pursuant to article 40 of the Foreign Debt Administration Provisional Rules (外債管理暫行辦法) promulgated by MOF, the NDRC and SAFE, a failure by a domestic entity to register a foreign debt contract will render the contract not legally binding and unenforceable. Under the Terms and Conditions, the Issuer has undertaken to file or cause to be filed with the NDRC the requisite offering information and the issue details of the Bonds within ten Registration Business Days after the Issue Date in accordance with the NDRC New Measures issued by the NDRC on 5 January 2023 and become effective from 10 February 2023, and any applicable

implementation rules, as issued by the NDRC from time to time (the "**NDRC Post-issue Filing**") and comply with all applicable PRC laws, rules and regulations in connection with the Bonds (including, but not limited to, any related filing requirement under the NDRC New Measures). Further, the Issuer has undertaken that it will (i) within 15 Registration Business Days after the Issue Date submit or cause to be submitted to SAFE the requisite documents and information pursuant to the Foreign Debt Registration and as amended on 4 May 2015 and its operating guidelines issued by SAFE, (ii) use its best endeavours to complete the Foreign Debt Registration and obtain a registration record from SAFE on or before the Registration Deadline, (iii) if applicable, as soon as possible upon being required or requested to do so by any relevant governmental authority, file or cause to be filed with SAFE the Bonds pursuant to the Cross Border Financing Circular and (iv) comply with all applicable PRC laws and regulations in relation to the Bonds and any implementing measures promulgated thereunder from time to time. In the unlikely event that having exercised its best endeavours, the Issuer is unable to complete such registration within the abovementioned time period, investors will have the right to require the Issuer to redeem their holding of Bonds. However, notwithstanding such right, if the Issuer is unable to complete the registration with the local branches of SAFE, the Issuer may have difficulty in remitting funds offshore to service payments in respect of the Bonds and investors may encounter difficulties in enforcing judgments obtained in the Hong Kong courts with respect to the Bonds and the Trust Deed in the PRC. In such circumstances, the value and secondary market price of the Bonds may also be materially and adversely affected.

The Bonds are unsecured obligations.

As the Bonds are unsecured obligations of the Issuer, the repayment of the Bonds may be compromised if:

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

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

Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts and the Bondholders would need to be subject to the exclusive jurisdiction of the Hong Kong courts.

The Terms and Conditions 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. In addition, 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 Bondholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the holders' ability to initiate a claim outside of Hong Kong will be limited.

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

The Bonds may be purchased as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Bonds unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

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

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

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

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

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

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

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

An active trading market for the Bonds may not develop.

The Bonds are a new issue of securities for which there is currently no trading market. There can be no assurance as to the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds or that a liquid market will develop. The liquidity of the Bonds will be adversely affected if the Bonds are held or allocated to limited investors. Although application has been made for the listing of the Bonds on the Hong Kong Stock Exchange, no assurance can be given as to the liquidity of, or trading marked for, the Bonds. None of the Joint Lead Managers is obligated to make a market in the Bonds, 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 Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. It is investors' obligation to ensure that offers and sales of the Bonds within any countries comply with applicable securities laws. Please see "*Subscription and Sale*". The Issuer cannot predict whether an active trading market for the Bonds will develop or be sustained.

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

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Issuer's or the Group'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 Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There is no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

The Standby Letter of Credit is subject to a time limit and to a maximum amount and, in accordance with the terms of the Standby Letter of Credit, the LC Bank will not be liable for any failure to pay in violation of any applicable sanctions.

The Standby Letter of Credit will remain valid and in full force until 6:00 p.m. (Hong Kong time) on 14 July 2027 and will expire at the counter of the LC Bank. In the event that the Trustee does not make or is unable to present a Demand under the Standby Letter of Credit by 6:00 p.m. (Hong Kong time) on 14 July 2027, Bondholders will not be able to benefit from the credit protection provided by the LC Bank. In addition, the Standby Letter of Credit will be subject to a maximum limit. If such maximum limit is insufficient to cover all of the Issuer's obligations under the Bonds and the Trust Deed, the Agency Agreement and/or any other transaction documents relating to the Bonds after deductions of all amounts to which the Trustee is entitled, the Bondholders might not be able to recover the full amount of their claims under the Bonds from the LC Bank and would therefore need to look to the Issuer to recover any such outstanding amounts. In addition, in accordance of the terms of the Standby Letter of Credit, the LC Bank may be unable to make a payment under the Standby Letter of Credit where such payment is to be made to a country, region, entity or individual sanctioned by, or where making such payment would otherwise constitute a violation of, sanctions administered or enforced by the United Nations, the PRC, the United States of America, the European Union, the United Kingdom or any other relevant government and/or regulatory sanctions authority (collectively, "**Sanctions**"). The LC Bank will not be liable under the irrevocable Standby Letter of Credit if they are not legally permitted to make any payment due in accordance with the irrevocable Standby Letter of Credit as a result of the application of any Sanctions to payments to the beneficiary under the irrevocable Standby Letter of Credit.

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

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

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

On the Maturity Date, the Bonds will be redeemed at their principal amount, or following the occurrence of a Relevant Event (as defined in the Terms and Conditions), the Issuer may, at the option of any Bondholder, be required to redeem all, but not some only, of such Bondholder's Bonds. On the Maturity Date or if any such event were to occur, the Issuer may not have sufficient cash in hand and may not be

able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The ability to redeem the Bonds on the Maturity Date or in any such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's other indebtedness.

The Bonds will be structurally subordinated to the existing and future indebtedness and other liabilities and commitments of the Issuer's existing and future subsidiaries and effectively subordinated to the Issuer's secured debt to the extent of the value of the collateral securing such indebtedness.

The Bonds will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's existing or future subsidiaries, whether or not secured. The Bonds will not be guaranteed by any of the Issuer's subsidiaries, and the Issuer may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer is subject to various restrictions under applicable laws. The Issuer's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Bonds or make any funds available therefore, whether by dividends, loans or other payments. The Issuer's right to receive assets of any of the Issuer'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 is creditor of that subsidiary). Consequently, the Bonds will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any subsidiaries that the Issuer may in the future acquire or establish.

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

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

Certain financing contracts entered into by members of the Group contain operational and financial restrictions that prohibit the Group's or, as the case may be, the relevant subsidiary's, business operations or financing activities, that restrict the relevant borrower from incurring additional indebtedness, creating security or granting guarantees or changing their business and corporate structure and declaring or paying dividends unless it is able to satisfy certain requirements, including but not limited to meeting certain financial ratios or obtaining the relevant lender's prior consent. If the Issuer is unable to comply with the restrictions and covenants in the Bonds, or current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the debt agreements of the Issuer, contain cross-acceleration or

cross-default provisions. As a result, the default by the Issuer under one debt agreement may cause the acceleration of repayment of debt, including the Bonds, or result in a default under its other debt agreements, including the Bonds. If any of these events occur, there can be no assurance that the Issuer's assets and cash flows would be sufficient to repay all of the Issuer's indebtedness in full, or that it would be able to find alternative financing. Even if the Issuer could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer.

Modifications and waivers may be made in respect of the Terms and Conditions, the Trust Deed, the Agency Agreement and the Standby Letter of Credit by the Trustee or less than all of the Bondholders, and decisions may be made on behalf of all Bondholders that may be adverse to the interests of individual Bondholders.

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

The Terms and Conditions will also provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) to any modification of any of the Terms and Conditions or any of the provisions of the Trust Deed, the Agency Agreement, the Standby Letter of Credit that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification of any of the Terms and Conditions or any of the provisions of the Trust Deed. the Agency Agreement and/or the Standby Letter of Credit that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 16 of the Terms and Conditions.

In addition, the Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to any waiver or authorisation of any breach or proposed breach by the Issuer, of any of the Terms and Conditions or any of the provisions of the Trust Deed, the Agency Agreement and/or the Standby Letter of Credit that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders.

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

In certain circumstances (including without limitation the giving of notice pursuant to Condition 9 of the Terms and Conditions and the taking of any steps and/or actions and/or instituting any proceeding pursuant to Condition 13 of the Terms and Conditions), the Trustee may (in its sole and absolute discretion) request the Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes any steps and/or actions and/or institutes any proceeding on behalf of Bondholders. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or to institute proceedings, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Terms and Conditions or the Trust Deed (as defined in the Terms and Conditions) and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such steps and/or actions and/or to institute such proceedings directly.

Gains on the transfer of the Bonds and interest payable by the Issuer to overseas Bondholders may be subject to income tax and value-added tax under PRC tax laws.

Under the Enterprise Income Tax Law of the PRC (the "**EIT Law**") which took effect on 1 January 2008 and was amended on 24 February 2017 and 20 December 2018 and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by enterprise holders 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 Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Arrangement**") which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

Pursuant to the EIT Law, the PRC Individual Income Tax Law (the "**IIT Law**") which took effect on 30 June 2011 and further revised on 31 August 2018 and came into force on 1 January 2019, and the implementation regulations in relation to both the EIT Law and IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals respectively, subject to adjustment by applicable treaty. As the Issuer is a PRC resident enterprise for tax purposes, interest paid to non-resident Bondholders may be regarded as PRC-sourced, and therefore be subject to PRC income tax at a rate of 10 per cent. for non-resident enterprise Bondholders and at a rate of 20 per cent. for non-resident individual Bondholders (or a lower treaty rate, if any).

On 23 March 2016, MOF and the State Administration of Taxation issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (Caishui [2016] No. 36) ("**Circular 36**"), which introduced a new value-added tax ("**VAT**") from 1 May 2016 and partially amended thereafter. VAT is applicable where entities or individuals provide services within the PRC. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 and laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties. On 20 March 2019, the Ministry of Finance, SAT and General Administration of Customs issued the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (關於深化增值税改革有關政策的公告) ("**Announcement 39**") which came into force on 1 April 2019. Announcement 39 further deepened the VAT reform by way of adjusting tax rate and calculating method and so on. However, how the reforms will be implemented remain uncertain.

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

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

The ability of the LC Bank to make payments under the Standby Letter of Credit will depend on its financial condition, which could be materially and adversely affected by a number of factors, including, but not limited to, the following:

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

- *Collateral and guarantees:* A certain portion of the LC Bank's loans is secured by collateral and pledges. In addition, a certain portion of its PRC loans and advances is backed by guarantees. If the LC Bank is unable to realise the collateral, pledges or guarantees securing its loans to cover the outstanding principal and interest balance of such loans due to various factors, the LC Bank's financial condition could be materially and adversely affected.

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

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

The Bonds will be represented initially by beneficial interests in the Global Certificate in registered form, which will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator of the CMU. Beneficial interests in the Global Certificates will be shown on and transfers thereof will be effected only through records maintained by the CMU. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Bonds. The relevant Clearing System will maintain records of its direct account holders having interests in the Global Certificate.

While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the Clearing System for distribution to their account holders.

A holder of a beneficial interest in the Global Certificate must rely on the procedures of the Clearing System to receive payments under the Bonds. None of the Issuer, the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer in the event of a default under the Bonds but will have to rely upon their rights under the Trust Deed.

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

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

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

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to their principal amount, together with interest accrued up to but excluding the date fixed for redemption if, subject to certain conditions, as a result of a change in or amendment to tax laws or regulations, the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions), as further described in Condition 6(b) of the Terms and Conditions.

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

The Issuer may issue additional Bonds in the future.

The Issuer may, from time to time, and without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the first payment of interest on them, as the case may be, and the timing for performing and completing the NDRC Post-issue Filing, complying with the Registration Conditions and the making of the Foreign Debt Registration and if applicable, the filing of the Bonds under the Cross Border Financing Circular) (see "*Terms and Conditions of the Bonds — Further Issues*") or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Bonds.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the Hong Kong Stock Exchange, which standards may be different from those applicable to companies in certain other countries.

The Issuer will be subject to reporting obligations in respect of the Bonds to be listed on the Hong Kong Stock Exchange. The disclosure standards imposed by the Hong Kong Stock Exchange may be different than those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to the level to which the Bondholders are accustomed to.

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

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

RISKS RELATING TO BONDS DENOMINATED IN RENMINBI

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

The Issuer will pay principal, premium and interest on the Bonds in Renminbi (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency equivalent market value of the Bonds. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds.

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

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of the Bonds.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

Participating banks in Hong Kong, Macau, Singapore, Taiwan, Seoul, Frankfurt, London, Paris, Luxembourg, Doha and Toronto have been permitted to engage in the settlement of current account trade transactions in Renminbi under certain pilot schemes.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are still being developed.

Although starting from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross- border transactions in foreign currencies were implemented by PBOC in 2018, there can be no assurance that the PRC government will continue to liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which will have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under the Bonds denominated in Renminbi.

Remittance of proceeds into or outside of the PRC in Renminbi may be subject to restrictions.

The Issuer's ability to remit some or all of the proceeds into the PRC in Renminbi will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there can be no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC governmental authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

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

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Bonds and the ability of the Issuer to source Renminbi outside the PRC to service such Bonds.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While PBOC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities, including but not limited to Hong Kong (the "**Renminbi Clearing Banks**"), has established the Cross-Border Inter-Bank Payments System to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC, although PBOC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

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

TERMS AND CONDITIONS OF THE BONDS

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

The issue of the CNY1,040,000,000 3.4 per cent. credit enhanced bonds due 2027 (the "**Bonds**", which expression, unless the context requires otherwise, includes any further securities issued pursuant to Condition 15 (*Further Issues*) and to be consolidated and forming a single series therewith) of Yibin Emerging Industry Investment Group Co., Ltd (宜賓市新興產業投資集團有限公司) (the " **Issuer**") was authorised by resolutions of the board of directors of the Issuer on 13 August 2023 and a resolution of the shareholders of the Issuer on 22 November 2023. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the "**Trust Deed**") dated on or about 20 June 2024 (the "**Issue Date**") made between the Issuer and CMB Wing Lung (Trustee) Limited as trustee (the "**Trustee**", which expression shall, where the context so permits, include its successor(s) and all other persons for the time being the trustee or trustees under the Trust Deed) for itself and the Holders (as defined below). These terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. The Bonds will have the benefit of an irrevocable standby letter of credit (the "**Standby Letter of Credit**") dated on or about 19 June 2024 issued by Bank of Shanghai Co., Ltd., Chengdu Branch (the "**LC Bank**") in favour of the Trustee. An Agency Agreement (as amended and/or supplemented from time to time, the "**Agency Agreement**") dated on or about 20 June 2024 relating to the Bonds has been entered into between the Issuer, the Trustee, CMB Wing Lung Bank Limited as CMU lodging and paying agent (the "**CMU Lodging and Paying Agent**", which expression shall include any successor CMU lodging and paying agent appointed from time to time in connection with the Bonds), as registrar (the "**Registrar**", which expression shall include any successor registrar appointed from time to time in connection with the Bonds) and as transfer agent (the "**Transfer Agent**", which expression shall include any other transfer agent appointed from time to time pursuant to the Agency Agreement) and CMB Wing Lung Bank Limited as the bank holding the Pre-funding Account (as defined below) and the LC Proceeds Account (as defined below) (in such capacities, the "**Pre-funding Account Bank**" and the "**LC Proceeds Account Bank**", respectively, each of which expressions shall include any successor). Copies of the Trust Deed, the Agency Agreement and the Standby Letter of Credit are available for inspection at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) by the Bondholders at the specified office for the time being of the CMU Lodging and Paying Agent following prior written request and proof of holding and identity to the satisfaction of the Trustee or the CMU Lodging and Paying Agent. References herein to "**Paying Agents**" means any paying agents appointed from time to time pursuant to the Agency Agreement with respect to the Bonds and includes the CMU Lodging and Paying Agent and "**Agents**" means the CMU Lodging and Paying Agent, any other Paying Agents, the Registrar, any Transfer Agent and any other agent or agents appointed from time to time pursuant to the Agency Agreement with respect to the Bonds including their respective successors. The Bondholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Standby Letter of Credit and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

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

1 FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are in registered form issued in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof (each a "**Specified Denomination**"). The Bonds are represented by registered certificates (the "**Certificates**") and, save as provided in Condition 2(a) (*Transfer*), each Certificate shall represent the entire holding of Bonds by the same Holder.

Title to the Bonds shall pass by transfer and registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"), as described in Condition 2 (*Transfers of Bonds and Issue of Certificates*). The Holder of any Bond shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the Certificate (other than the endorsed form of transfer) representing it or the theft or loss of such Certificate and no person shall be liable for so treating the Holder.

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

*Upon issue, the Bonds will be represented by a global certificate (the "**Global Certificate**") registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator (the "**Operator**") of the Central Moneymarkets Unit Service (the "**CMU**"). These Conditions are modified by certain provisions contained in the Global Certificate. See "Summary of Provisions relating to the Bonds in Global Form".*

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

2 TRANSFERS OF BONDS AND ISSUE OF CERTIFICATES

(a) Transfer

A holding of Bonds may, subject to Conditions 2(d) (*Restricted Transfer Periods*) and 2(e) (*Regulations*), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred (which shall be in the Specified Denomination) and a further new Certificate in respect of the balance of the holding not transferred (which shall be in the Specified Denomination) shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a Holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of title to a Bond will be valid unless and until entered on the Register.

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

(b) Delivery of New Certificates

Each new Certificate to be issued upon transfer of any Bonds pursuant to Condition 2(a) (*Transfer*) shall be made available for delivery within seven business days of receipt of a duly completed form of transfer, surrender of the existing Certificate(s) and such evidence as the Registrar or the relevant Transfer Agent may reasonably require. Delivery of the new Certificate(s) shall be made at the specified office of the relevant Transfer Agent or of the

Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify.

In this Condition 2(b) (*Delivery of New Certificates*), "**business day**" means a day, other than a Saturday or Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

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

(c) Transfer Free of Charge

Certificates on transfer shall be issued and registered without charge to the relevant Bondholder by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment by the relevant Bondholder of any tax, duty or other governmental charges that may be imposed in relation to them (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require in respect thereof); (ii) the Registrar or the relevant Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the Registrar or the relevant Transfer Agent being satisfied that the Regulations (as defined in Condition 2(e) (*Regulations*)) concerning transfer of Bonds have been complied with.

(d) Restricted Transfer Periods

No Holder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, (ii) after a Put Exercise Notice has been deposited in respect of such Bond pursuant to Condition 6(c) (*Redemption for Relevant Event*), (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)(ii) (*Method of Payment*)), or (iv) after a notice of redemption has been given pursuant to Condition 6(b) (*Redemption for Taxation Reasons*).

(e) Regulations

All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfer and registration of Bonds, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the 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 Bondholder upon prior written request and proof of holding and identity by any Bondholder to the satisfaction of the Registrar.

3 STANDBY LETTER OF CREDIT, PRE-FUNDING AND STATUS

(a) Standby Letter of Credit

The Bonds will have the benefit of the Standby Letter of Credit which is issued in favour of the Trustee, on behalf of itself and the holders of the Bonds, by the LC Bank. The Standby

Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or otherwise as permitted under the Standby Letter of Credit) sent by the Trustee or on behalf of the Trustee in relation to the Standby Letter of Credit to the LC Bank in accordance with the Standby Letter of Credit (a "**Demand**") stating that (i) the Issuer has failed to comply with Condition 3(b) (*Pre-funding*) in relation to pre-funding the amount that is required to be pre-funded under these Conditions and/or failed to provide the Required Confirmations (as defined in Condition 3(b) (*Pre-funding*)) in accordance with Condition 3(b) (*Pre-funding*); or (ii) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 9 (*Events of Default*).

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

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

The LC Bank's aggregate liability under the Standby Letter of Credit shall be expressed and payable in Renminbi and shall not in any circumstances exceed CNY1,064,780,000 (the "**Maximum Limit**"), which includes an amount representing the aggregate principal amount of CNY1,040,000,000 of the Bonds plus interest payable for one Interest Period (as defined in Condition 5 (*Interest*)) plus CNY7,100,000 being the maximum amount payable under the Standby Letter of Credit for any fees, costs, expenses, indemnity payments and all other amounts payable to the Trustee under or in connection with the Conditions, the Bonds, the Trust Deed, the Agency Agreement and/or any other transaction documents relating to the Bonds. The Standby Letter of Credit takes effect from the date thereof and shall remain valid and in full force until 6:00 p.m. (Hong Kong time) on 14 July 2027 unless extended in accordance with its terms.

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

(b) Pre-funding

In order to provide for the payment of any amount in respect of the Bonds and under the Trust Deed (other than the amounts payable under Condition 6(d) (*Mandatory Redemption upon Pre-funding Failure*)) (the "**Relevant Amount**") as the same shall become due, the Issuer shall, in accordance with the Agency Agreement, by no later than 10:00 a.m. (Hong Kong time) on the Business Day falling ten Business Days (the "**Pre-funding Date**") prior to the due date for such payment under the Conditions:

(i) unconditionally and irrevocably pay or procure to be paid the Relevant Amount in immediately available cleared funds into the Pre-funding Account; and

(ii) deliver to the Trustee and the CMU Lodging and Paying Agent by facsimile or by way of scanned copy in email (with originals to follow promptly thereafter) (A) a Payment

and Solvency Certificate, which shall be substantially in the form set out in Schedule 3 in the Agency Agreement, signed by any Authorised Signatory (as defined in the Trust Deed), and (B) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank (which shall be substantially in the form set out in Schedule 4 of the Agency Agreement, signed by an Authorised Signatory) requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the CMU Lodging and Paying Agent by no later than 10:00 a.m. (Hong Kong time) on the Business Day immediately preceding the due date for such payment (together, the "**Required Confirmations**").

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

(A) as soon as reasonably practicable send the notice substantially in the form set out in the Trust Deed (the "**Pre-funding Failure Notice**") to the Bondholders by the second Business Day immediately following the Pre-funding Date of (A) the Pre-funding Failure and (B) the redemption of the Bonds in accordance with Condition 6(d) (*Mandatory redemption upon pre-funding failure*) to occur as a result of the Pre-funding Failure; and

(B) by no later than 6:00 p.m. (Hong Kong time) on the second Business Day immediately following the Pre-funding Date, issue a Demand to the LC Bank for the aggregate of (A) interest accrued up to the date when the Bonds cease to bear interest pursuant to the Conditions, (B) the principal amount of the outstanding Bonds and (C) all fees, costs, expenses, indemnity payments and other amounts payable by the Issuer under or in connection with the Bonds, the Trust Deed, the Agency Agreement, the Standby Letter of Credit and/or any other transaction documents relating to the Bonds, provided that, subject to and in accordance with the Standby Letter of Credit, the Trustee need not physically present an original of the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to submit the Demand by authenticated SWIFT (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a copy of the Demand to the LC Bank by such method of communication as otherwise permitted under the Standby Letter of Credit).

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

In these Conditions:

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

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

"**Payment and Solvency Certificate**" means a certificate in English substantially in the form set forth in the Agency Agreement stating the Relevant Amount in respect of the relevant due date in respect of the Bonds and confirming that (i) a payment for the Relevant Amount has been made by the Issuer to the Pre-funding Account in accordance with Condition 3(b) (*Pre- funding*) and (ii) the Issuer is solvent; and

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

(c) Status

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

4 COVENANTS

(a) Notification to NDRC

The Issuer undertakes to file or cause to be filed with the NDRC the requisite offering information and the issue details of the Bonds within ten Registration Business Days after the Issue Date (as defined herein) in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (《企業中長期外債審核登記管理辦法》(國家發展和改革委員會令第56號) ("**NDRC New Measures**") issued by the NDRC on 5 January 2023 and become effective from 10 February 2023, and any applicable implementation rules, as issued by the NDRC from time to time (the "**NDRC Post-issue Filing**") and comply with all applicable PRC laws, rules and regulations in connection with the Bonds (including, but not limited to, any related filing requirement under the NDRC New Measures).

(b) Undertakings Relating to Foreign Debt Registration

The Issuer undertakes that it will (i) within 15 Registration Business Days after the Issue Date submit or cause to be submitted to SAFE the requisite documents and information pursuant to the Administrative Measures for Foreign Debt Registration (Hui Fa [2013] No. 19) (外債登記管理辦法(匯發[2013]19號)) effective as of 13 May 2013 (the "**Foreign Debt Registration**") and as amended on 4 May 2015 and its operating guidelines issued by SAFE, (ii) use its best endeavours to complete the Foreign Debt Registration and obtain a registration record from SAFE on or before the Registration Deadline, (iii) if applicable, as soon as possible upon being required or requested to do so by any relevant governmental authority, file or cause to be filed with SAFE the Bonds pursuant to the Circular of the People's Bank of China on Issues concerning the Macro-prudential Management Policy of Overall Cross-border Financing by the People's Bank of China (Yin Fa [2017] No. 9) (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) (銀發[2017]9號) effective as of 12 January 2017 and as amended from time to time (the "**Cross Border Financing Circular**") and (iv) comply with all applicable PRC laws and regulations in relation to the Bonds and any implementing measures promulgated thereunder from time to time.

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

The Issuer shall within ten Registration Business Days after the later of (i) the completion of the NDRC Post-issue Filing and (ii) the receipt of the registration form or filing evidence from SAFE (or any other document evidencing the completion of the Foreign Debt Registration), provide the Trustee with (A) a certificate in English substantially in the form scheduled to the Trust Deed signed by an Authorised Signatory confirming (x) the completion of NDRC Post-issue Filing and the Foreign Debt Registration and (y) that each copy of the relevant documents is a true and complete copy of the relevant original; and (B) copies of the relevant documents evidencing the NDRC Post-issue Filing and the Foreign Debt Registration (the items specified in (A) and (B) together, the "**Registration Documents**"). In addition, the Issuer shall, within 10 Registration Business Days after the documents comprising the Registration Documents are delivered to the Trustee, give notice (in accordance with Condition 16) to the Bondholders in the form scheduled to the Trust Deed confirming the completion of the NDRC Post-issue Filing and the Foreign Debt Registration.

The Trustee may rely conclusively on the Registration Documents and shall have no duty or obligation to monitor, assist with or ensure the Foreign Debt Registration is completed as required by Condition 4(a) or the NDRC Post-issue Filing is made as required by Condition 4(b) or to assist with the Foreign Debt Registration or the NDRC Post-issue Filing, to verify the accuracy, content and completeness validity and/or genuineness of any Registration Documents or to translate or procure the accuracy or completeness of any translation into English of any such certificate, confirmation or other document or to give notice to the Bondholders confirming the completion of the Foreign Debt Registration or the NDRC Post-issue Filing, and shall not be liable to Bondholders or any other person for not doing so.

(d) Financial Information

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall provide the Trustee with:

(i) a copy of the relevant Audited Financial Reports within 150 days of the end of each Relevant Period prepared in accordance with PRC GAAP (audited by a nationally or internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date)) and if such statements shall be in the Chinese language, together with an English language translation of the same translated by (aa) a nationally or internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date) or (bb) a professional translation service provider and checked and confirmed by a nationally or internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date), together with a certificate in English (substantially in the form scheduled to the Trust Deed) signed by an Authorised Signatory of the Issuer certifying that such translation is complete and accurate;

(ii) a copy of the Unaudited Semi-Annual Financial Reports within 90 days of the end of each Relevant Period prepared on a basis consistent with the Audited Financial Reports and if such statements shall be in the Chinese language, together with an English language translation of the same translated by (aa) a nationally or internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date) or (bb) a professional translation service provider

and checked and confirmed by a nationally or internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date), together with a certificate in English (substantially in the form scheduled to the Trust Deed) signed by an Authorised Signatory of the Issuer certifying that such translation is complete and accurate; and

(iii) a Compliance Certificate (on which the Trustee may rely conclusively without investigation or verification as to such compliance and shall not be liable to any Bondholder or any other person for such reliance) of the Issuer (a) within 14 days of any written request therefor from the Trustee or (b) at the time of the provision of the Audited Financial Reports as set out in Condition 4(d)(i) above.

The Trustee shall not be required to review the relevant Audited Financial Reports or the Unaudited Semi-Annual Financial Reports or any other financial report furnished or delivered to it as contemplated in this Condition 4(c) (*Financial Information*) and, if the same shall not be in the English language, shall not be required to request or obtain or arrange for an English translation of the same or to verify the accuracy or completeness of any English translation, and the Trustee shall not be liable to any Bondholder or any other person for not doing so. The Trustee shall be entitled to assume that each such English translation is a complete and accurate translation of the original, and may rely conclusively without investigation or verification and without liability to any Bondholder, the Issuer, the LC Bank or any other person on any such translation as being a complete and accurate translation of the original.

(e) Definitions

In these Conditions:

"**Audited Financial Reports**" means, for a Relevant Period, the annual audited consolidated financial statements of the Issuer together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them prepared in accordance with the applicable PRC GAAP;

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

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

(ii) the Issuer has complied with all its covenants and obligations under the Trust Deed and the Bonds (as applicable) since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if any non-compliance has occurred, giving details of it.

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

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

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

"**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 9 (*Events of Default*) become an Event of Default;

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

"**PRC GAAP**" means the Accounting Standards for Business Enterprises in China issued by the Ministry of Finance of the PRC from time to time;

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

"**Registration Deadline**" means the day falling 120 Registration Business Days after the Issue Date;

"**Relevant Period**" means (i) in relation to the Audited Financial Reports, each period of 12 months ending on the last day of the Issuer's financial year (being 31 December of that financial year); or (ii) in relation to the Unaudited Financial Reports, each period of six months ending on the last day of the Issuer's first half financial year (being 30 June of that financial year);

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

"**Subsidiary**" of any person means (a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person; and

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

5 INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.4 per cent. per annum, payable semi-annually in arrear in equal instalments of CNY170.0 per Calculation Amount (as defined below) on 20 June and 20 December in each year (each an "**Interest Payment Date**"), commencing on 20 December 2024.

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

receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Bondholder under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed. In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date are each called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per CNY10,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 REDEMPTION AND PURCHASE

(a) Scheduled Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 20 June 2027 (the "**Maturity Date**"). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6 (*Redemption and Purchase*).

(b) Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 16 (*Notices*) and in writing to the Trustee and the CMU Lodging and Paying Agent (which notice shall be irrevocable), at their principal amount together with any interest accrued to, but excluding, the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such Tax Redemption Notice that:

(i) the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in Condition 8 (*Taxation*)) as provided or referred to in Condition 8 (*Taxation*) 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, or the stating of an official position with respect to, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change and/or amendment becomes effective on or after 13 June 2024, and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Prior to the giving of any Tax Redemption Notice pursuant to this Condition 6(b) (*Redemption for Taxation Reasons*), the Issuer shall deliver to the Trustee: (A) a certificate in English signed by any Authorised Signatory stating that the obligation referred to in (i)

above of this Condition 6(b) (*Redemption for Taxation Reasons*) cannot be avoided by the Issuer taking reasonable measures available to it, and (B) an opinion, addressed to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change, amendment and/or statement. The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively on such certificate and opinion without investigation or verification as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b) (*Redemption for Taxation Reasons*), in which event the same shall be conclusive and binding on the Bondholders, and the Trustee shall be protected and shall have no liability to any Bondholder or any person for so accepting and relying on such certificate or opinion.

Neither the Trustee nor any of the Agents shall be responsible for monitoring or taking any steps to ascertain whether any of the circumstances mentioned in this Condition 6(b) has occurred and none of them shall be liable to the Bondholders, the Issuer, the LC Bank or any other person for not doing so

(c) Redemption for Relevant Event

At any time following the occurrence of a Relevant Event, a Holder will have the right, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Bonds on the Put Settlement Date (as defined below) at 100 per cent. of their principal amount, together with, in each case, accrued but unpaid interest up to but excluding such Put Settlement Date. In order to exercise such right, the Holder of the relevant Bond must deposit at the specified office of the CMU Lodging and Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement and for the time being current, obtainable from the specified office of the CMU Lodging and Paying Agent or any other Paying Agent (a "**Put Exercise Notice**"), together with the Certificate representing the Bonds to be redeemed, (i) by not later than 30 days following a Relevant Event, or, (ii) if later, within 30 days following the date upon which notice of a Relevant Event is given to Bondholders by the Issuer in accordance with Condition 16 (*Notices*).

Subject to Condition 7(e) (*Delay in Payment*), the "**Put Settlement Date**" shall be the fourteenth day (in the case of a redemption for a Change of Control) or the fifth Registration Business Day (in the case of a redemption for a No Registration Event) after the expiry of such period of 30 days as referred to above. A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds, the subject of the Put Exercise Notices delivered as aforesaid, on the Put Settlement Date.

The Issuer shall give notice to Bondholders in accordance with Condition 16 (*Notices*) and to the Trustee and the CMU Lodging and Paying Agent in writing by not later than 14 days (in the case of a redemption for a Change of Control) or five Registration Business Days (in the case of a redemption for a No Registration Event) following the first day on which the Issuer becomes aware of the occurrence of a Relevant Event, which notice shall specify (i) the Put Settlement Date; (ii) the date of the Relevant Event and, briefly, the events causing, as applicable, the Change of Control or the No Registration Event; (iii) the date by which the Put Exercise Notice must be given; (iv) the redemption amount and the method by which such amount will be paid; (v) the names and addresses of all Paying Agents; (vi) the procedures for exercise by Holders of their rights to require redemption of the Bonds pursuant to this Condition 6(c) (*Redemption for Relevant Event*) and (vii) that a Put Exercise Notice, once validly given, may not be withdrawn.

In this Condition 6(c) (*Redemption for Relevant Event*):

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

(i) Yibin SASAC together with any other PRC Person(s) cease to Control the Issuer; or

(ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person or persons, unless such person(s) (in the case of asset sale or transfer) or the surviving entity (in the case of consolidation or merger) is/are directly or indirectly Controlled by PRC Person(s);

"**Control**" means (i) the ownership, acquisition or control of more than 67 per cent. of the voting rights of the issued share capital of the relevant person or (ii) the right to appoint and/or remove the majority of the members of the relevant person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; the term "**Controlled**" has meanings correlative to the foregoing;

a "**No Registration Event**" occurs when the Registration Conditions have not been satisfied in full on or before the Registration Deadline;

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

"**PRC Persons**" include Yibin SASAC and any person directly or indirectly Controlled by Yibin SASAC;

"**Registration Conditions**" means the receipt by the Trustee of the Registration Documents relating to the Foreign Debt Registration as set forth in Condition 4(c);

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

"**Yibin SASAC**" means Yibin State-owned Assets Supervision and Administration Commission (宜賓市政府國有資產監督管理委員會).

(d) Mandatory Redemption upon Pre-funding Failure

If a Pre-funding Failure occurs in respect of a scheduled payment of principal or interest payable under Condition 5 (*Interest*) or Condition 6(a) (*Scheduled Redemption*), the Bonds shall be redeemed in whole, but not in part, on the Interest Payment Date immediately falling on the date the Trustee makes a Demand (the Pre-funding Failure Notice is given to the Bondholders) in accordance with Condition 3(b) (*Pre-funding*) (the "**Mandatory Redemption Date**") at their principal amount, together with any interest accrued to, but excluding, the Mandatory Redemption Date.

If any Bondholder shall have exercised its right to require the Issuer to redeem its Bonds in accordance with Condition 6(c) (*Redemption for Relevant Event*) and the Trustee makes a Demand (the Pre-funding Failure Notice is given to the Bondholders) in accordance with Condition 3(b) (*Pre-funding*) as a result of a Pre-funding Failure relating to the amount payable pursuant to such redemption, the Bonds then outstanding shall be redeemed in whole, but not in part, at their principal amount in accordance with this Condition 6(d) (*Mandatory Redemption upon Pre-Funding failure*) on the Put Settlement Date, together

with any interest accrued to, but excluding, the Put Settlement Date, and the term "**Mandatory Redemption Date**" shall be construed to mean the Put Settlement Date, provided that if such Pre-funding Failure occurs and a Pre-funding Failure Notice has been given or is given to the Bondholders in respect of a scheduled payment of principal or interest payable under Condition 5 or Condition 6(a), the Put Settlement Date shall be the Mandatory Redemption Date.

(e) Purchase

The Issuer, the LC Bank and their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer, the LC Bank or any such Subsidiary, shall not entitle the Holder thereof to vote at any meetings of the Holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Holders or for the purposes of Condition 9 (*Events of Default*), Condition 12(a) (*Meetings of Bondholders*) and Condition 13 (*Enforcement*).

(f) Notice of Redemption

All Bonds in respect of which any notice of redemption is given under this Condition 6 (*Redemption and Purchase*) shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition 6(f) (*Notice of Redemption*). If there is more than one notice of redemption given in respect of any Bond (which shall include any notice given by the Issuer pursuant to Condition 6(b) (*Redemption for Taxation Reasons*) and any Put Exercise Notice given by a Bondholder pursuant to Condition 6(c) (*Redemption for Relevant Event*)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption 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 Holders, the Issuer or any other person for not doing so.

(g) Cancellation

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

(h) No duty to monitor

The Trustee and the Agents shall not be obliged to take any steps to ascertain whether a Relevant Event, Potential Event of Default or Event of Default has occurred or to monitor or to investigate the occurrence of any Relevant Event, Potential Event of Default or Event of Default, and shall not be liable to the Bondholders, the Issuer or any other person for not doing so. The Trustee shall not be required to investigate or verify the accuracy, content, completeness or genuineness of any document provided to it by the Issuer or any other person as part of or in connection with or to enable the satisfaction of the Registration Conditions, and may rely conclusively on any such document, and shall not be responsible or liable to Bondholders, the Issuer or any other person for any loss or liability arising from so doing. Unless it has received express notice, the Trustee shall be entitled to assume that no Relevant Event, Potential Event of Default or Event of Default or any event which could lead to the occurrence of a Relevant Event, Potential Event of Default or Event of Default has occurred.

7 PAYMENTS

(a) Method of Payment:

(i) Payments of principal and premium (if any) shall be made in Renminbi (subject to surrender of the relevant Certificates at the specified office of any Paying Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii) (*Method of Payment*).

(ii) Interest on each Bond shall be paid, on the due date for payment, to the person shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Bond shall be made in Renminbi by transfer to the registered account of the Bondholder. In this Condition 7, the "**registered account**" of a Bondholder means the Renminbi account maintained by or on behalf of it with a bank, details of which appear in the Register at the close of business on the Record Date.

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

For so long as any of the Bonds are represented by the Global Certificate, payments of interest, premium or principal will be made to the persons for whose account a relevant interest in the Global Certificate is credited as being held by the Operator at the relevant time as notified to the CMU Lodging and Paying Agent by the Operator. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants.

So long as the Global Certificate is held by the CMU, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the CMU on the Clearing System Business Day immediately before the due date for such payments, where "Clearing System Business Day" means a day on which the CMU is operating and open for business.

(b) Payments subject to Fiscal Laws: All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8 (*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, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

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

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

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*).

(e) **Delay in Payment**: Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day a day on which the bank where a registered account is maintained is open for receipt of such transfers or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a transfer made in accordance with Condition 7(a) (*Method of Payment*) arrives in the registered account of the Bondholder after the due date for payment.

(f) **Non-Payment Business Day**: If any date for payment in respect of any Bond is not a Payment Business Day, the Holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment.

In this Condition 7 (*Payments*),

"**Payment Business Day**" means a day other than a Saturday, a Sunday or a public holiday on which (i) commercial banks and foreign exchange markets are generally open for business and settlement of Renminbi payments in Beijing and Hong Kong and (ii) the CMU is operating and open for business and (iii) (if presentation of the relevant Certificate is required) the relevant place of presentation.

8 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the

PRC or any political subdivision or any authority therein or thereof having power to tax, unless such set-off, counterclaim, withholding or deduction is required by law.

Where withholding or deduction is made by the Issuer for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withheld or assessed by or within the PRC at a rate up to and including the aggregate rate applicable on 13 June 2024 (the "**Applicable Rate**"), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been received by them had no such withholding or deduction been required.

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

(i) **Other connection**: to a Holder (or to a third party on behalf of a Holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC other than the mere holding of the Bond or where the withholding or deduction could be avoided by the Holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority; or

(ii) **Surrender more than 30 days after the Relevant Date**: in respect of which the Certificate representing it is surrendered (where surrender is required) for payment more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days (and as if such last day were a Payment Business Day (as defined in Condition 7 (*Payments*))).

References in these Conditions to principal, premium (if any) and interest shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition 8 (*Taxation*) or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed and the Bonds.

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

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

For the avoidance of doubt, the Issuer's obligation to pay free and clear of taxes, duties, assessments and other governmental charges will not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or other governmental charge or (b) any value-added tax, tax, duty, assessment or other governmental charge which is payable otherwise than any deduction or withholding from payments of principal of, or interest on the Bonds.

9 EVENTS OF DEFAULT

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

An "**Event of Default**" occurs if:

(I) with respect to the Issuer

(a) **Non-Payment**: there has been a failure to pay (i) the principal of or any premium (if any) on any of the Bonds when due or (ii) any interest on any of the Bonds when due and such failure continues for a period of 14 days; or

(b) **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed (other than those referred to in Condition 9(I)(a) (*Non-payment*) and where such default gives rise to a redemption pursuant to Condition 6(c) (*Redemption for Relevant Event*)), which default is in the opinion of the Trustee incapable of remedy or, if such default is in the opinion of the Trustee capable of remedy, such default is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee, provided that if there has been a breach by the Issuer of its obligations to pre-fund any amount in respect of the Bonds and/or provide the Required Confirmations in accordance with Condition 3(b) (*Pre-funding*) and such amount has subsequently been paid by the LC Bank following a drawing under the Standby Letter of Credit to or to the order of the Trustee and paid to holders of the Bonds, then such breach will not constitute an Event of Default under this Condition 9(I)(b); or

(c) **Cross-Default of the Issuer or its Subsidiary**: (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(I)(c) (*Cross-default of the Issuer or its Subsidiary*) have occurred equals or exceeds U.S.$50,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(I)(c) (*Cross-default of the Issuer or its Subsidiary*) operates); or

(d) **Unsatisfied Judgement**: one or more final and non-appealable judgment(s) or order(s) for the payment of an aggregate amount in excess of U.S.$50,000,000 (or its equivalent in any other currency or currencies) shall be rendered against the Issuer or any of its Subsidiaries and the same shall remain undischarged or unsatisfied for period of 30 consecutive days during which execution shall not be effectively stayed; or

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

(f) **Insolvency**: the Issuer or any Principal Subsidiary is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as and when such debts fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or a material part of its debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any Principal Subsidiary, as the case may be; or

(g) **Winding-up**: (i) an order of any court of competent jurisdiction is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or any Principal Subsidiary (except for any voluntary solvent winding-up of any of the Principal Subsidiaries), or (ii) the Issuer or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except in the case of (i) and (ii) above for the purpose of and followed by (A) a reconstruction, amalgamation, reorganisation, merger or consolidation while solvent or on terms approved by Extraordinary Resolution; (B) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary of the Issuer; or a disposal of or by a Principal Subsidiary on arms' length basis where the proceeds resulting from such disposal or sale are transferred or vested in the Issuer and/or any other Subsidiary of the Issuer; or

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

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

(j) **Analogous Events**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Conditions 9(I)(d) (*Enforcement Proceedings*) to Condition 9(I)(i) (*Illegality*) (both inclusive); or

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

In this Condition 9(I) (*with respect to the Issuer*), "**Principal Subsidiaries**" means any Subsidiary (other than Yibin Big Data Co., Ltd. (宜賓市大數據有限責任公司) and its subsidiaries) of the Issuer:

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

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

(c) whose total assets or (in the case of a Subsidiary of the Issuer which itself has Subsidiaries) consolidated total assets, as shown by its latest audited balance sheet are at least five per cent. of the consolidated total assets of the Issuer and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Issuer and its Subsidiaries including, the investment of the Issuer in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests; or

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

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

(A) in the case of a corporation or other business entity becoming a Subsidiary of the Issuer after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited

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

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

(C) if at any relevant time in relation to any Subsidiary of the Issuer, no accounts are audited, its total revenue, net profit or total assets (consolidated, if available) shall be determined on the basis of pro forma accounts (consolidated, if available) of the relevant Subsidiary prepared for this purpose by or on behalf of the Issuer; and

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

(II) with respect to the LC Bank

(a) **Cross-default of the LC Bank**: any other present or future Public External Indebtedness becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of the terms thereof, or any such Public External Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, provided that the aggregate amount of the relevant Public External Indebtedness in respect of which one or more of the events mentioned above in this Condition 9(II)(a) (*Cross-default of the LC Bank*) have occurred equals or exceeds U.S.$50,000,000 (or its equivalent in any other currency or currencies); or

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

(c) **Winding up**: an order is made or an effective resolution passed for the winding-up or dissolution or administration of the LC Bank or any Material Subsidiary, or the LC Bank ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation while solvent (X) on terms approved by an Extraordinary Resolution, or (Y) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the LC Bank or an LC Bank Subsidiary; or

(d) **Analogous event**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (b) (Insolvency) to (c) (Winding up) above; or

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

In this Condition 9(II) (*with respect to the LC Bank*):

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

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

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

None of the Trustee or any of the Agents shall be responsible for the performance and compliance by the Issuer and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same. The Trustee and the Agents shall not be obliged to take any steps to ascertain whether an Event of Default or Potential Event of Default has occurred or to monitor the occurrence of any Event of Default or Potential Event of Default, and shall not be liable to the Bondholders or any other person for not doing so. Unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed.

10 PRESCRIPTION

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

11 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders in accordance with Condition 16 (*Notices*), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER, AUTHORISATION, DETERMINATION AND ENTITLEMENT OF TRUSTEE

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of the Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement and/or the Standby Letter of Credit. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if requested in writing to do so by Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the Maturity Date or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution or (v) to modify or release the Standby Letter of Credit (other than an amendment or supplement to, or a replacement of, the Standby Letter of Credit in connection with a further issue of securities pursuant to Condition 15 (*Further Issues*) or modification pursuant to Condition 12(b) (*Modification, Waiver, Authorisation and Determination*), in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed (at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast) shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the Bondholders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. A resolution passed in writing will be binding on all Bondholders whether or not they participated in such written resolution.

So long as the Bonds are represented by the Global Certificate, Extraordinary Resolution includes a consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of all the Bondholders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding.

(b) Modification, Waiver, Authorisation and Determination

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Standby Letter of Credit that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach by the Issuer, of any of these Conditions or any of the provisions of the Trust Deed. the Agency Agreement and/or the Standby Letter of Credit that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 16 (*Notices*).

(c) Entitlement of the Trustee

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

13 ENFORCEMENT

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

14 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking steps, actions or proceedings to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and entitling the Trustee to be paid or reimbursed for its fee, costs, expenses and indemnity payments and for liabilities incurred by it in priority to the claims of Bondholders.

The Trustee, the Agents and its affiliates are entitled (i) to enter into business transactions with the Issuer, the LC Bank and/or any entity related to the Issuer or the LC Bank and to act as trustee for the holders of any other securities issued by, or relating to, the Issuer, the LC Bank and any entity related to the Issuer or the LC Bank, (ii) to exercise and enforce its rights, powers and discretions, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee and the Agents may rely conclusively without investigation, and may act or refrain from acting, in each case, and without liability to Bondholders, the Issuer or any other person on any report, confirmation, certificate or information from or any advice or opinion of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee, the Agents or any other person in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Issuer and the Bondholders. The Trustee and the Agents shall not be responsible or liable to the Issuer, the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, information, confirmation, certificate, opinion or advice.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Standby Letter of Credit, the Agency Agreement or these Conditions to exercise any discretion or power, take or refrain from taking any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking or refrain from taking any such action, making any such decision or giving any such direction, to seek directions or clarification of directions from the Bondholders by way of Extraordinary Resolution or clarifications of any directions, and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including but not limited to legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee shall be entitled to rely conclusively on any such direction or clarification and shall not be responsible or liable for any loss or liability incurred by the Issuer, the LC Bank, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking or refrain from taking such action, making such decision or giving such direction where the Trustee is seeking such direction or clarification of directions from the Bondholders or in the event that the directions or clarifications sought are not provided by the Bondholders. The Trustee or any Agents shall not be liable to any Bondholder, the Issuer, the LC Bank or any other person for any action taken by it in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely conclusively on any direction or instruction of Bondholders (whether given by Extraordinary Resolution or otherwise as contemplated or permitted by the Trust Deed and/or the Bonds).

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

None of the Trustee, the Agents or the Account Banks shall have any obligation to monitor or take or refrain from taking any steps to ascertain whether an Event of Default, a Potential Event of Default or a Relevant Event has occurred and shall not be liable to the Bondholders or any other person for not doing so.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer or the LC Bank, and the Trustee shall not at any time have any responsibility for the same and no Bondholder shall rely on the Trustee in resect thereof.

15 FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders create and issue further securities having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the first payment of interest on them, as the case may be, and the timing for performing and completing the NDRC Post-issue Filing, complying with the Registration Conditions and the making of the Foreign Debt Registration and if applicable, the filing of the Bonds under the Cross Border Financing Circular) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any further securities issued pursuant to this Condition 15 and forming a single series with the Bonds, provided that such further securities may only be issued if (i) a further or supplemental or replacement standby letter of credit is issued by the LC Bank (or an amendment is made to the Standby Letter of Credit) on terms that are substantially similar to the Standby Letter of Credit (including that the stated amount of such further or supplemental standby letter of credit represents an increase at least equal to the principal of and an amount equal to one interest payment which is or would be due on such further securities) and (ii) such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. References to the Standby Letter of Credit shall thereafter include such further or supplemental or replacement or amended standby letter of credit. Any further securities forming a single series with the Bonds shall be constituted by a deed supplemental to the Trust Deed.

16 NOTICES

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

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, notices to the holders of the Bonds shall be validly given by the delivery of the relevant notice to the Operator on the business day preceding the date of dispatch of such notice as holding interests in the Global Certificate. Any such notice shall be deemed to have been given to the Bondholders on the second business day after such notice is delivered to the Operator. Indirect participants will have to rely on the CMU participants (through whom they hold the Bonds, in the form of interests in the Global Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants. For the purposes of this paragraph, "**business day**" means a day on which CMU is operating and open for business.*

17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Bonds, the Trust Deed or the Standby Letter of Credit (save as specifically set out therein) under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy which exists or is available apart from such Act and is without prejudice to the rights of the Bondholders as set out in Condition 13 (*Enforcement*).

18 GOVERNING LAW AND JURISDICTION

(a) Governing Law

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

(b) Jurisdiction

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed, the Agency Agreement and the Standby Letter of Credit and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed, the Agency Agreement and the Standby Letter of Credit ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed and the Agency Agreement and the LC Bank has in the Standby Letter of Credit, irrevocably submitted to the exclusive jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) Agent for Service of Process

The Issuer irrevocably appoints Cogency Global (HK) Limited of Room 2303, 23/F, The Sun's Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong as its agent in Hong Kong for service of process in any Proceedings. Such service shall be deemed completed on delivery to such process agent (whether or not forwarded to and received by the Issuer). If for any reason the Issuer ceases to have such an agent in Hong Kong, the Issuer shall promptly appoint a new agent in Hong Kong to accept service of process on behalf of it, notify the Trustee and the Bondholders (in accordance with Condition 16 (*Notices*)) of that appointment and deliver to the Trustee a copy of the new agent's acceptance of such appointment within 30 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) Waiver of Immunity

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

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate will contain provisions which apply to the Bonds while they are in global form, some of which will modify the effect of the Terms and Conditions set out in this Offering Circular. The following is a summary of certain of those provisions. Terms defined in the Terms and Conditions set out in this Offering Circular have the same meaning in the paragraphs below.

The Bonds will be represented initially by beneficial interests in the Global Certificate in registered form which will be deposited with or a sub-custodian for the Hong Kong Monetary Authority as operator of the CMU.

PROMISE TO PAY

The Issuer, for value received, promises to pay to the Registered Holder of the Bonds represented by the Global Certificate (subject to surrender of the Global Certificate if no further payment falls to be made in respect of such Bonds) on the Interest Payment Date falling on 20 June 2027 (or on such earlier date as the amount payable upon redemption under the Terms and Conditions may become repayable in accordance with the Terms and Conditions) the amount payable upon redemption under the Terms and Conditions in respect of the Bonds represented by the Global Certificate and to pay interest in respect of such Bonds from 20 June 2024 (the "**Issue Date**") in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Terms and Conditions, together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate, in accordance with the Terms and Conditions.

Payments of interest, premium or principal will be made to the CMU which will credit the same in accordance with the CMU Rules to the person(s) shown in the records of the CMU Operator as the holder of a particular principal amount of Bonds (each an "**accountholder**") at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means a day on which the CMU is operating and open for business.

For the purposes of the Global Certificate, (a) the holder of the Bonds represented by the Global Certificate is bound by, and deemed to have notice of, all the provisions of the Trust Deed and the Standby Letter of Credit and are deemed to have notice of those provisions applicable to it of the Agency Agreement, (b) the Issuer certifies that the Registered Holder is, at the date hereof, entered in the Register as the holder of the Bonds represented by the Global Certificate, (c) the Global Certificate is evidence of entitlement only, (d) title to the Bonds represented by the Global Certificate passes only on due registration on the Register, and (e) only the Registered Holder (as defined in the Trust Deed) of the Bonds represented by the Global Certificate is entitled to payments in respect of the Bonds represented by the Global Certificate.

Any payments by the CMU participants to indirect participants shall be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments shall be the sole responsibility of such CMU participants and the Issuer, the Trustee, the CMU Lodging and Paying Agent and the other Agents shall have no obligation or liability in connection therewith. Save in the case of final payment, no presentation of the Global Certificate shall be required for such purpose.

EXCHANGE OF BONDS REPRESENTED BY GLOBAL CERTIFICATES

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

NOTICES

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of the CMU Operator, any notice to the holders of the Bonds shall be validly given by the delivery of the relevant notice to each relevant accountholder via the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Bonds, in the form of interests in the Global Certificate to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

MEETINGS

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate (unless the Global Certificate represents only one Bond) shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each CNY10,000 in principal amount of Bonds for which the Global Certificate is issued.

BONDHOLDER'S REDEMPTION

The Bondholder's redemption option in Condition 6(c) of the Terms and Conditions may be exercised by the holder of the Global Certificate giving notice to the CMU Lodging and Paying Agent within the time limits specified in the Terms and Conditions, in accordance with the rules and procedures of the CMU or any Alternative Clearing System as applicable.

ISSUER'S REDEMPTION

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

TRANSFERS

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

CANCELLATION

Cancellation of any Bond represented by the Global Certificate by the Issuer following its redemption or purchase by the Issuer or any of its Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders and the Global Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in the Schedule to the Global Certificate.

TRUSTEE'S POWERS

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

The Global Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar (where relevant, acting on behalf of the CMU Lodging and Paying Agent).

The Global Certificate and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

USE OF PROCEEDS

The gross proceeds from this offering will be CNY1,040,000,000. Such proceeds, after deducting commissions to be charged by the Joint Lead Managers and other estimated expenses payable in connection with this offering, will be used for repayment of existing foreign indebtedness.

CAPITALISATION AND INDEBTEDNESS OF THE ISSUER

The following table sets forth the Group's consolidated capitalisation and indebtedness as at 31 December 2023 and as adjusted to give effect to the issuance of the Bonds offered hereby before deducting the commissions and other estimated payable by the Issuer in connection with the offering of the Bonds. Investors should read this table in conjunction with the Group's audited consolidated financial statements as at and for the year ended 31 December 2023, and related notes included elsewhere in this Offering Circular.

	As at 31 December 2023	
	Actual	**As adjusted**
	(RMB in millions)	
Current indebtedness:		
Short-term borrowing	2,440.5	2,440.5
Notes payable	1,481.1	1,481.1
Non-current liabilities due within one year	4,103.0	4,103.0
Total current indebtedness	**8,024.6**	**8,024.6**
Non-current indebtedness:		
Long-term loans	10,358.4	10,358.4
Bonds payable	2,995.0	2,995.0
Long-term accounts payable (interest-bearing portion)	968.0	968.0
Bonds to be issued[(1)]	–	1,040.0
Total non-current indebtedness	14,321.4	15,361.4
Total indebtedness[(2)]	22,345.9	23,385.9
Total owners' equity	9,538.8	9,538.8
Total capitalisation[(3)]	31,884.7	32,924.7

Notes:

(1) Represents the aggregate principal amount of the Bonds to be issued, before deducting commissions and other estimated expenses payable in connection with the offering of the Bonds.

(2) Represents the sum of total current indebtedness and total non-current indebtedness.

(3) Represents the sum of total non-current indebtedness and total owner's equity.

In the ordinary course of the Group's business, the Group may, from time to time, consider various financing opportunities and incur additional debt, including bank borrowings and domestic bonds issuances. There has been no material adverse change in the consolidated capitalisation and indebtedness of the Issuer since 31 December 2023.

DESCRIPTION OF THE LC BANK

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

The Bonds have the benefit of the Standby Letter of Credit which will be issued by Bank of Shanghai Co., Ltd, Chengdu Branch as the LC Bank. Under the PRC laws, the LC Bank is not a separate and independent legal person but has capacity to carry on its activities within its scope of authorisation given by the Bank, and if the assets of the LC Bank are not sufficient to meet the obligations of the LC Bank under the Standby Letter of Credit, the Bank would have an obligation to satisfy the balance of the obligations under the Standby Letter of Credit.

OVERVIEW

The Bank (formerly known as Shanghai City United Bank Ltd.) was incorporated in Shanghai, PRC, on 30 January 1996 as a joint-stock commercial bank. With the approval from the PBOC, it changed its name from Shanghai City United Bank Ltd. to Bank of Shanghai Co., Ltd., on 16 July 1998. The Bank obtained a financial business certificate No. B0139H23 1000001 with the approval from the CBRC and obtained a business license with unified social credit code 91310000132257510M issued by the Shanghai Municipal Administration of Industry and Commerce.

With the strategic vision of providing boutique banking service and the core values of utmost sincerity and good faith, the Bank has specialised its operations and customised its management in order to deliver a high level of services in, including but not limited to, supply chain, scientific technology, welfare-based investment, transactions and cross-border banking as well as consumer, pension-based and online finance. Over the past few years, the Bank has taken advantages of financial and high-tech trends to deliver more intelligent and professional services to meet the demands of corporate and individual clients for increasingly diverse financial services.

STRENGTH OF THE BANK

In aligning its development with China's national strategy and Shanghai's "three major tasks and one major platform", the Bank has been capitalising on synergy so as to deliver better regional services, provide better financial services to the real economy by offering more small-credits and microcredits as well as developing an online model of inclusive finance. The Bank also puts retail banking as a crucial part of its business and has put in place a retail business system for customer operations, foundational support and creation of a business ecosystem, which benefits deeper technology integration and helps increase risk operation and management capabilities.

The Bank has obtained many honours and awards throughout the years, among which, it was rewarded "2022 China Banking Industry News Award — protecting people's livelihood" granted by the China Banking Association in 2023; "Outstanding Investment Institution in serving National Strategy Award" and "Outstanding Bonds Investment Institution Award" granted by the Shanghai Stock Exchange in 2023; all awards in "Most Impactful Awards" and major awards under the "Market Innovation Award"(a total of

15 sub-awards) granted by the China Foreign Exchange Trade System in 2023. The Bank was also ranked 67th in terms of Tier 1 capital by the British "The Banker" in the "2021 Top 1000 Global Banks" ranking, ranked 84th in the world by Brand Finance, the independent brand assessment agency in association with the British "The Banker"magazine and in the "2023 — Global Bank Brand Value Top 500" list. The Bank won the "Best Pension Financial Service in China" award in the "2020 China Awards Program", the "Best Progressive Retail Bank in Asia Pacific, Middle East and Africa" award and "Best Progressive Retail Bank in China" award in "2020 International Retail Financial Service Excellence Award", "China Best Private Wealth Charity Service Award" in the "Asian Banker of the Year 2020 Global Wealth and Society Awards Program", each organised by "The Asian Banker" magazine, respectively. It was selected in 2019 as the "Outstanding Performance Award" of Credit Fund for Small and Micro Enterprises in Pudong New District of Shanghai, "2019 Shanghai Banking Institutional Contribution Award", "2019 Innovative Inclusive Financial Services in Shanghai", "2019 Outstanding Contribution Award for Inclusive Financial Services in Shanghai", "2019 Best Syndicated Loan Business in Shanghai", "2019 Best Project Prize and Leading Bank of Syndicated Loan Business in Shanghai", 24th among Top 100 Enterprises in Shanghai, 13th among Top 100 Enterprises in Service Industry in Shanghai, Top 10 Leading Underwriter of Debt Financing Plans, Best Private Wealth Philanthropic Services Award in China, Best Private Bank in China (City Commercial Bank Group), Great Listed Company of China, Bank with Outstanding Brand Force of China and Top 100 Innovative Financial Institutions, Trustworthy Bank of 2019 and City Commercial Bank of the Year in 2019.

OVERVIEW

The Bank's principal lines of business consist of wholesale financial business, retail finance business, internet finance business, information and technology and R&D business and channel construction business.

(i) Wholesale financial business

The wholesale financial business of the Bank mainly includes corporate deposits and loans of domestic and foreign currencies, and services relating to intermediate business, among which, the products and services relating to intermediate business mainly include settlement business, cash management business, investment banking business, custody business, guarantees and loan commitments business, agency services, corporate asset management services and trading and settlement of foreign exchange business.

The Bank continues to deepen the integration of the Yangtze River Delta and gives priority to its business development in Shanghai, Circum-Bohai-Sea region, Pearl River Delta and other key areas. It has upgraded "Six Major Financial Services" including inclusive finance, supply chain finance, scientific and innovative finance, livelihood finance, green finance and cross-border finance, developed the linkage between commercial and investment banks, established an integrated operating system, deepened customer operations, optimised business structures, which has continuously enhanced the Bank's market competitiveness.

(ii) Retail finance business

The Bank provides a broad range of products and services to individual clients, including individual loans, individual deposits, bank cards and products and services relating to intermediate business, among which, the products and services relating to intermediate business mainly include wealth management for individuals, investment services, agency services, agency insurance, agency payment, trading and settlement of foreign exchange and pension finance. The Bank focuses on the strategic positioning of the retail "top priority". It has been and will continue to actively serve the national strategy and regional economy, exploring new needs of customers and focus on the empowerment of financial technology. The Bank actively optimises business structure

in consumer finance, strengthens risk management, seizes market opportunities for wealth management and continues to accelerate business development. It also aims to accelerate digital transformation for pension finance and to maintain its leading position in the financial market. The Bank has fully supported the fight against COVID-19, launched the "11 measures for retail business to prevent and control outbreaks of COVID-19 and serve people's livelihoods", and made every effort to provide financial services for all types of individual customers during outbreaks of COVID-19.

(iii) Internet finance business

The Bank keeps innovating financial products and services by leveraging digital financial platforms and connecting various fintech-empowered scenarios and customers. In addition, it has been working on a digital internet finance business and product system which features a self-operated ecosystem to achieve rapid development of "one body and two wings". Focusing on platform connection, business innovation and capacity building, the Bank has solved customers' demands with financial technology applications, deepened the construction of digital open banks, promoted the innovation of internet financial products and provided basic support for the digital transformation and integrated operation of public and retail customer services.

(iv) Information technology and R&D business

The Bank actively responded to the impact of COVID-19 outbreaks. For instance, it has been continuously upgrading its working mechanism of technology business integration, which aims to accelerate the innovation of business products by using scientific and technological means. In addition, it has strengthened construction of IT infrastructure and empowered high-quality development of management. The Bank adapts to changes and has been constantly improving scientific and technological capabilities. In addition, it has always adhered to the integrated and collaborative information technology construction management, expanded the integrated management mechanism of technology business to corporate business, retail business, financial market and other business fields, and formed a full-process collaborative management mechanism from demand proposal to product launch.

(v) Channel construction business

With integrated online and offline operation that highlights "customers, products and channels", the Bank devotes itself to creating an online channel with "end-to-end" high-quality service experience, continuously optimises the layout of physical outlets and commercial form images, and improves the digital and intelligent operation capabilities and the value contributions of online and offline channel customers.

In terms of mobile banking channels, the Bank intensified the personal mobile banking services with a simplified and smart system. In response to customers' feedbacks, the Bank provided individualised services targeting customers with demands in consumption, pension, wealth and agency payment.

In terms of online banking channels, the Bank's personal online banking service has continuously enriched the types of deposits, wealth management and loans, and added new products from time to time, such as Zhaijidai loans in inclusive finance. The Bank also provides services such as differentiated fees for wealth management, financial statements and quick connection of Yinbaotong with insurance companies and message centres.

GENERAL INFORMATION

The Bank's head office is located at No.168, Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, China, 200120. Copies of the Bank's published audited consolidated financial statements and unaudited but reviewed consolidated financial statements, as well as its public filings, can be downloaded free of charge from the websites of the Bank and the Shanghai Stock Exchange at www.bosc.cn and www.sse.com.cn, respectively. The financial statements of the Bank are not included in and do not form part of this Offering Circular. The information contained on the websites of the Bank and the Shanghai Stock Exchange is subject to change from time to time. No representation is made by the Issuer, the Group, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them, and none of the Issuer, the Group, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them takes any responsibility for any information contained on websites of the Bank and the Shanghai Stock Exchange.

DESCRIPTION OF THE GROUP

OVERVIEW

Established on 24 March 2017, the Issuer is a state-owned company directly and wholly owned by Yibin Sanjiang Investment and Construction Group Co., Ltd. (宜賓三江投資建設集團有限公司), which is ultimately controlled by Yibin SASAC and under direct administration of the Yibin Municipal Government. The Issuer is designated as one of the primary state-owned investment and financing companies through which the Yibin Municipal Government promotes emerging industries and economic and urban development in Yibin City. Following the completion of the equity interests' acquisition in Wuhu Cowin Automobile Co., Ltd., which subsequently changed its name to Yibin Cowin Automobile Co., Ltd. ("**Yibin Cowin**") in December 2017 (for further details, see "— *History and Development*" below), the Group commenced its automobile manufacturing and sale business operation in 2018 and since then, automobile manufacturing and sale business has become the Group's key business segment. In 2021, the Group commenced its commodities trading business, which has become another key business segment of the Group.

Leveraging the Industrial Development Two-wheel Drive (產業發展雙輪驅動) policy promoted by the Yibin Municipal Government with a strategic focus on accelerating the development of emerging industries and new materials to promote the economic and urban development of Yibin City, the Group has enjoyed and is expected to continue to enjoy greater business opportunities and government support, enabling it to further enhance its businesses, operations and investments in Yibin City. The Group's sales of automobiles has also benefited from, and will continue to benefit from, geographic advantages in Yibin City. Located at the intersection of "Beijing-Kunming High-speed Railway" and "Lanzhou-Guangzhou High-speed Railway" and also situated at the starting point of the Yangtze River Golden Waterway (長江黃金水道), Yibin City serves as an important transportation hub, with one of the largest integrated inland river hub ports in Sichuan.

The Group's business operations primarily focus on the following segments, namely (i) automobile manufacturing and sales business; (ii) commodities trading business and (ii) other businesses. Set forth below is an overview of the business segments of the Group:

- *Automobile Manufacturing and Sale.* The Group commenced its automobile manufacturing and sale business in 2018. The Issuer conducts its automobile manufacturing and sale business primarily through its subsidiaries, namely Yibin Automobile Industry Development Investment Co., Ltd. (宜賓市汽車產業發展投資有限責任公司) ("**Yibin Automobile**") and Yibin Cowin. As at the date of this Offering Circular, the Issuer holds approximately 94.4 per cent. of the equity interest in Yibin Automobile, and Yibin Automobile holds approximately 80.67 per cent. of the equity interest in Yibin Cowin. The Group manufactures and sells a variety of automobile product mix in the passenger vehicles field, including but not limited to Showjet (炫界), Showjet Pro, Xuandu (軒度) and Kunlun (昆侖) automobiles, with an aim to target mid- to lower-end customers in the PRC. The Group also values the capability of research and development as another key factor to upgrade its product mix and strengthen its competitiveness. To achieve this goal, the Group has established a research institute in Shanghai to further develop the use of smart connected technology in automobiles. In addition, the Group has established strategic partnership, alliance and cooperative relationship with Foxconn, iFLYTEK, Tima Networks, China Telecom, Industry Alliance for Vehicles, Research Institute of Intelligent Interconnection, Chengdu Automobile Industrial Research Institute, China Mobile, Sichuan University, University of Electronic Science and Technology of China, Southwest Jiaotong University, Chengdu University of Technology and Xihua University to jointly apply for projects, conduct vocational education and personnel training and conduct research in the areas of new energy vehicles and advanced technologies in automobiles. For the years ended 31 December 2021, 2022 and 2023, operating income generated from the Group's automobile manufacturing and sale business was RMB1,911.9 million,

RMB2,456.7 million and RMB3,652.7 million, respectively, representing 56.0 per cent., 46.4 per cent. and 49.1 per cent. of the Group's operating income for the respective period.

- *Commodities Trading.* The Group started to engage in commodities trading business in 2021 through its wholly-owned subsidiary, namely Yibin Xinxing Supply Chain Management Co., Ltd (宜賓市新興供應鏈管理有限公司). Since 2021, the Group's commodities trading business has become a pillar of the Group's business operation. The Group primarily trades electrolytic copper, copper rods, mobile phone screens, cameras, motherboards, mobile phone screens, chips, motherboards, cameras and other raw materials and equipment. For the years ended 31 December 2021, 2022 and 2023, operating income generated from the Group's commodities trading business was RMB1,443.0 million, RMB2,381.0 million and RMB3,028.3 million, respectively, representing 42.3 per cent., 45.0 per cent. and 40.7 per cent. of the Group's operating income for the respective period.

- *Other Businesses.* The Group also conducts other businesses including financial consultant service business, leasing business and big data analytics business, among which, the financial consultant service business is mainly conducted through Yibin Emerging Industry Development Investment Fund Management Co., Ltd. (宜賓市新興產業發展投資基金管理有限責任公司) and the leasing services business and big data analytics business are mainly conducted through Yibin Big Data Co., Ltd. (宜賓市大數據有限責任公司). For the years ended 31 December 2021, 2022 and 2023, operating income generated from the Group's other businesses was RMB60.3 million, RMB458.1 million and RMB764.1 million, respectively, representing 1.8 per cent., 8.6 per cent. and 10.3 per cent. of the Group's operating income for the respective period.

For the years ended 31 December 2021, 2022 and 2023, the Group's total operating income was RMB3,415.1 million, RMB5,295.7 million and RMB7,445.1 million, respectively. As at 31 December 2021, 2022 and 2023, the Group's total assets amounted to RMB26,288.3 million, RMB30,338.0 million and RMB37,055.8 million, respectively.

COMPETITIVE STRENGTHS

The Issuer believes that the following strengths are important to its success and future development:

Strong support (but not including credit support) from the Yibin Municipal Government and the strategic role played by the Group in the Yibin Municipal Government's policies to develop Yibin automobile industry

The Issuer is a state-owned company wholly owned by Yibin Sanjiang Investment and Construction Group Co., Ltd., which in turn is controlled by the Yibin Municipal Government. Designated as one of the primary state-owned investment and financing companies through which the Yibin Municipal Government promotes emerging industries and economic and urban development in Yibin City, the Group has received, and expects to continue to receive, financial support (but not including credit support) from the Yibin Municipal Government for the development of its businesses and the management of its business operations.

The Group has received support from the Yibin Municipal Government in the form of fiscal and other subsidies to support the Group's operations. For example, in 2022, the Issuer received total governmental subsidies of approximately RMB15.1 million. In addition, as the first company established in Sichuan Province with the capability to manufacture traditional and new energy passenger vehicles, including the SD Car, SUV and MVP series automobiles, the Group plays a strategic role in implementing the Yibin Municipal Government's policies for the development of automobile industry in Yibin City. In accordance with the government's automobile industry development plan in Yibin City to focus on research and development in the areas of electric vehicles and core parts technology, green and intelligent transportation system for shared traffic for electric cars (電動汽車綠色智能共享交通體系) and the

construction and industrial application of intelligent traffic facilities, the Issuer has, backed by the strong support from the Yibin Municipal Government, established Yibin Yizhi New Energy Automobile Technology Co., Ltd. (宜賓翼智新能源汽車科技有限公司) in collaboration with Tongji University (同濟大學) in 2017.

Cost-effective and high-performance automobile products

The principal automobiles manufactured by the Group have a high price-to-performance ratio. For example, the market price of Showjet ranged from approximately RMB80,000 to approximately RMB100,000, representing approximately 53 per cent. to 67 per cent. of the market price of automobiles of similar grade in the PRC. Please refer to "*— Automobile Manufacturing and Sale — Automobile Products — Principal Automobile Products*" for specifications of the principal products offered by the Group for further information.

Strong research and development capability

The Group has established a research institute in Shanghai to further develop the use of smart connected technology in automobiles. In addition, the Group has established strategic partnership, alliance and cooperative relationship with Foxconn, iFLYTEK, Tima Networks, China Telecom, Industry Alliance for Vehicles, Research Institute of Intelligent Interconnection, Chengdu Automobile Industrial Research Institute, China Mobile, Sichuan University, University of Electronic Science and Technology of China, Southwest Jiaotong University, Chengdu University of Technology and Xihua University to jointly apply for projects, conduct vocational education and personnel training and conduct research in the areas of new energy vehicles and advanced technologies in automobiles. Main engineers of the teams automobile modelling, engineering and performance design and development of the Group generally have more than six years of working experience.

The Group has also fostered strong cooperative relationships with domestic and international design and development institutions, such as Italy TS, Italy ED, BorgWarner, Korea ITE, China Automotive Technology & Research Centre (中國汽車技術研究中心) and Kaiking (佳景) to enhance the design and technology of its automobile products.

In addition, the Group will comprehensively transform its strategic vehicle model towards new energy from 2022 to 2025, and officially signed a cooperation agreement with Huawei in February 2022. Pursuant to the agreement with Huawei, Huawei and the Group will carry out cooperation in three major areas: digital transformation, automotive research and development, and sales/after-sales. On 18 July 2022, the Group signed a strategic cooperation agreement with Tencent. Pursuant to the agreement with Tencent, Tencent will leverage its C2B connectivity capabilities, as well as its technological advantages in cloud computing, big data, AI, and other areas, to carry out innovation in user online services, cross screen connectivity between car and computer systems, car enthusiast clubs, product research and development design, and brand co creation. In the future, both parties will further cooperate in infrastructure services, system services, information security, and talent co-construction. At the International Power Battery Conference, the Group and CATL established Yibin Times Cowin New Energy Technology Co., Ltd. (宜賓時代凱翼新能源科技有限公司) and completed the unveiling ceremony. The Group will collaborate with CATL in four major directions: vehicle joint development, high-energy density battery development, chocolate battery swapping technology research and development, and battery recycling technology. Although the sales volume of "Cowin" automobiles has decreased due to the impact of the COVID-19 epidemic, thanks to the support of the Yibin Municipal Government and related industry support, the Group will layout new energy vehicles in the future and cooperate with multiple well-known high-tech enterprises, laying a solid foundation for future development.

Yibin City's strategic location and strong economic growth

Located at the starting point of the Yangtze River Golden Waterway and the overlapping area of Yangtze River Economic Belt (長江經濟帶), Silk Road Economic Belt (絲綢之路經濟帶) and China-India-Myanmar-Bangladesh Economic Corridor (中印緬孟經濟走廊), Yibin City is strategically located in the Sichuan-Yunnan-Guizhou Region (川滇黔區域). In addition, Yibin City's connection with various railway and highway networks in the PRC makes it an easily accessible and convenient location for the conducting of logistics and trading businesses. In terms of railway, Yibin City is located within one of the 50 railway hubs in the PRC and lies at the intersection of four high-speed railways. In addition, two important railway lines from the national "Eight-Vertical-and-Eight-Horizontal" (八縱八橫) high-speed railway network, namely "Beijing-Kunming High-speed Railway" and "Lanzhou-Guangzhou High-speed Railway", intersect at Yibin City. In terms of highway, 12 highways intersect in Yibin City, making it an important logistics hub in the western China region. Moreover, Yibin City is also accessible by air and by sea. With various air routes go via Yibin City to 17 other cities across in the PRC, Yibin City is an aviation bridge in the Sichuan-Yunnan-Guizhou Region. In terms of transportation by sea, with one of the largest integrated inland river hub ports in Sichuan, namely Sichuan Yibin Port (四川宜賓港), Yibin City is a major shipping logistics centre of the upper Yangtze River area and one of the six major hub ports of the Yangtze River. The general carriage capacity of Yangtze River Channel (長江航道) is approximately 1,500 tonnes. During wet seasons, the capacity could reach more than 8,000 tonnes.

As substantially all of the Group's business, operations and investments are located in Yibin City, the Group's businesses has benefited, and will continue to benefit, from the strategic location of Yibin City and favourable government policies promoting the further economic and urban development of Yibin City, which in turn have provided and will continue to provide, a favourable business environment for the enhancement of the Group's businesses, in particular its automobile manufacturing and sale business. Leveraging on the Group's state-owned background, the Issuer believes that the Group is well-positioned and able to capture any business opportunities arising from the growth and development of Yibin City and is able to further enhance its businesses, operations and investments in Yibin City.

Prudent financial structure

The Group puts great emphasis on maintaining a prudent financial structure, which the Issuer believes is the key to sustainable business development and maximising returns on the Group's investments.

The Group has adopted prudent financial management policies to achieve greater financial efficiency. For example, the Group has maintained an adequate level of cash balance and current assets to fulfil its liquidity needs and has made investments which are in line with the Group's business strategies. Also, the Group's current ratio, which is defined as current assets over current liabilities, has been maintained at a reasonable level. In addition, the Group has prudently managed its balance sheet by maintaining its debt ratio at a level that it considers to be reasonable.

With respect to its investment management, the Group has implemented effective control measures from the commencement to the completion of its projects, which enable it to control operational costs to improve its results of operations.

Experienced management team with support from a dedicated team of staff

The Group has an experienced management team with extensive knowledge in the automobile manufacturing and sale business segment in which the Group operates. The Issuer believes that the Group's industry knowledge and technical expertise enable the Group to make prudent business decisions so as to strengthen its operations in the relevant businesses in Yibin City. Please see "*Directors, Supervisors and Senior Management*" for further information on the Issuer's senior management team.

The Group's experienced management team is also supported by a dedicated team of staff with extensive technical and industry knowledge. The Issuer believes in the benefits of improving the skills and knowledge of the Group's management team and employees, and regularly conducts both in-house and external management and professional training programmes.

BUSINESS STRATEGIES

The Issuer's objective is to expand its automobile manufacturing and sale business into upstream and downstream automobile industry and to develop its business operations and invest in other business segments. The Issuer intends to implement the following strategies to achieve this objective:

Continue to focus on technological improvement and product development

As a result of the PRC government's policy to increase the supply and consumption of energy-saving and environmentally friendly vehicles in recent years, the Issuer believes that the prospects and demand for new energy vehicles will continue to increase which in turn will create new business opportunities for the Issuer's automobile manufacturing and sale business. The Group plans to capitalise on such new opportunities to further expand its automotive products offering and enhance its market share.

In particular, the Group intends to explore opportunities to develop electric vehicles and autonomous vehicles (自動駕駛車) in the PRC through research and development on various types of advanced technologies including hybrid or pure electric vehicle technology, flexible fuel technology and other new energy technologies via partnership and strategic alliance in the area of new energy vehicles.

The Issuer also intends to further refine the Group's existing product lines and continue to introduce new automobile products to address the customers' evolving needs and preferences such as the new automobile models C5, X7 and L3. The Group will continue to replace old automobile models with more sophisticated new automobile models with newly developed and other advanced powertrain technologies and designs.

Continue to explore new distribution channels and optimise existing distribution channels

The Group intends to explore new distribution channels to supplement its existing distribution channel which is primarily offered by Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司) ("**Chery Automobile**"). The Group also intends to implement a more comprehensive evaluation mechanism to select high quality and reputable dealers and provide them with strong support to help improve their operational capability. At the same time, the Group plans to review and terminate business relationships with existing underperforming dealers. The Issuer believes that the dealers selected via its comprehensive evaluation mechanism will achieve economies of scale in the selling process of the automobiles manufactured by the Group.

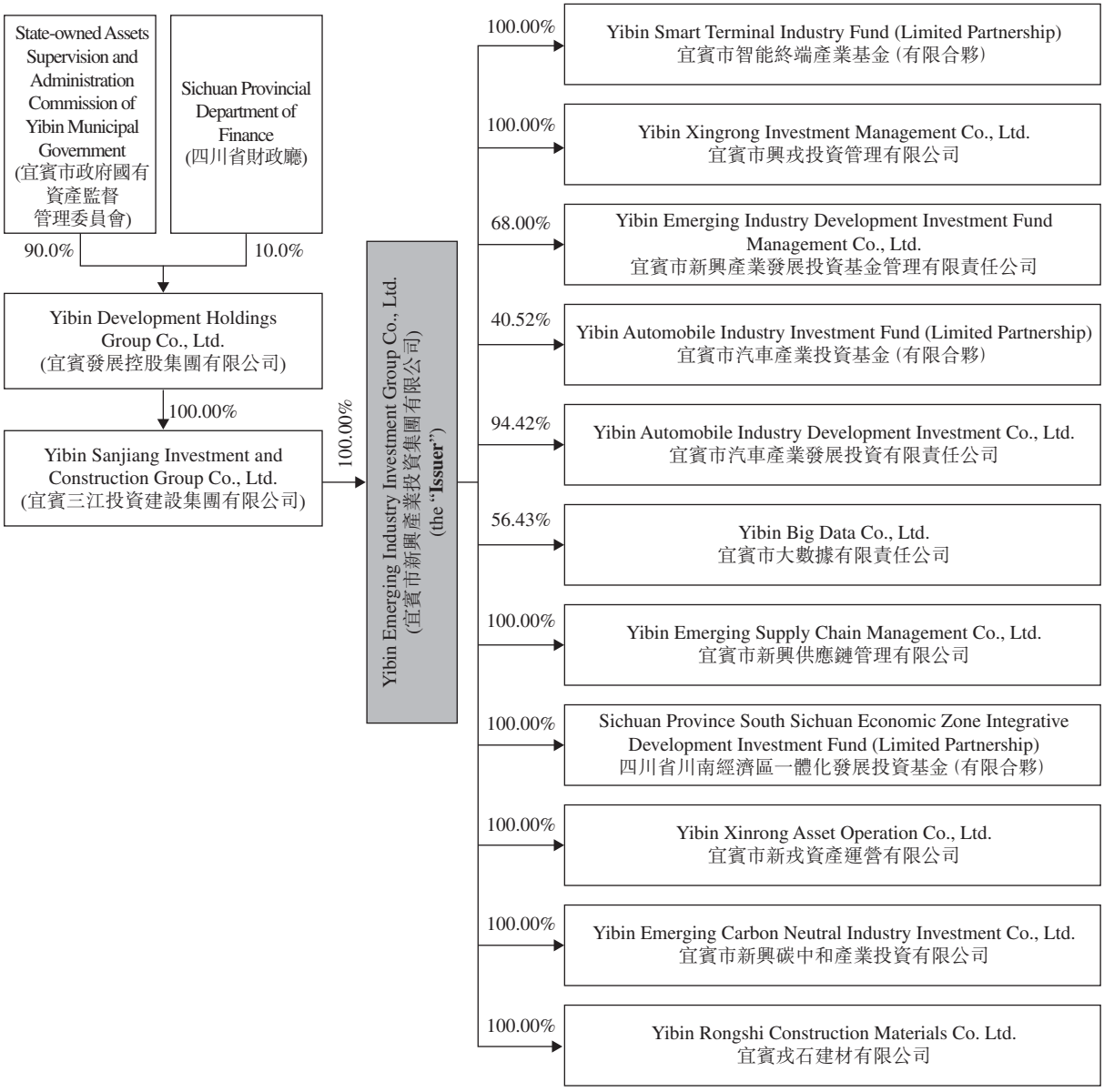
Continue to promote the brand name of "Cowin" automobiles

The Group places significant emphasis on developing the brand image of "Cowin" automobiles and intends to further enhance the brand image by introducing automobile manufacturing and other value-added related services that will enhance the profile, reputation and image of the Group and the "Cowin" brand.

In addition, the Group also plans to develop the "Cowin" brand and reputation as one which is both environmental friendly and technologically advanced, and the Group will continue to focus on the commercialisation of a new generation of more environmental friendly electric vehicles and smart connected automobiles.

CORPORATE STRUCTURE

The following chart sets forth a simplified corporate structure of the Group, which shows the Issuer, the Issuer's shareholder and major subsidiaries as at the date of this Offering Circular:



HISTORY AND DEVELOPMENT

The Company was established as Yibin Emerging Industry Investment and Development Co., Ltd. (宜賓市新興產業發展投資有限責任公司) on 24 March 2017 with an initial registered capital of RMB5.0 billion. On 24 June 2019, the Issuer changed its name to Yibin Emerging Industry Investment Group Co., Ltd (宜賓市新興產業投資集團有限公司). As at the date of this Offering Circular, the Company is wholly owned by Yibin Sanjiang Investment and Construction Group Co., Ltd. (宜賓三江投資建設集團有限公司), which is ultimately controlled by Yibin SASAC and thus under direct administration of the Yibin Municipal Government.

The following table sets forth the key events in the course of development of the Company:

Year	Milestone Event
2017	The Issuer was established on 24 March 2017 with a registered capital of RMB5.0 billion. In December 2017, a subsidiary of the Issuer, namely, Yibin Automobile, and Sichuan Yibin Pushi Group Co., Ltd. (四川省宜賓普什集團有限公司) ("**Sichuan Pushi**") acquired 50.50 per cent. and 0.50 per cent., respectively, of the equity interest in Wuhu Cowin Automobile Co., Ltd., which subsequently changed its name to Yibin Cowin. As at the date of this Offering Circular, Yibin Automobile, Sichuan Pushi and Chery Automobile held approximately 80.67 per cent., 1.33 per cent. and 18.00 per cent. of the equity interest in Yibin Cowin, respectively.
2018	The Group commenced its automobile manufacturing and sale business in 2018. Since then, automobile manufacturing and sale business has become the Group's key business segment.
2019	On 24 December 2019, a subsidiary of the Issuer, namely, Yibin Big Data Co., Ltd. (宜賓市大數據有限責任公司) was established with a registered capital of RMB150.0 million.
2020	On 9 October 2020, Yibin State-owned Assets Management Co., Ltd. (宜賓市國有資產經營有限公司) gratuitously transferred its 100.0 per cent. of equity interest in the Issuer to Yibin Sanjiang Investment and Construction Group Co., Ltd., a subsidiary wholly owned by Yibin State-owned Assets Management Co., Ltd.
2021	The Group commenced its commodities trading business in 2021, which has become the Group's key business segment.
2022	Yibin Automobile acquired 29.82 per cent. equity interest in Yibin Cowin from Chery Automobile Co., Ltd.

RELATIONSHIP WITH THE YIBIN MUNICIPAL GOVERNMENT

The Company is wholly owned by Yibin Sanjiang Investment and Construction Group Co., Ltd., which is ultimately controlled by Yibin SASAC and thus under direct administration of the Yibin Municipal Government. The Group has extensive connections with the Yibin Municipal Government and other entities directly or indirectly controlled by it. The Group has received various assets and capital injections, subsidies and other grants as well as favourable policies from the Yibin Municipal Government and other entities and enterprises controlled by it. Yibin SASAC supervises the performance of the Group as well as the Company's board of directors and management team in such capacity through various means.

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

See also the risk factors headed "*The Group relies on government support and a reduction or discontinuance of government support could materially and adversely affect the financial condition and results of operations of the Group*" and "*The Group may not make decisions, take actions or invest or operate in businesses or projects that are always in the Group's best interests or that aim to maximise the Group's profits as the Yibin Municipal Government and Yibin SASAC can exert significant influence on the Group.*" in the section headed "*Risk Factors — Risks Relating to the Group and Its Business*" and the risk factor headed "*None of the Yibin Sanjiang Investment and Construction Group Co., Ltd., the Yibin Municipal Government, the Sichuan Provincial Government or any other PRC governmental entity is under any obligation to pay any amount under the Bonds or the Trust Deed if the Issuer fails to meet its obligations thereunder*" in the section headed "*Risk Factors — Risks Relating to the Bonds and the Standby Letter of Credit*".

DESCRIPTION OF THE GROUP'S BUSINESSES

Overview

Established on 24 March 2017, the Issuer is a state-owned company directly and wholly owned by Yibin Sanjiang Investment and Construction Group Co., Ltd., which is ultimately controlled by Yibin SASAC and under direct administration of the Yibin Municipal Government. The Issuer is designated as one of

the primary state-owned investment and financing companies through which the Yibin Municipal Government promotes emerging industries and economic and urban development in Yibin City. Following the completion of the equity interests' acquisition in Wuhu Cowin Automobile Co., Ltd., which subsequently changed its name to Yibin Cowin (for further details, see "— *History and Development*"), the Group commenced its automobile manufacturing and sale business operation in 2018 and since then, automobile manufacturing and sale business has become the Group's key business segment. In 2021, the Group commenced its commodities trading business, which has become another key business segment of the Group.

The following table sets forth a breakdown of the operating income from each business segment of the Group for the periods indicated:

	For the year ended 31 December					
	2021		2022		2023	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
Automobile manufacturing and sale	1,911.9	56.0	2,456.7	46.4	3,652.7	49.1
Commodities trading	1,443.0	42.3	2,381.0	45.0	3,028.3	40.7
Other businesses[(1)]	60.3	1.8	458.1	8.6	764.1	10.3
Operating income	**3,415.1**	**100.0**	**5,295.7**	**100.0**	**7,445.1**	**100.0**

Note:

(1) Other businesses include financial consultant service business, leasing business and big data analytics business.

Automobile Manufacturing and Sale

Overview

The Group conducts its automobile manufacturing and sale business primarily through Yibin Automobile and Yibin Cowin. The Group commenced its automobile manufacturing and sale business in 2018.

For the years ended 31 December 2021, 2022 and 2023, operating income generated from the Group's automobile manufacturing and sale business was RMB1,911.9 million, RMB2,456.7 million and RMB3,652.7 million, respectively, representing 56.0 per cent., 46.4 per cent. and 49.1 per cent. of the Group's operating income for the respective period.

Automobile Products

Principal Automobile Products

The Group primarily manufactures automobiles which are passenger vehicles. As at 31 December 2023, the principal automobile models offered by the Group include Showjet (炫界), Showjet Pro, Showjet ProEV, Xuandu (轩度), Kunlun (昆侖) and Shiyue (拾月) and automobiles.

The table below sets forth the specifications of the principal automobile models offered by the Group as at 31 December 2023:

Model	Key Features
Showjet	Class: A0 Type: SUV Size (metres): 4.40(l) x 1.83(w) x 1.65(h) Wheelbase (metres): 2.63 Engine displacement(litres): 1.5
Showjet Pro	Class: A0 Type: SUV Size (metres): 4.40(l) x 1.83(w) 1.65(h) Wheelbase (metres): 2.63 Engine displacement (litres): 1.5
Showjet ProEV	Class: A0 Type: SUV Size (metres): 4.40(l) x 1.83(w) x 1.65(h) Wheelbase (metres): 2.63 Engine displacement (litres): N/A (electric motor)
Xuandu	Class: A Type: SD Size (metres): 4.67(l) x 1.83(w) x 1.48(h) Wheelbase (metres): 2.70 Engine displacement (litres): 1.5
Kunlun	Class: B Type: SUV Size (metres): 4.74(l) x 1.97(w) x 1.71(h) Wheelbase (metres): 2.82 Engine displacement (litres): 1.6/2.0
Shiyue	Class: A00 Type: SD Size (metres): 3.36(l) x 1.70(w) x 1.61(h) Wheelbase (metres): 2.16 Engine displacement (litres): N/A (electric motor)

Automobile Products under Development

To address the Group's customers' evolving needs and preferences, the Group intends to further refine its existing product lines and continue to improve the standard and quality of its products and to introduce technologically advanced smart connected automobile designs. The table below sets forth the models under development as at 31 December 2023:

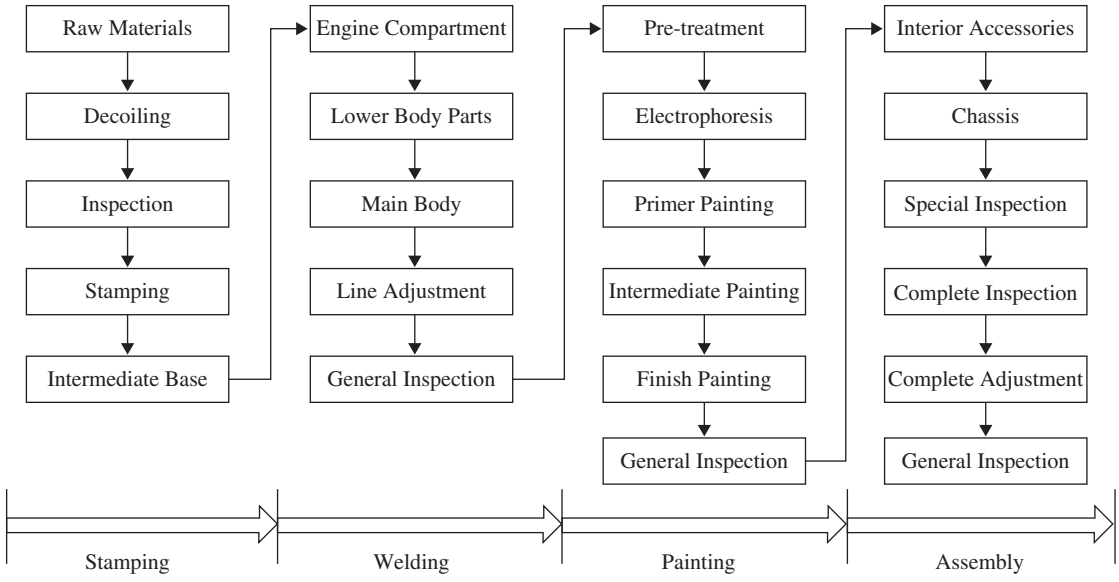
Model	Key Features
i-EA01	5-door layout 10.25+7-inch dual linkage screen keyless entry intelligent voice interaction system
i-EA02	5-door layout 10.25+7-inch dual linkage screen keyless entry intelligent voice interaction system

Automobile Manufacturing

The key raw materials, parts and components used in the manufacturing process of the Group's automobile products include cold-rolled steel plates (冷軋鋼板), hot-rolled steel plates (熱軋鋼板), zinc laminate, automobile interior components, copper and rubber. Raw materials are primarily sourced by the Issuer's subsidiary, Yibin Cowin, through the procurement centre of Chery Automobile.

The manufacturing process of the Group's automobile products primarily involves stamping, welding, painting and assembly, followed by testing and inspection.

The flowchart below illustrates the key production processes for the Group's automobile products:



Stamping

Cold-rolled steel plates and hot-rolled steel plates are first cut into blocks of different sizes. After undergoing sorting and trimming processes, these reshaped steel blocks are then pressed into different body parts of automobiles by stamping equipment to form different automobile body parts with complex shapes and structures.

Welding

Stamped automobile body parts and other relevant parts and accessories are then welded together by industrial robots to form automobile bodies. General inspection is typically conducted after the welding procedure.

Painting

Welded automobile body is then hoisted to the spray painting workshop. Automobile bodies are first processed by electrophoretic rust-proof treatment, followed by cleaning process. External automobile surfaces are then painted to prevent rusting and to produce different colours.

Assembly

All completed automobile components, including the automobile bodies, chassis, tyres, engines, interior accessories are assembled in the assembly workshop to form finished automobiles.

Testing and inspection

Finished automobiles are then tested, followed by further adjustments and fine-tuning before comprehensive inspection procedures are carried out.

Suppliers

The table below sets forth certain procurement information about the Group's five largest suppliers for its automobile manufacturing and sale business for the year ended 31 December 2023:

Supplier	**Total procurement amount**	**Percentage of total procurement amount**
	(RMB in millions)	**(%)**
Anqing Flex Power Technology Co., Ltd. (安慶福萊克斯動力科技有限公司)	285.5	7.4%
Wuhu Wan Li Yang Transmission Co., Ltd. (蕪湖萬裡揚變速器有限公司)	222.3	5.7%
Chery Automobile Co.,Ltd. (奇瑞汽車股份有限公司)	146.0	3.8%
Contemporary Amperex Technology Co. Limited (寧德時代新能源科技股份有限公司)	131.0	3.4%
Wuhu Acteco Powertrain Co., Ltd. (蕪湖埃科泰克動力總成有限公司)	93.4	2.4%
Total	**878.2**	**22.7**

The table below sets forth certain procurement information about the Group's five largest suppliers for its automobile manufacturing and sale business for the year ended 31 December 2022:

Supplier	Total procurement amount	Percentage of total procurement amount
	(RMB in millions)	(%)
Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司)	195.7	7.8
Anqing Flexpower Technologies Co., Ltd. (安慶福萊克斯動力科技有限公司)	111.8	4.5
Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司)	110.2	4.4
Yibin Yirui Automobile Co., Ltd. (宜賓宜瑞汽車有限公司)	98.0	3.9
Wuhu Ruichang Electric System Co., Ltd. (蕪湖瑞昌電氣系統有限公司)	84.5	3.4
Total	**600.3**	**23.9**

The table below sets forth certain procurement information about the Group's five largest suppliers for its automobile manufacturing and sale business for the year ended 31 December 2021:

Supplier	Total procurement amount	Percentage of total procurement amount
	(RMB in millions)	(%)
Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司)	739.1	34.6
Yibin Yirui Automobile Co., Ltd. (宜賓宜瑞汽車有限公司)	128.4	6.0
Wuhu Wanliyang Transmission Co., Ltd. (蕪湖萬裡揚變速器有限公司)	81.6	3.8
Chery Wanda Guizhou Bus Co., Ltd. (奇瑞萬達貴州客車股份有限公司)	31.9	1.5
Chengdu Baosteel Automotive Steel Parts Processing and Distribution Co., Ltd. (成都寶鋼汽車鋼材部件加工配送有限公司)	31.5	1.5
Total	**1,012.4**	**47.4**

Automobile sales

The principal automobile models sold by the Group include Showjet (炫界), Showjet Pro, Showjet ProEV, Xuandu (軒度), Kunlun (昆侖) and Shiyue (拾月) automobiles as at 31 December 2023.

The Group sets the sales price of its automobile products based on the market price of vehicles with similar specifications and the special features and costs for each automobile model. As at the date of this Offering Circular, the sales price of the Group's automobile products is primarily at a range from RMB100,000 to RMB170,000, targeting at customers of mid- to lower-end of the market.

The table below sets forth a breakdown of the sales volume of the Group's principal automobile models for the years ended 31 December 2021, 2022 and 2023:

Model	For the year ended 31 December					
	2021		2022		2023	
	(unit)	(%)	(unit)	(%)	(unit)	(%)
Tiggo 3x	170	0.60	–	–	–	–
Tiggo 8(1)	5,683	20.13	–	–	–	–
X3	4,918	17.42	60	0.17	1	0
X5	5	0.02	–	–	–	–
E3	8	0.03	–	–	–	–
E5EV	178	0.63	–	–	–	t
Showjet	11,681	41.37	13,095	37.87	11,664	22.43
Showjet Pro	2,662	9.43	5,125	14.82	6,590	12.67
Showjet ProEV	1,481	5.24	4,264	12.33	1,769	3.40
Xuandu	959	3.4	11,745	33.97	17,100	32.88
Kunlun	–	–	208	0.60	10,125	19.47
Shiyue	–	–	–	–	3,264	6.28
T19	–	–	–	–	1,315	2.53
Special vehicles	492	1.74	81	0.23	185	0.36
Total	**28,237**	**100.0**	**34,578**	**100.0**	**52,013**	**100.0**

Note:

(1) Commission sales

Sales Channels

As at 31 December 2023, automobiles manufactured by the Group are primarily sold through dealer shops, and supplemented by online direct sales in the PRC. As at 31 December 2023, the Group had 216 first tier distributors and 508 second tier distributors, covering 169 cities and 195 counties in the PRC.

Sales Region

Automobiles manufactured by the Group are sold in all provinces and cities in the PRC, primarily in Shandong, Zhejiang, Sichuan, Hebei and Gansu provinces.

The table below sets forth the five largest sales locations in the PRC in terms of the number of automobiles sold for the year ended 31 December 2023:

Province		For the year ended 31 December 2023	
		(unit)	(%)
1	Sichuan	3,147	13.3%
2	Shandong	2,710	11.4%
3	Hebei	1,702	7.1%
4	Zhejiang	1,465	6.1%
5	Gansu	1,181	5.0%
Total		**10,205**	**42.9%**

The table below sets forth the five largest sales locations in the PRC in terms of the number of automobiles sold for the year ended 31 December 2022:

Province		For the year ended 31 December 2022	
		(unit)	(%)
1	Sichuan	6,206	17.94
2	Shandong	1,719	4.97
3	Hebei	1,311	3.79
4	Zhejiang	1,091	3.15
5	Shanxi	915	2.64
Total		**11,242**	**32.49**

The table below sets forth the five largest sales locations in the PRC in terms of the number of automobiles sold for the year ended 31 December 2021:

Province		For the year ended 31 December 2018	
		(unit)	(%)
1	Zhejiang	2,444	9.33
2	Shandong	2,216	8.46
3	Hebei	2,126	8.12
4	Sichuan	1,760	6.72
5	Gansu	1,077	4.11
Total		**9,623**	**36.74**

For the year ended 31 December 2023, the Group sold 28,155 automobiles on a commission basis, including five automobiles models, in the international market.

Customers

Due to the wide variety of automobile models offered by the Group, the Group has established a diverse customer base for its automobiles.

The table below sets forth certain sales information about the Group's five largest customers for its automobile manufacturing and sale business for the year ended 31 December 2023:

Customer	Total sales amount	Percentage of total sales amount
	(RMB in millions)	(%)
China National Machinery Import and Export Corporation (中國機械進出口(集團)有限公司)	700.5	18.6%
KAI JSC	513.8	13.7%
ELLADA INTERTREYD Ltd	318.9	8.5%
Sichuan Zhenmao International Trading Co., Ltd. (四川臻茂國際貿易有限公司)	172.7	4.6%
Comercial Motores de Los Andes SPA	105.3	2.8%
Total	**1,811.2**	**48.2**

The table below sets forth certain sales information about the Group's five largest customers for its automobile manufacturing and sale business for the year ended 31 December 2022:

Customer	Total sales amount	Percentage of total sales amount
	(RMB in millions)	(%)
ELLADA INTERTREYD Ltd	466.8	19.0
Yibin Yirui Automobile Co., Ltd. (宜賓宜瑞汽車有限公司)	393.8	16.0
Sichuan Zhenmao International Trade Co., Ltd. (四川臻茂國際貿易有限公司)	196.9	8.0
Yibin Sanfeng Automobile Sales and Service Co., Ltd. (宜賓三豐汽車銷售服務有限公司)	132.8	5.4
Yibin Huami Automobile Technology Co., Ltd. (宜賓華米汽車科技有限公司)	95.2	3.9
Total	**1,285.6**	**52.3**

The table below sets forth certain sales information about the Group's five largest customers for its automobile manufacturing and sale business for the year ended 31 December 2021:

Customer	Total sales amount	Percentage of total sales amount
	(RMB in millions)	(%)
JSC "CHERYAUTOMOBILERUS"	186.6	9.8
Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司)	172.4	9.0
CITIC Gangtong International Logistics Co., Ltd. (中信港通國際物流有限公司)	135.9	7.1
Yibin Cuifu City Operation Service Co., Ltd. (宜賓翠富城市運營服務有限公司)	85.5	4.5
Yibin Jinnong Trading Co., Ltd. (宜賓金農商貿有限公司)	83.6	4.4
Total	**663.9**	**34.7**

Research and Development

The Group has established a research institute in Shanghai to further develop the use of smart connected technology in automobiles. In addition, the Group has established strategic partnership, alliance and cooperative relationship with Foxconn, iFLYTEK, Tima Networks, China Telecom, Industry Alliance for Vehicles, Research Institute of Intelligent Interconnection, Chengdu Automobile Industrial Research Institute, China Mobile, Sichuan University, University of Electronic Science and Technology of China, Southwest Jiaotong University, Chengdu University of Technology and Xihua University to jointly apply for projects, conduct vocational education and personnel training and conduct research in the areas of new energy vehicles and advanced technologies in automobiles.

Commodities Trading

Overview

The Group started to engage in commodities trading business in 2021 through its wholly-owned subsidiary, namely Yibin Xinxing Supply Chain Management Co., Ltd (宜賓市新興供應鏈管理有限公司). The Group primarily trades electrolytic copper, copper rods, mobile phone screens, cameras, motherboards, mobile phone screens, chips, motherboards, cameras and other raw materials and equipment.

The Group has experienced rapid growth in its commodities trading business since its operation. For the years ended 31 December 2021, 2022 and 2023, operating income generated from the Group's commodities trading business was RMB1,443.0 million, RMB2,381.0 million and RMB3,028.3 million, respectively, representing 42.3 per cent., 45.0 per cent. and 40.7 per cent. of the Group's operating income for the respective period.

Business Model

The Group primarily conducts its commodities trading business through a "sales-oriented procurement" business model. Under such model, the Group will first ascertain the needs of downstream customers, then conduct price inquiry with the suppliers and finally provides feedback and negotiates price with downstream customers based on the acquired information. Once the parties reach a consensus as to the price and the terms of trade, the Group will carry out the business contracts execution and delivery process. At the sales stage, normally the Group enters into framework contracts with its customers with a term of one year, and the parties deliver and accept the goods in accordance with the time and venue as requested in the specific orders of the customers. At the procurement stage, normally the Group enters into procurement contracts with the suppliers, and the parties perform their respective delivery, inspection and acceptance obligations in accordance with the time and venue stipulated in the procurement contracts. The goods and products traded by the Group are generally transported from the location of the producer to the location of the user directly, which enables the group to maintain a relatively low inventory level.

In terms of payment, normally the customers make the payment for each of the order to the Group within the credit period after receiving the relevant goods. The settlement period varies depending on the procurement payment cycle, demand, and industry and is generally within 3-6 months.

Major Suppliers and Customers

Suppliers

The table below sets forth certain procurement information about the Group's five largest suppliers for its commodities trading business for the year ended 31 December 2023:

Supplier	**Total procurement amount**	**Percentage of total procurement amount**
	(RMB in millions)	**(%)**
Shanghai Hongxun Metal Materials Co., Ltd. (上海宏勳金屬材料有限公司)	1,278.7	35.6
Yixing Zijin Copper Co., Ltd. (宜興市紫金銅業有限公司)	751.6	20.9
Yixing Wanma Pentium Material Technology Co., Ltd. (宜興萬馬奔騰材料科技有限公司)	589.1	16.4
Changzhou Tongtai High-Tech New Materials Co., Ltd. (常州同泰高導新材料有限公司)	267.1	7.4
Sichuan Jinyuan Hengfei Supply Chain Management Co., Ltd. (四川金源恒輝供應鏈管理有限公司)	200.7	5.6
Total	**3,087.2**	**86.0**

The table below sets forth certain procurement information about the Group's five largest suppliers for its commodities trading business for the year ended 31 December 2022:

Supplier	Total procurement amount	Percentage of total procurement amount
	(RMB in millions)	(%)
Shanghai Hongxun Metal Materials Co., Ltd. (上海宏勳金屬材料有限公司)	1,107.3	48.6
Yixing Zijin Copper Co., Ltd. (宜興市紫金銅業有限公司)	351.5	15.4
Yibin Weida Optoelectronics Co., Ltd. (宜賓威達光電有限公司)	165.4	7.3
Yixing Wanma Pentium Material Technology Co., Ltd. (宜興萬馬奔騰材料科技有限公司)	159.2	7.0
Changzhou Tongtai High-Tech New Materials Co., Ltd. (常州同泰高導新材料有限公司)	114.9	5.0
Total	**1,898.4**	**83.2**

The table below sets forth certain procurement information about the Group's five largest suppliers for its commodities trading business for the year ended 31 December 2021:

Supplier	Total procurement amount	Percentage of total procurement amount
	(RMB in millions)	(%)
Jiangsu Zhongguangrun New Material Technology Co., Ltd. (江蘇中廣潤新材料科技有限公司)	396.3	22.1
Shanghai Hongxun Metal Materials Co., Ltd. (上海宏勳金屬材料有限公司)	361.3	20.2
Changzhou Tongtai High-Tech New Materials Co., Ltd. (常州同泰高導新材料有限公司)	324.4	18.1
Jiangsu Jiangrun Copper Co., Ltd. (江蘇江潤銅業有限公司)	287.9	16.1
Shenzhen Tianlong Mobile Technology Co., Ltd. (深圳市天瓏移動技術有限公司)	184.1	10.3
Total	**1,554.0**	**86.8**

Customers

The table below sets forth certain sales information about the Group's five largest customers for its commodities trading business for the year ended 31 December 2023:

Customer	Total sales amount	Percentage of total sales amount
	(RMB in millions)	(%)
Far East Cable (Yibin) Co., Ltd. (遠東電纜(宜賓)有限公司)	3,018.7	88.7
Sichuan Wuliangye Commodity Co., Ltd. (四川五糧液物產有限公司)	150.9	4.4
Sichuan Southwest Liansheng Communication Technology Co., Ltd. (四川西南聯盛通訊技術公司)	84.4	2.5
Sichuan Lemeng Zhilian Technology Co., Ltd. (四川樂盟智聯科技有限公司)	73.3	2.2
Yibin Meijie Communication Technology Co., Ltd. (宜賓市美捷通訊科技有限公司)	28.5	0.8
Total	**3,355.6**	**98.6**

The table below sets forth certain sales information about the Group's five largest customers for its commodities trading business for the year ended 31 December 2022:

Customer	Total sales amount	Percentage of total sales amount
	(RMB in millions)	(%)
Far East Cable (Yibin) Co., Ltd. (遠東電纜(宜賓)有限公司)	1,932.5	81.2
Sichuan Southwest Liansheng Communication Technology Co., Ltd. (四川西南聯盛通訊技術公司)	199.1	8.4
Sichuan Lemeng Zhilian Technology Co., Ltd. (四川樂盟智聯科技有限公司)	137.9	5.8
Yibin Meijie Communication Technology Co., Ltd. (宜賓市美捷通訊科技有限公司)	54.2	2.3
Yibin Huaxun Optical Communications Co., Ltd. (宜賓市華迅光通信有限公司)	15.7	0.7
Total	**2,339.3**	**98.3**

The table below sets forth certain sales information about the Group's five largest customers for its commodities trading business for the year ended 31 December 2021:

Customer	Total sales amount	Percentage of total sales amount
	(RMB in millions)	(%)
Far East Cable (Yibin) Co., Ltd. (遠東電纜(宜賓)有限公司)	1,171.9	81.2
Yibin Chen'an Intelligent Manufacturing Co., Ltd. (宜賓市辰安智能製造有限公司)	190.4	13.2
Yibin Tengzhuo Intelligent Technology Co., Ltd. (宜賓市騰卓智能科技有限公司)	22.1	1.5
Sichuan Southwest Liansheng Communication Technology Co., Ltd. (四川西南聯盛通訊技術公司)	20.1	1.4
Yibin Jiuxin Prefabricated Construction Co., Ltd. (宜賓玖鑫裝配式建築有限責任公司)	6.9	0.5
Total	**1,411.5**	**97.8**

Other Businesses

In addition to its primary businesses of automobile manufacturing and sale and commodities trading, the Group also engages in other businesses including financial consultant service business, leasing business and big data analytics business, among which, the financial consultant service business is mainly conducted through Yibin Emerging Industry Development Investment Fund Management Co., Ltd. and the leasing services business and big data analytics business are mainly conducted through Yibin Big Data Co., Ltd.

For the years ended 31 December 2021, 2022 and 2023, operating income generated from the Group's other businesses was RMB60.3 million, RMB458.1 million and RMB764.1 million, respectively, representing 1.8 per cent., 8.6 per cent. and 10.3 per cent. of the Group's operating income for the respective period.

ENVIRONMENTAL MATTERS

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

INSURANCE

The Group maintains insurance policies which it believes to be consistent with the relevant law and industry and business practice in the jurisdictions in which it operates, including the PRC. The Group maintains insurance coverage in the types which it believes are commensurate with its risk of loss and industry practice. Consistent with what the Group believes to be customary practice in the jurisdiction where it operates, it does not carry any business interruption insurance, keyman insurance or insurance covering potential environmental damage claims.

EMPLOYEES

As at 31 December 2023, the Company had approximately 140 full-time employees. In accordance with the applicable regulations of local governments in regions where the Group has business operations, the Group makes contributions to its employee's social insurance, including the statutory pension plan, medical insurance, unemployment insurance, maternity insurance and workers' compensation insurance. The amount of contributions is based on the specified percentages of employees' aggregate salaries as required by relevant authorities. The Group also makes contributions to an employee housing fund according to applicable regulations. In addition to statutory contributions, the Group provides annual bonuses to employees. The Group enters into an employment contract with each of its employees in accordance with applicable laws. Such contracts include provisions on wages, vacation, employee benefits, training programmes, health and safety, confidentiality obligations and grounds for termination.

GOVERNMENTAL REGULATIONS AND LICENCES

The Group's operations are subject to a variety of laws and regulations promulgated by the governments in each jurisdiction in which it operates. See the section headed "*PRC Regulations*".

The Group believes that it is in compliance in all material respects with the applicable governmental regulations, rules and executive orders in each jurisdiction in which it operates. As at the date of this Offering Circular, the Group is not aware of any governmental proceedings or investigations to which it might become a party and which may have a material adverse effect on its properties and operations.

The Group maintains regular communication with local governments and regulatory authorities through its management team or representatives, ensuring compliance with the requirements and conditions for obtaining and maintaining the aforementioned licences, concessions, permits, or certificates.

LEGAL PROCEEDINGS

From time to time, the Group is involved in legal proceedings or other disputes in the ordinary course of its business. As at the date of this Offering Circular, save as disclosed above, the Group is not aware of any legal proceedings, claims, disputes, penalties or liabilities currently pending or threatened against the Group that may have a material adverse change on its business, financial condition or results of operations.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

The board of directors (the "**Board**") of the Company consists of six directors, including one chairman and five directors. The Board is primarily responsible for, among others, determining the Company's development plans and major investment policies and plans, annual financial budget plans and accounting plans, annual profit distribution plans and deficit covering plans, determining internal management structure and organisation and determining basic management policies. Each director is appointed for a term of three years.

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

Name	Age	Position
Mr. LIU Bin (劉彬)	41	Chairman of the Board
Mr. XU Pingping (徐平平)	50	Director and general manager
Ms. JIA Mengni (賈夢妮)	30	Director
Mr. SUN Huaike (孫懷科)	54	Director
Mr. ZHOU Xin (周欣)	43	Director
Mr. LIU Jian (劉劍)	41	Employee representative director

Mr. Liu Bin (劉彬), aged 41, has been the chairman of the Board since September 2022. Mr. Liu previously served as an employee and an engineer of Chongqing Chang'an Automobile Co. Ltd. (重慶長安汽車股份有限公司汽車), an employee, a deputy researcher and a member of the Party Committee of Yibin Economy and Information Technology Commission (宜賓市經濟和信息化委員會工作員), the director of the Information Office (信息化辦公室) of Yibin Municipality, a member (a deputy county level cadre) of the Party Committee of Yibin Industry and Civil-Military Integration Bureau (宜賓市工業和軍民融合局), a director of the Automobile Industry Bureau (汽車產業局) of the Investment Promotion Bureau (投資促進局) of Yibin Lingang New District (Yibin Lingang Economic and Technological Development Zone) (宜賓臨港新區(宜賓臨港經濟技術開發區)), a deputy director of the Yibin Municipal Economic Development Service Centre (宜賓市經濟發展服務中心), a member of the Party Working Committee (黨工委) as well as a deputy director of the Management Committee of Yibin Lingang Economic and Technological, the secretary of the Party Committee of Economic Cooperation and Foreign Affairs Bureau (經合外事局) and the director of Automobile Industry Bureau of Sanjiang New District (Lingang Economic Development Zone) (三江新區(臨港經開區)), and a member of the Party Working Committee of Yibin Lingang Economic and Technological Development Zone. Mr. Liu currently also serves as a member of Party Working Committee of Sanjiang New District (Lingang Economic Development Zone), as well as the secretary of the Party Committee and a vice chairman of Yibin Cowin Automobile Co., Ltd (宜賓凱翼汽車有限公司). Mr. Liu holds an undergraduate degree in Materials Science and Engineering (材料科學與工程) from University of Science and Technology Beijing (北京科技大學), as well as a master and doctoral degree (including a joint PhD programme at the GKSS Research Centre of the Helmholtz Association of Research Centres in German (德國亥姆霍茲聯合會GKSS研究中心)) in Materials Science and Engineering from Chongqing University (重慶大学).

Mr. Xu Pingping (徐平平), aged 50, has been a director, the general manager and a deputy secretary of the Party Committee of the Company since September 2021. Mr. Xu previously served as an officer, a deputy division chief, a deputy director and a director of the Office of Yibin Municipal Finance Bureau (宜賓市財政局辦公室), a deputy secretary of the Party Committee, the chief of the Personnel Department (人事科) and a chief accountant of Yibin Municipal Finance Bureau (宜賓市財政局). Mr. Xu holds a postgraduate degree.

Ms. Jia Mengni (賈夢妮), aged 30, has been a director of the Company since April 2023. Ms. Jia previously served as the deputy head of the Investment and Financing Department (投融資部) of Yibin City Urban and Transportation Investment Construction Group Co., Ltd. (宜賓市城市及交通投資建設集團有限公司), a supervisor of the China Railway (Yibin) Yibin-Weixin Expressway Co., Ltd. (中鐵(宜賓)宜威高速公路有限公司), a deputy head of the Investment and Financing Department and the head of the Financing Department (融資部) of Yibin Sanjiang Investment and Construction Group Co., Ltd. (宜賓三江投資建設集團有限公司) and a deputy general manager of Yibin Yixing Automotive Technology Co., Ltd. (宜賓宜行汽車科技有限公司). Ms. Jia currently also serves as the head of the Financing Managing Department (融資管理部) of Yibin Sanjiang Investment and Construction Group Co., Ltd. and a director of Yibin Yixing Automotive Technology Co., Ltd. Ms. Jia holds a postgraduate degree.

Mr. Sun Huaike (孫懷科), aged 54, has been a director of the Company since April 2023. Mr. Sun previously served as a deputy director and the director of the Policy Research Office (政策研究室) of Gong County Committee (珙縣縣委), a deputy head of the Publicity Department (宣傳部) of Gong County Committee and a director of the External Publicity Office (News Office) (外宣辦(新聞辦)) of Gong County Committee, a member of the Party Organisation of the Foreign Affairs Office (外事僑務辦公室) of Yibin Municipal Government, a Party Committee member of Yibin Municipal Bureau of Tourism, Foreign Affairs, and Overseas Chinese Affairs (宜賓市旅遊和外事僑務局黨委), a full-time deputy chairman of Yibin City Friendship Association (市對外友好協會), a deputy secretary, a third-level researcher and a member of the Party Committee of Yibin Municipal Bureau of Economic Cooperation and Foreign Affairs (宜賓市經濟合作和外事局), a full-time deputy chairman and a third-level researcher of Yibin City Friendship Association (市對外友好協會), a deputy secretary and a third-level researcher of Yibin Municipal Bureau of Economic Cooperation and Emerging Industries (宜賓市經濟合作及新興產業局), and a director, a deputy general manager and a deputy secretary of the Party Committee of Sichuan Gloport Investment Development Group Co., Ltd. (四川港榮投資發展集團有限公司). Mr. Sun holds a postgraduate degree.

Mr. Zhou Xin (周欣) aged 43, has been a director of the Company since September 2023. Mr. Zhou previously served as a chief officer of the Statistical Evaluation Division (統計考評科) of the Yibin SASAC, a supervisor of Yibin Grace Group Co., Ltd. (宜賓絲麗雅股份有限公司), a director and deputy general manager of Yibin City and Transport Investment Group Co., Ltd. (宜賓市城市和交通投資集團有限公司), a director and deputy general manager of Yibin Sanjiang Investment and Construction Group Co., Ltd. (宜賓三江投資建設集團有限公司), the chairman of the board of directors of Yibin Yixing Automotive Technology Co., Ltd. (宜賓宜行汽車科技有限公司), as well as a deputy charman of the board of directors and deputy general manager of Yibin Big Data Co., Ltd. Mr. Zhou holds an undergraduate degree.

Mr. Liu Jian (劉劍), aged 41, has been an employee representative director of the Company since August 2023. Mr. Liu concurrently serves as a deputy secretary of the Party Committee and the president of the Workers' Union Federation (工會聯合會) of the Company, and the chairman of the board of directors of Yibin Big Data Co., Ltd. (宜賓市大數據有限責任公司). Mr. Liu previously served as a deputy secretary of the Youth League Committee of Jiang'an County (共青團江安縣委), the director of the Policy Research Office of the Jiang'an County Committee (江安縣委政研室), the town chief of Liugeng Town in Jiang'an County (江安縣留耕鎮). He also served as the director of the Financial Financing Bureau (財務融資局) of the Industrial Park Management Committee in Jiang'an County (江安縣工業園區管委會), the chief of the Petition and Appeals Division (信訪科) of the Yibin Municipal State-Owned Assets Commission (宜賓市國資委), the secretary of Party Committee of Simianshan Town in Jiang'an County (江安縣四面山鎮), the director of the Economic Cooperation and Foreign Affairs Bureau of Jiang'an County (江安縣經濟合作及外事局), the chairman of the board of directors of Yibin Big Data Co., Ltd., and the chairman of the board of directors of Sichuan Shu'an Network Technology LLC (四川數安網信科技有限責任公司). Mr. Liu holds an undergraduate degree.

SUPERVISORS

The board of supervisors of the Company (the "**Supervisory Board**") consists of three supervisors, including one chairman and two supervisors. The Supervisory Board is primarily responsible for monitoring the Company's financial matters, overseeing the actions of the Board and the senior management, and performing other supervisory functions in accordance with applicable laws, regulations and Company's articles of association. The chairman of the Supervisory Board is elected by a majority of all supervisors. Each of the supervisors is appointed for a term of three years, which is renewable upon re-election and re-appointment. The following table sets forth the supervisors as at the date of this Offering Circular:

Name	Age	Position
Ms. MA Lijuan (馬麗娟)	45	Chairman of the Supervisory Board
Ms. CHEN Tinghui (陳婷慧)	32	Employee representative supervisor
Ms. GAO Mingyang (高銘陽)	33	Employee representative supervisor

Ms. Ma Lijuan (馬麗娟), aged 45, has been the chairman of the Supervisory Board since August 2021. Ms. Ma previously served as an officer of Yibin Tianyuan Special Resin Co., Ltd. (宜賓天原特種樹脂有限公司), a human resources manager of the President's Office, the secretary and a deputy secretary of the Youth League Committee, a deputy head of the Organisation and Publicity Office, the president of the Labour Union Branch, a deputy director of the President's Office and a deputy secretary of the Party Branch of Tianyuan Co., Ltd. (天原股份有限公司), and a deputy director of the President's Office, a public relationship management manager, a deputy secretary of the Party Branch, a deputy manager of the Safety, Environmental Protection and Energy Department, the director of the Press Centre, a deputy president of the Labour Union, a deputy secretary of the Discipline Inspection Commission and the head and a deputy head of the Working Department of Party Committee of Tianyuan Group Co., Ltd. (天原集團股份有限公司). Ms. Ma holds an undergraduate degree.

Ms. Chen Tinghui (陳婷慧), aged 32, has been an employee representative supervisor of the Company since April 2021. Ms. Chen previously worked in the General Management Department (綜合管理部), the Operations and Management Department (經營管理部) and the Corporate Services Department (企業服務部) of the Company. Ms. Chen holds an undergraduate degree.

Ms. Gao Mingyang (高銘陽), aged 33, has been an employee representative supervisor of the Company since December 2023. Ms. Gao previously as a deputy head of Risk Management Department (風險防控部) of the Company, a supervisor of Yibin Emerging Carbon Neutral Industry Investment Co., Ltd. (宜賓市新興碳中和產業投資有限公司) and Yibin Automobile Industry Development Investment Co., Ltd. (宜賓市汽車產業發展投資有限責任公司), and the chairman of supervisory board of Yibin Xinrong Asset Operation Co., Ltd. (宜賓市新戎資產運營有限公司). Ms. Gao holds an postgraduate degree.

SENIOR MANAGEMENT

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

Name	Age	Position/Title
Mr. XU Pingping (徐平平)	50	Director and general manager
Mr. WANG Xiao (王驍)	34	Finance controller
Mr. WANG Jianhua (王見華)	54	Deputy general manager
Ms. XIONG Xueqiu (熊學秋)	51	Deputy general manager

Mr. Xu Pingping (徐平平), aged 50, has been a director and the general manager of the Company since September 2021. For Mr. Xu's biography, please see "*Directors*" above.

Mr. Wang Xiao (王驍), aged 34, has been the finance controller of the Company since January 2020. Mr. Wang previously served as a staff member of Hongtu Logistics Co., Ltd. (宏圖物流股份有限公司), an assistant to the head of the Yibin Branch of Sichuan Zhongheng Anxin Accounting Firm Co., Ltd. (四川中衡安信會計師事務所有限責任公司宜賓分所), a deputy head of the Financial Innovation Department (金融創新部), the Operation Management Department (經營管理部) and the Board Office of the Company, the head of the Planning and Finance Department (計劃財務部) of the Company, as well as an employee director of the Company. Mr. Wang holds a postgraduate degree.

Mr. Wang Jianhua (王見華), aged 54, has been a deputy general manager of the Company since August 2021. Mr. Wang previously served as a correctional officer at Panxi Prison (攀西監獄), the chief officer of Yibin Municipal Finance Bureau (宜賓市財政局), a deputy division chief of the Statistical Evaluation Division (統計評估科) of the Yibin Municipal Finance Bureau, a deputy county chief of Yunlian County Government (筠連縣政府), and a deputy county chief of Pingshan County Government (屏山縣人民政府). Mr. Wang holds a postgraduate degree.

Ms. Xiong Xueqiu (熊學秋), aged 51, has been a deputy general manager of the Company since October 2022. Ms. Xiong previously served as a director of the Women's Federation and the secretary of the Youth League Committee of Zhongshan Township, Gong County (珙縣中山鄉), a deputy township chief of Zhongshan Township, Gong County (珙縣中山鄉), a deputy township chief of Mutan Township, Gong County (珙縣沐灘鄉), the township chief of Renyi Township, Gong County (珙縣仁義鄉), the director of the Statistics Bureau of Gong County (珙縣統計局), the director of the Economic Comprehensive Service Bureau (Administrative Approval Bureau) of Yibin Port New Area (Yibin Port Economic and Technological Development Zone) (宜賓臨港新區(宜賓臨港經濟技術開發區)經濟綜合服務局(行政審批局)), the director of the Industry and Service Bureau of Yibin Sanjiang New Area (宜賓三江新區工業和服務業局), and a deputy general manager of Sichuan Gloport Investment Development Group Co., Ltd. Ms. Xiong graduated from the Provincial Party School (省委黨校).

PRC REGULATIONS

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

MAIN REGULATORY AUTHORITIES AND CONTENTS OF SUPERVISION

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

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

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

- National Railway Administration of the People's Republic of China (formerly Ministry of Railways, the "**MOR**") and the competent local departments of MOR at various levels are responsible for the railway construction projects nationwide.

- the NDRC and the local development and reform commissions at various levels are responsible for the investment planning, examination and approval of city infrastructure construction projects.

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

RECORD FILING AND REGISTRATION

In accordance with the NDRC Circular:

- the quota review and approval system for the issuance of foreign debts by enterprises are removed, the ways that foreign debts are managed are reformed and innovated, and the administration of record-filing and the registration system is implemented. The supervision and administration of the size of foreign debts borrowed on a macro level is implemented with the record-filing, registration, and information reporting of the issuance of foreign debts by enterprises;

- before the issuance of foreign debts with a maturity of more than one year, enterprises shall first apply to the NDRC for the handling of the record-filing and registration procedures and shall report the information on the issuance to the NDRC within 10 working days of completion of each issuance;

- record-filing and registration materials to be submitted by an enterprise for the issuance of foreign debts shall include: application report for the issuance of foreign debts and issuance plan, including the currency, size, interest rate, and maturity of foreign debts, the purpose of the funds raised, back flow of funds, etc. The applicant shall be responsible for the authenticity, legality, and completeness of the application materials and information;

- the NDRC shall decide whether to accept the application for record-filing and registration within 5 working days of receiving it and shall issue a certificate for record-filing and registration of the issuance of foreign debts by enterprises within 7 working days of accepting the application and within the limit of the total size of foreign debts;

- the issuer of foreign debts shall handle the procedures related to the outflow and inflow of foreign debt funds with the certificate for record-filing and registration according to the regulations. When the limit of the total size of foreign debts is exceeded, the NDRC shall make a public announcement and no longer accept applications for record-filing and registration;

- if there is a major difference between the actual details of the foreign debts issued by the enterprises and the details indicated in the record-filing and registration, an explanation shall be given when reporting the relevant information. The NDRC shall enter the poor credit record of an enterprise which maliciously and falsely reports the size of its foreign debts for record-filing and registration into the national credit information platform.

The Measures for the Administration of Examination and Registration of Medium and Long-term External Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) (the "**NDRC New Measures**") issued by the NDRC on 5 January 2023 became effective on 10 February 2023. The NDRC Circular shall be annulled simultaneously. The main contents of the NDRC New Measures include the general provisions, the scale and purpose of foreign debt, the examination and registration of foreign debt, the management of foreign debt risk, the supervision during and after issuing bonds and legal liability. The NDRC New Measures require enterprises to obtain the Certificate of Verification and Registration of Enterprise Borrowing Foreign Debt (the "**Certificate of Verification and Registration**") before borrowing foreign debt, and complete the verification and registration procedures. Besides, the NDRC New Measures specify that enterprises should submit information relating to borrowed foreign debt to the examination and registration authority through its online network system within 10 working days after borrowing each foreign debt, and submit the result of foreign debt borrowed within 10 working days after the expiration of the validity of the Certificate of Verification and Registration. The NDRC New Measures also require enterprises to report the use of foreign debt funds to the examination and registration authority through the online network system within 5 working days before the end of January and July each year.

In accordance with the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) issued by SAFE on 28 April 2013, which came into effect on 13 May 2013 and amended on 4 May 2015, an issuer of foreign debts shall complete the foreign debt registration in respect of its issue of foreign debts with the local branch of SAFE in accordance with applicable laws and regulations. According to the Operation Guidelines for Administration of Foreign Debt Registration (外債登記管理操作指引) promulgated together with the Foreign Debt Registration Measures, the Issuer may be required to register its foreign debt issue within the prescribed timeframe after the execution of the financing documents and to complete such registration in accordance with the Administrative Measures for Foreign Debt Registration. If required and in the unlikely event that having exercised its best endeavours, the Issuer is unable to complete such registration before the prescribed deadline, investors will have the right to require the Issuer to redeem their holding of Bonds.

In accordance with the Cross Border Financing Circular, the Issuer may need to file the information of this transaction in the capital project information system with SAFE after signing the contract and no

later than 3 working days before the withdrawal of money in accordance with the Cross Border Financing Circular. The Issuer, after conducting the contract filing for the transaction, may need to carry out the relevant capital settlement according to the withdrawal and repayment arrangement, report the relevant clearing information to the relevant systems of the PBOC and SAFE, and complete the update of the transaction information. In that event, the Issuer shall update the transaction related information (including offshores creditors, maturity, amount, interest rate and net assets). If the audited net assets, the foreign creditors involved in the financing contract, the term of the debt, or the amount and the interest rate have changed, the Issuer may be required to go through the formalities for filing the change within time. The PBOC and SAFE no longer adopt an ex ante approval mode for management of foreign debts of enterprises, and so instead, the Issuer may need to file its contracts of foreign debts after the issue of the bonds. If required and if the Issuer fails to report or change the cross-border financing information in time, the PBOC and SAFE shall circulate a criticism against the Issuer after verification, order a rectification, and impose sanctions according to the Law of the People's Republic of China on People's Bank of China and the Law of the People's Republic of China on Foreign Exchange Control.

REGULATION ON FISCAL DEBTS OF LOCAL GOVERNMENTS

In accordance with Guidance on Further Strengthening Adjustment of Credit Structure to Promote Fast and Smooth Development of National Economy (中國人民銀行、中國銀行業監督管理委員會關於進一步加強信貸結構調整促進國民經濟平穩較快發展的指導意見) issued jointly by the PBOC and CBRC in March 2009, local governments are encouraged to establish financing platforms to issue financing instruments such as enterprise bonds and medium-term notes. In order to strengthen the management of financing platforms and effectively prevent fiscal financial risks, Circular 19 and Circular 2881 were separately promulgated in June 2010 and November 2010, respectively. In accordance with Circular 19, all levels of local governments shall clear up the debts of their respective financing platform. In accordance with Circular 2881, indebtedness of local governments will impact financing platform's issuance of enterprise bonds.

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

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

The key tasks of local governments and banking financial institutions are as followings:

- Support stock financing needs for projects under construction. Local governments at all levels and banking financial institutions shall ensure the orderly development of projects under construction. For the loans to the projects under construction of financing platform companies, if the loan contracts with legal effect have been signed before 31 December 2014 and the loans have been granted but the contracts have not yet expired, banking financial institutions shall, under the premise of fully controlling risks and implementing credit conditions, continue to grant loans as agreed in the contracts, and shall not blindly call in loans in advance, delay or suspend the granting of loans.

- Regulate increment financing for projects under construction. Local governments at all levels shall pay close attention to the increment financing needs which are expected to be given fiscal support for the projects under construction of the financing platform companies, and shall, under the premise of compliance with laws and regulations and standard administration, make overall arrangements for various kinds of capitals such as fiscal capital and social capital and ensure the continuation and completion of projects under construction. For the projects under construction of financing platform companies for which the loan amount in the contracts that have been signed fails to meet the construction needs, if it is suitable for them to adopt government and social capital cooperation mode, they shall prioritise such mode to make up the needs. And if they are in compliance with the relevant state provisions without any other funding sources for construction, but temporarily the government and social capital cooperation mode is not suitable, the increment financing needs shall be incorporated into government budget management and solved through issuing government bonds by local governments as required by laws and relevant regulations.

- Administer in an effective and proper manner follow-up financing for projects under construction. Banking financial institutions shall carefully check the destinations of the loans, and focus on supporting the projects under construction of financing platform companies in respects such as farmland water conservancy facilities, affordable housing projects and urban railway systems.

- Improve supporting measures. Under the premise of ensuring fiscal expenditure needs, in the regions where there are corresponding amount of government bonds issuance and where the treasury balances exceed the treasury payment for one and a half months, the local financial departments are allowed to, within the limit of the amount of government bonds issuance, make more efforts to effectively use the stock of fiscal funds in the previous years and use the surplus amount of the treasury for capital flow before government bond issuance, so as to address the time difference between the financing for projects under construction and government bonds issuance.

LABOUR AND SOCIAL INSURANCE

Pursuant to the Labour Law of the PRC (中華人民共和國勞動法) promulgated by the Standing Committee came into effect on 1 January 1995 ("**Labour Law**") and amended on 27 August 2009 and 29 December 2018 and other relevant laws, workers are entitled to fair employment, choice of occupation, labour remuneration, leave, a safe workplace, a sanitation system, social insurance and welfare and certain other rights. The working time for workers may not exceed eight hours a day and no more than 44 hours a week on average. According to the Labour Law, the policy of the wages shall be paid according to the performance, equal pay for equal work, lowest wage protection and special labour protection for female worker and juvenile workers shall be implemented. The Labour Law also requires the employer to establish and perfect an occupational safety and sanitation system and enter into employ agreements with its employees.

The Labour Contract Law of the PRC (中華人民共和國勞動合同法) was promulgated by the Standing Committee on 29 June 2007 and came into effect on 1 January 2008 ("**Labour Contract Law**"), and was amended on 28 December 2012 and came into effect on 1 July 2013, and its implementation regulations were implemented on 18 September 2008. According to the Labour Contract Law, enterprises established in the PRC shall enter into employment agreements with their employees to provide for the term, job duties, working time, holidays, payments, social insurance and other matters that shall be included as required by laws and regulations. Both employers and employees shall duly perform their duties in accordance with the employment agreements. Pursuant to the PRC Labour Contract Law, the employer is required to make compensation payment to a fixed-term contract employee when the term of their employment contract expires, unless the employee does not agree to renew the contract even though the conditions offered by the employer for renewal are the same as or better than those stipulated in the current employment contract. In general, the amount of compensation payment is equal to the average monthly wage of the employee 12 months before the termination of the employment contract multiplied by the number of completed 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.

Pursuant to the Social Insurance Law of the PRC (中華人民共和國社會保險法) ("**Social Insurance Law**") promulgated by the Standing Committee on 28 October 2010, which became effective on 1 July 2011 and amended on 29 December 2018, employers in the PRC must register with the relevant social authority and make contributions, on behalf of their employees, to a number of social security funds, including the basic pension insurance fund, unemployment insurance fund, basic medical insurance fund, work-related injury insurance fund and maternity insurance fund. According to the Social Insurance Law, basic pension insurance, basic medical insurance and unemployment insurance contributions must be paid by both employers and employees, while work-related injury insurance and maternity insurance contributions must be paid solely by employers. An employer must declare and make social insurance contributions in full and on time. The social insurance contributions payable by employees must be withheld and paid by employers on behalf of the employees. Employers who fail to register with the social insurance authority may be ordered to rectify the failure within a specific time period. If the employer fails to rectify the failure to register within a specified time period, a fine of one to three times the actual premium may be imposed. If the employer fails to make social insurance contributions on time and in full, the social insurance collecting agency shall order the employer to make up the shortfall with the prescribed time period and impose a late payment fee amounting to 0.05 per cent. of the unpaid amount for each day overdue. If the non-compliance continues, the employer may be subject to a fine ranging from one to three times the unpaid amount owed to the relevant administrative agency.

Pursuant to the Regulations on the Administration of Housing Provident Funds (住房公積金管理條例) promulgated on 3 April 1999 and amended on 24 March 2002 and 24 March 2019, employers are required to register with the local housing fund management centre and set up a special housing fund account with an entrusted bank. Employers are also required to contribute no less than 5 per cent. of each employee's average monthly salary in previous year to the housing fund on behalf of their employees on a timely basis.

ENVIRONMENTAL LAWS

Environmental Protection Law

The laws and regulations governing the environmental requirements for real estate development in the PRC include the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), the Prevention and Control of Noise Pollution Law of the People's Republic of China (中華人民共和國噪聲污染防治法), the Environmental Impact Assessment Law of the People's Republic of China (中華人民共和國環境影響評價法) and the Administrative Regulations on Environmental Protection for Development Projects (建設項目環境保護管理條例). Pursuant to these laws and regulations, depending on the impact of the project on the environment, an environmental impact study report, an environmental impact analysis table or an environmental impact registration form shall be submitted by a developer before the relevant authorities will grant approval for the commencement of construction of the property development. In addition, upon completion of the property development, the relevant environmental authorities will also inspect the property to ensure compliance with the applicable environmental standards and regulations before the property can be delivered to the purchasers.

Environmental Impact Assessment Law

The Environmental Impact Assessment Law of the PRC (中華人民共和國環境影響評價法), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on 28 October 2002, revised on 2 July 2016 and 29 December 2018, stipulates that the PRC government has established a system to assess the environmental impact from construction projects, and classify and administer the environmental impact assessments in accordance with the degree of the environmental impact. If the construction project may result in a material impact on the environment, an environmental impact report appraising thoroughly the potential environmental impact of the project is required; if the construction project may result in a slight impact on the environment, an environmental impact record of analysing or appraising the potential environmental impact is required; if the construction project may result in very little impact on the environment, an environmental impact appraisal is not required but filing an environment impact form is needed. Responsible construction units shall prepare the environmental impact report and the report shall be approved by the relevant PRC authority before construction commences.

Prevention and Control of Air Pollution Law

The Law on Prevention and Control of Air Pollution of the PRC (中華人民共和國大氣污染防治法), which was promulgated by the SCNPC on 5 September 1987 and amended on 29 August 1995, 29 April 2000, 29 August 2015 and 26 October 2018, stipulates that new construction projects, expansion projects or reconstruction projects which discharge atmospheric pollutants shall comply with regulations regarding environmental protection of construction projects. The environmental impact statement of the construction projects shall include an assessment of the project impact on the ecosystem and be submitted to the environmental protection authority for approval. The construction project can only be put into operation after the environmental protection authority has examined and approved the atmospheric pollution prevention facilities.

Prevention and Control of Water Pollution Law

The Law on the Prevention and Control of Water Pollution of the PRC (中華人民共和國水污染防治法), which was promulgated by the SCNPC on 11 May 1984 and was amended on 15 May 1996, 28 February 2008 and 27 June 2017, stipulates that an environmental impact assessment must be conducted in respect of all projects involving the construction, renovation or expansion of water facilities which discharge pollutions directly or indirectly into water. Facilities for prevention and control of water pollution must be designed, constructed and put into use or operation simultaneously with the main facility of a construction project. No construction projects shall be permitted to be put into operation or to use before its facilities for the prevention and control of water pollution have been inspected and accepted by the environmental protection administrative authorities. Furthermore, enterprises which discharge industrial sewage directly or indirectly into water systems must obtain sewage discharge permit.

The Law on Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC (中華人民共和國固體廢物污染環境防治法), which was promulgated by the SCNPC on 30 October 1995 and as amended on 29 December 2004, 29 June 2013, 24 April 2015 and 7 November 2016, respectively, stipulates that construction projects where solid waste will be generated or projects for the storage, utilisation or treatment of solid waste shall be subject to environmental impact assessment according to law. Facilities for the prevention and control of solid waste must be designed, constructed and put into use or operation simultaneously with the main facility of a construction project. No construction projects shall be permitted to be put into operation or to use before its facilities for the prevention and control of solid waste have been inspected and accepted by the environmental protection administrative authorities.

Prevention and Control of Noise Pollution Law

The Law on Prevention and Control of Noise Pollution (中華人民共和國噪聲污染防治法), which was promulgated by the SCNPC on 24 December 2021 and became effective on 5 June 2022, stipulates that enterprises that may discharge noise during a construction project must prepare an environmental impact assessment report and submit it to the competent environmental protection administrative authorities for approval. No construction projects shall be permitted to commence construction or operation prior to the inspection and acceptance of facilities for prevention and control of noise pollution by the environmental protection administrative authorities.

TAXATION

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

PRC

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

Income Tax

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

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

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by non-resident enterprise holders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the IIT Law, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than one year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realised on the

transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

VAT

On 23 March 2016, the Ministry of Finance and the State Administration of Taxation issued Circular 36, which introduced a new VAT from 1 May 2016. Under Circular 36, VAT is applicable where the entities or individuals provide services within the PRC. The operating revenues generated from the provision of taxable sale of services by entities and individuals, such as financial services, shall be subject to PRC VAT if the seller or buyer of the services is within PRC. In the event that foreign entities or individuals do not have a business establishment in the PRC, the purchaser of services shall act as the withholding agent. According to the Explanatory Notes to Sale of Services, Intangible Assets and Real Property attached to Circular 36, financial services refer to the business activities of financial and insurance operation, including loan processing services, financial services of direct charges, insurance services and the transfer of financial instruments, and the VAT rate is 6 per cent. Accordingly, the interest and other interest like earnings received by a non-PRC resident Bondholder from the Issuer will be subject to PRC VAT at the rate of 6 per cent. The Issuer will be obligated to withhold VAT of 6 per cent. and certain surcharges on payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. However, there is uncertainty as to whether gains derived from a sale or exchange of Bonds consummated outside of the PRC between non-PRC resident Bondholders will be subject to PRC VAT. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties. However, despite the withholding of the PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Bonds so that holders of the Bonds would receive the full amount of the scheduled payment, as further set out in "*Terms and Conditions of the Bonds*".

Stamp Duty

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

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal, premium (if any) or interest on the Bonds.

Profits Tax

Under the Inland Revenue Ordinance (Chapter. 112 of the Laws of Hong Kong) (the "**Inland Revenue Ordinance**") as it is currently applied by the Inland Revenue Department, interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Bonds 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;

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

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

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

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 the Bonds 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 or other redemption of Bonds will be subject to Hong Kong profits tax.

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

Stamp Duty

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

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. 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 Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to 1 January 2019 and Bonds 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. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Bonds.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Joint Lead Managers dated 13 June 2024 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to, severally but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds indicated in the following table:

Joint Lead Manager	**Principal amount of the Bonds to be subscribed**
	(CNY)
Essence International Securities (Hong Kong) Limited	90,500,000
Hung Sing Securities Limited	90,500,000
Guosen Securities (HK) Capital Company Limited	9,000,000
BOSC International Securities Limited	50,000,000
BOCOM International Securities Limited	50,000,000
CEB International Capital Corporation Limited	50,000,000
China CITIC Bank International Limited	50,000,000
China Galaxy International Securities (Hong Kong) Co., Limited	50,000,000
China Industrial Securities International Brokerage Limited	50,000,000
CLSA Limited	50,000,000
CMB Wing Lung Bank Limited	50,000,000
CMBC Securities Company Limited	50,000,000
CNCB (Hong Kong) Capital Limited	50,000,000
Donghai International Securities (Hong Kong) Limited	50,000,000
Haitong International Securities Company Limited	50,000,000
Huatai Financial Holdings (Hong Kong) Limited	50,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	50,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	50,000,000
SPDB International Capital Limited	50,000,000
Wilson Securities Limited	50,000,000
Total	**1,040,000,000**

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

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services and/or Transactions with the Issuer for which they have received, or will receive, fees and expenses. In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer, may place orders, receive allocations and purchase Bonds for their own account (without a view to distributing such Bonds). Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering. Accordingly, references herein to the Bonds being 'offered' should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Bonds. If this is the case, liquidity of trading in the

Bonds may be constrained (see "*Risk Factor — Risks Relating to the Bonds and the Standby Letter of Credit — An active trading market for the Bonds may not develop*"). The Issuer and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors.

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

In connection with the issue of the Bonds, the Stabilising Manager or any person acting on behalf of the Stabilising Manager may, to the extent permitted by applicable laws and directives, over-allot the Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilising Manager or any person acting on behalf of the Stabilising Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilising Manager or any person acting on behalf of the Stabilising Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such overallotment or stabilisation shall be for the account of the Stabilising Manager. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Such stabilising action shall be in compliance with all applicable laws, regulations and rules.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for this offering includes commercial banks, capital market intermediaries and their proprietary trading groups, insurance companies, institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices, asset management companies and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: projectnewstars2024@eif.com.hk, team.syndicate@hungsinggroup.com and guosendcm@guosen.com.hk.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager with such evidence within the timeline requested.

GENERAL

Neither the Issuer nor any Joint Lead Manager makes any representation that any action has been or will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular or any other offering or publicity material relating to the Bonds (including investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Lead Manager will severally and not jointly comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Offering Circular or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or any other Joint Lead Manager in any such jurisdiction as a result of any of the foregoing actions. The Issuer and the other Joint Lead Manager will have no responsibility for, and each Joint Lead Manager will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. No Joint Lead Manager is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Bonds other than as contained in, or which is consistent with, this Offering Circular or any amendment or supplement to it.

UNITED STATES

The Bonds and the Standby Letter of Credit have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager represents that it has not offered or sold, and agrees that it has not offered or sold, and agrees that it will not offer or sell, any Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act ("**Regulation S**"). Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds. Terms used in this paragraph have the meaning given to them by Regulation S.

Each Joint Lead Manager represents that it has not entered and agrees that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Bonds, except with its affiliates or with the prior written consent of the Issuer.

UNITED KINGDOM

Each Joint Lead Manager has represented, warranted and agreed that:

(i) 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 the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

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

HONG KONG

Each Joint Lead Manager has represented and agreed that:

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

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

THE PEOPLE'S REPUBLIC OF CHINA

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

SINGAPORE

Each Joint Lead Manager has acknowledged that this Offering Circular have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to an accredited investor (as defined in Section 4A of the SFA), pursuant to 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.

JAPAN

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

MACAU

The Bonds have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Bonds be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and other laws and regulations in Macau that may apply to the offer and sale of the Bonds in Macau. The Bonds have not been and will not be registered or otherwise authorised for public offer under the Financial System Act of Macau and applicable regulations, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and regulations and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

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

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

REVERSING AN IMPAIRMENT LOSS

According to IAS 36, an impairment loss recognised in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

According to PRC GAAP, accounting Standard for Business Enterprises No. 8 — Impairment of Assets, once any loss of asset impairment is recognised, it shall not be switched back in the future accounting periods.

There is no "reversing an impairment loss" in the financial statements.

SHARE-BASED PAYMENT

Under IFRS 2, it contains transactions, which the entity purchases the commodity and exchange the employees' and other services using the share-based payments. The definition of commodity is extensive, including inventories, fixed assets, plant and equipment, intangible assets and other non-financial assets.

Under IFRS 2, the entity, which is the party who provides services or commodities, could choose cash or other asset settlement accounting treatment or share-based payments via equity instrument settlement accounting treatment.

Under PRC GAAP, it contains transactions, which the entity purchases the commodity and exchange the employees' and other services using the share-based payments. There are neither standards about share-based payment on exchanging for commodity, nor standards about choosing the settlement of share-based payment.

There is no "share-based payment" in the financial statements.

BAD DEBT FOR ACCOUNTS RECEIVABLE

The provision of bad debt for accounts receivable, PRC GAAP are substantially in line with IFRS, some subsidiary doesn't make the provision of bad debt for accounts receivable. In order to carry out the accounting policy of the Group, when consolidating the financial statements, the parent company will still make the provision of bad debt for accounts receivable.

GENERAL INFORMATION

(1) **Clearing System:** The Bonds have been accepted for clearance through CMU under CMU Instrument Number WLHKFB24042, Common Code 283837858 and ISIN HK0001026621.

(2) **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue, entering into and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by board resolutions of the Issuer dated 13 August 2023 and the sole shareholder decisions of the Issuer dated 22 November 2023.

(3) **No Material and Adverse Change:** Except as otherwise disclosed in this Offering Circular, there has been no change, or any development or event involving a prospective change, in the condition (financial or other), prospects, results of operations or general affairs of the Issuer or the Group, which is material and adverse in the context of the issue and offering of the Bonds since 31 December 2023.

(4) **Litigation:** None of the Issuer or any member of the Group is involved in any litigation or arbitration proceedings which could have a material and adverse effect on the condition (financial or other), prospects, results of operations or general affairs of the Issuer or the Group nor is the Issuer aware that any such proceedings are pending or threatened.

(5) **Available Documents:** For so long as any Bond is outstanding, copies of the 2022 Audited Financial Statements and 2023 Audited Financial Statements, the Trust Deed, the Agency Agreement and the Standby Letter of Credit relating to the Bonds will be available for inspection by the Bondholders at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays) at the principal office of the Trustee, being at the date of this Offering Circular at 6/F, CMB Wing Lung Bank Building, 45 Des Voeux Road Central, Hong Kong, and at the specified office of the CMU Lodging and Paying Agent from time to time, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the CMU Lodging and Paying Agent.

(6) **Financial Statements:** The Issuer's English audited consolidated financial statements as at and for the years ended 31 December 2022 and 2023 have been audited by Asia Pacific, in accordance with PRC GAAP. Neither the Joint Lead Managers nor their affiliates, directors, officers, agents, employees, representatives and advisers have independently verified or checked the accuracy of the translation of the financial statements and they can give no assurance that the information contained in the financial statements translation is accurate, truthful or complete.

(7) **LC Bank Financial Statements:** Copies of the latest annual reports of the Bank of Shanghai Co., Ltd., as well as its public filings, can be downloaded free of charge from its website and the website of the Shanghai Stock Exchange at www.sse.com.cn. No representation, express or implied, is made by the Issuer, the Joint Lead Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective directors, officers, agents, employees, affiliates, representatives or advisers or any person who controls any of them, and none of them takes any responsibility, for the accuracy, completeness or sufficiency of any information available on such websites.

(8) **LEI:** The Issuer's LEI code is 300300W7ZB0D5K7PB672.

(9) **Listing of the Bonds:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 21 June 2024.

INDEX TO FINANCIAL STATEMENTS

THE CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023[(1)]

Auditing Report F-2

Consolidated Balance Sheet F-5

Consolidated Profit Statement F-7

Consolidated Cash Flow Statement F-8

Consolidated Statement of Changes in Owners' Equity F-9

Balance Sheet of Parent Company F-11

Profit Statement of Parent Company F-13

Cash Flow Statement of Parent Company F-14

Statement of Changes in Owners' Equity of Parent Company F-15

Notes to the Consolidated Financial Statements 2023 . . . . . F-17

THE CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022[(1)]

Auditing Report F-119

Consolidated Balance Sheet F-122

Consolidated Profit Statement F-124

Consolidated Cash Flow Statement F-125

Consolidated Statement of Changes in Owners' Equity F-126

Balance Sheet F-128

Profit Statement F-130

Statement of Cash Flow F-131

Statement of Changes in Owners' Equity F-132

Notes to the Consolidated Financial Statements 2022 . . . . . F-134

Note:

(1) For the avoidance of doubt, the Issuer's English name "Yibin Emerging Industry Investment Group Co., Ltd." as stated in the 2022 Audited Financial Statements and the 2023 Audited Financial Statements should refer to its legal name "Yibin Emerging Industry Investment Group Co., Ltd (宜賓市新興產業投資集團有限公司)" as stated elsewhere in this Offering Circular.

亚太(集团)会计师事务所(特殊普通合伙)
Asia Pacific (Group) CPAs(Special General Partnership)

Address: Room 2001, 20/F,
Building 3, Yard No.16, Lize Road,
Fengtai District, Beijing City, China
(Zip Code: 100073)
Tel/Fax:010-88312386

Auditing Report

YKSZ (2024) No.01590017

To All Shareholders of Yibin Emerging Industry Investment Group Co., Ltd:

I. Audit Opinions

We have audited the financial statements of Yibin Emerging Industry Investment Group Co., Ltd (hereinafter referred to as "Emerging Industry Group" or "Yibin Emerging Industry Investment Group Co., Ltd."), including the consolidated & parent company's balance sheet as of December 31, 2023, consolidated & parent company's profit statement, consolidated & parent company's cash flow statement, consolidated & parent company's statement of changes in owners' equity and notes to financial statements in 2023.

We believe that the attached financial statements have been compiled in all major aspects in accordance with the regulations of Accounting Standards for Business Enterprises and fairly reflect the consolidated & parent company's financial situations of Emerging Industry Group as of December 31, 2023 and consolidated & parent company's operation results and cash flow in 2023.

II. Basis for Formation of Audit Opinion

We have conducted our audits in accordance with the provisions of Auditing Standards for Certified Public Accountants of China, and our responsibilities under these standards are further elaborated in the "Certified Public Accountant's Responsibility for Auditing Financial Statements" section of the audit report. According to the China Code of Ethics for Certified Public Accountants, we are independent of Emerging Industry Group and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

III. Other Information

The management of Emerging Industry Group (hereinafter referred to as the management) shall be responsible for other information. Other information includes the information covered in Annual Report 2023 of Emerging Industry Group, but excludes the financial statements and our audit report.

Our audit opinion on the financial statements doesn't cover other information and we also do not issue any authentication conclusion on other information in any form.

Combining our audit on the financial statements, our responsibility is to read other information and in this process, consider whether other information has any major inconformity with the financial statements or the condition learned about by us during the audit process, or seems to have any major misstatement.

On the basis of the work that we have conducted, if we confirm that there exists any major misstatement in other information, we should report such fact. There isn't any matter in this aspect needing to be reported by us.

IV. Responsibility of the Management and Governing Level for Financial Statements

The management shall be responsible for preparing the financial statements in accordance with the provisions of Accounting Standards for Business Enterprises so that the financial statements can realize fair reflection, and designing, implementing and maintaining necessary internal control so that there isn't any major misstatement in the financial statements arising from fraud or error

When preparing the financial statements, the Management is responsible for assessing the sustainable operation ability of Emerging Industry Group, and applying the going-concern assumption, unless the Management plans to liquidate Emerging Industry Group, terminate its operations or has no other realistic choices.

The governance level of Emerging Industry Group (hereinafter referred to as the governance level) is responsible for supervising the financial reporting process of Emerging Industry Group.

V. CPA's Responsibility for Auditing of Financial Statements

Our objective is to acquire reasonable guarantee for whether there doesn't exist any major misstatement arising from fraud or error in the financial statements on the whole and issue the audit report including our audit opinion. Reasonable guarantee is high-level guarantee, but it can't guarantee that a certain major misstatement can always be discovered during the audit in compliance with the auditing standards. The misstatement may be arising from fraud or error. In case it's reasonably expected that the misstatement may influence any economic decision made by the user of the financial statements in accordance with the financial statements separately or collectively, it's generally considered as a major statement.

While conducting the audit work in compliance with the auditing standards, we have used professional judgment and maintained professional skepticism. In addition, we have also carried out the following work:

(I) Identify and evaluate major misstatement risks of financial statements resulted from fraud or error. Design and implement the auditing procedure to cope with these risks, and acquire sufficient and appropriate auditing evidence as the basis of issuing the audit opinion. Since the fraud may involve in collusion, counterfeit, deliberate omission or false statement or outmatch internal control, the risk of failing to discover the major misstatement resulted from fraud is higher than the risk of failing to discover the major misstatement resulted from error.

(II) Learn about and conduct an audit on relevant internal control to design an appropriate auditing procedure, but we are not for the purpose of issuing an opinion on the effectiveness of internal control.

(III) We evaluate whether or not the management selects accounting policies on a proper basis and makes accounting estimate and relevant disclosure on a reasonable basis.

(IV) We make conclusions about whether the management uses going-concern assumption on a proper basis. And, we make a conclusion about whether there is any major uncertainty in any matter or circumstance causing major doubt about the sustainability of Emerging Industry Group. If we conclude that there is a major uncertainty, we are required in accordance with the auditing standard to state in the

audit report that the financial statement user should note relevant disclosure in the financial statements. In case of insufficient disclosure, we shall give modified opinions. Our conclusion is made based on the available information as to the date of audit report. However, future events or situations may cause non-sustainability of Emerging Industry Group.

(V) We assess the overall presentations, structures and contents of the financial statements and assess whether the financial statements fairly reflect the relevant transactions and matters.

(VI) We acquire sufficient and appropriate audit evidence related to financial information about the entities or business activities of Emerging Industry Group, so as to issue an audit opinion on the financial statements. We are responsible for guiding, supervising and conducting the group audit. We will bear all liabilities for our audit opinions.

We have communicated with the governing level for the planned audit scope, time arrangement, major audit findings, etc., including internal control defects worthy of attention identified by us during the audit.

（The report was translate from Chinese to English. If the two files differ, the standard will be the Chinese one.）

Asia Pacific (Group) CPAs
(Special General Partnership)

CPA of China:

CPA of China:

Beijing, China

April 23, 2024

Consolidated Balance Sheet

December 31,2023

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd.

Currency Unit: RMB Yuan

Items	Notes	Term-ending Balance	Balance at the End of Last Year
Current asset:			
Monetary capital	V. (I)	1,396,541,251.57	1,444,831,931.09
Trading financial assets	V. (II)		499,817,904.02
Derivative financial assets			
Notes receivable	V. (III)	213,161,650.48	211,829,862.40
Account receivable	V. (IV)	2,233,543,114.52	1,927,733,777.43
Receivables financing			
Prepayments	V. (V)	1,240,621,518.54	851,535,231.94
Other receivables	V. (VI)	2,405,101,414.94	1,433,017,749.58
Inventory	V. (VII)	1,050,812,292.33	446,884,713.91
Contract asset			
Assets held for sales			
Non-current assets due within one year	V. (VIII)	2,835,346,088.31	3,521,982,847.48
Other current assets	V. (IX)	545,514,186.48	696,735,961.20
Total current assets		**11,920,641,517.17**	**11,034,369,979.05**
Non-current assets:			
Debt investments	V. (X)	3,706,500,000.00	2,696,332,414.07
Other debt investments			
Long-term receivables			
Long-term equity investment	V. (XI)	8,888,796,577.61	6,976,112,075.35
Investment in Other Equity Instrument	V. (XII)	221,776,500.72	
Other non-current financial assets			
Investment real estate	V. (XIII)	1,248,451,835.41	874,000,408.21
Fixed asset	V. (XIV)	2,853,847,631.88	2,678,778,819.08
Construction-in-process	V. (XV)	1,830,951,265.65	1,726,809,874.21
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible asset	V. (XVI)	2,960,712,269.63	1,209,187,021.49
Development expenditure	V. (XVII)	1,638,242,743.35	1,264,564,342.20
Goodwill	V. (XVIII)	1,206,564,390.94	1,206,564,390.94
Long-term unamortized expenses	V. (XIX)	161,823,134.35	108,931,594.37
Deferred income tax assets	V. (XX)	217,058,736.95	212,333,910.79
Other non-current assets	V. (XXI)	200,402,900.00	350,000,000.00
Total non-current assets		**25,135,127,986.49**	**19,303,614,850.71**
Total assets		**37,055,769,503.66**	**30,337,984,829.76**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: 刘彬

Principal in Charge of Accounting Work: 王骁

Principal of Accounting Organization: 王骁

Consolidated Balance Sheet (Continued)

December 31,2023

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Term-ending Balance	Balance at the End of Last Year
Current liabilities:			
Short-term borrowing	V. (XXII)	2,440,507,163.88	1,646,693,096.28
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	V. (XXIII)	1,481,065,520.56	980,416,518.56
Account payable	V. (XXIV)	3,396,839,123.02	3,325,999,417.12
Advance receipts	V. (XXV)	547,250.46	
Contract liability	V. (XXVI)	221,451,101.94	80,456,516.46
Staff remuneration payable	V. (XXVII)	105,419,974.04	76,221,992.23
Tax payable	V. (XXVIII)	43,190,580.38	78,106,895.99
Other payables	V. (XXIX)	1,096,230,974.96	2,851,983,745.07
Liabilities held for sales			
Non-current liabilities due within one year	V. (XXX)	4,102,971,533.84	575,190,905.00
Other current liabilities	V. (XXXI)	231,591,496.60	248,939,641.84
Total current liabilities		**13,119,814,719.68**	**9,864,008,728.55**
Non-current liabilities:			
Long-term loans	V. (XXXII)	10,358,438,397.00	5,286,028,266.85
Bond payable	V. (XXXIII)	2,994,963,508.67	6,817,151,296.94
Including: Preferred shares			
Perpetual capital securities			
Lease liability			
Long-term accounts payable	V. (XXXIV)	967,955,555.56	710,449,712.42
Long term staff remuneration payable			
Estimated liabilities	V. (XXXV)	62,187,832.68	6,079,657.28
Deferred income	V. (XXXVI)	5,137,449.37	5,262,449.37
Deferred income tax liabilities	V. (XX)	8,470,922.14	7,048,303.01
Other non-current liabilities			
Total non-current liabilities		**14,397,153,665.42**	**12,832,019,685.87**
Total liabilities		**27,516,968,385.10**	**22,696,028,414.42**
Owner's equity:			
Paid-up capital	V. (XXXVII)	5,000,000,000.00	4,650,000,000.00
Other equity instruments	V. (XXXVIII)	520,000,000.00	520,000,000.00
Including: Preferred shares			
Perpetual capital securities		520,000,000.00	520,000,000.00
Capital reserves	V. (XXXIX)	2,072,794,500.00	
Less: treasury share			
Other comprehensive income	V. (XL)	-50,775,864.54	7,891,756.29
Special reserves			
Surplus reserves	V. (XLI)	13,432,581.48	
Undistributed profit	V. (XLII)	-553,515,412.14	-580,246,796.11
Total owners' equity attributable to the parent company		7,001,935,804.80	4,597,644,960.18
Minority shareholders' rights and interests		2,536,865,313.76	3,044,311,455.16
Total owner's equity		**9,538,801,118.56**	**7,641,956,415.34**
Total liabilities and owner's equities		**37,055,769,503.66**	**30,337,984,829.76**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: **Principal in Charge of Accounting Work:** **Principal of Accounting Organization:**

Consolidated Profit Statement

2023 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Amount of the Current Period	Amount of the Last Period
I. Total operating income	V. (XLIII)	**7,445,105,056.22**	**5,295,718,361.59**
Including: Operating income	V. (XLIII)	7,445,105,056.22	5,295,718,361.59
II. Total operating costs		**7,456,425,358.60**	**6,589,106,823.77**
Including: Operating cost	V. (XLIII)	6,001,285,113.48	4,959,936,192.20
Taxes and surcharges	V. (XLIV)	96,923,286.19	78,751,539.14
Sales expenses	V. (XLV)	291,516,059.30	205,338,956.23
Administrative expenses	V. (XLVI)	459,142,886.57	424,848,385.95
R & D expenses	V. (XLVII)	1,715,169.48	114,416,689.76
Finance charge	V. (XLVIII)	605,842,843.58	805,815,060.49
Including: Interest cost		627,898,444.31	825,699,103.59
Interest income		132,587,549.75	86,001,293.76
Plus: Other incomes	V. (XLIX)	53,205,061.18	15,067,633.27
Investment income (loss expressed with "-")		51,727,933.98	1,274,241,708.42
Including: Investment income of joint-venture and partnership			
Derecognized gains on financial assets measured at amortized cost			
Net exposure hedging gains (loss expressed with "-")			
Income from changes in fair value (loss expressed with "-")	V. (L)	71,376,065.27	115,902,707.79
Credit impairment loss (loss expressed with "-")	V. (LI)	-1,029,049.30	
Asset impairment loss (loss expressed with "-")			
Earnings from disposal of assets (loss expressed with "-")	V. (LII)	-1,179,057.69	-8,821,322.16
III. Operating profit (loss expressed with "-")		**162,780,651.06**	**103,002,265.14**
Plus: Non-operating income	V. (LIII)	3,230,906.39	1,344,641.62
Less: Non-operating expenses	V. (LIV)	673,695.46	1,584,245.17
IV. Total profits (Total loss expressed with "-")		**165,337,861.99**	**102,762,661.59**
Less: income tax expense	V. (LV)	39,176,159.38	-17,415,350.53
V. Net profits (net loss expressed with "-")		**126,161,702.61**	**120,178,012.12**
(I) Classification by business continuity:			
1. Net profit from continuing operations (net loss expressed with "-")		126,161,702.61	120,178,012.12
2. Net profit from termination of operation (net loss expressed with "-")			
(II) Classification by ownership:			
1. Net profit attributable to shareholders of parent company (net loss expressed with "-")		44,401,897.85	-49,543,778.81
2. Gains and losses of minority shareholders (net loss expressed with "-")		81,759,804.76	169,721,790.93
VI. After-tax net amount of other comprehensive incomes		**-58,667,620.83**	**7,891,756.29**
(I) Net amount of other comprehensive income after tax attributed to parent company owners		**-58,667,620.83**	**7,891,756.29**
1. Other comprehensive incomes that cannot be reclassified into profit and loss		**-58,667,620.83**	
(1) Remeasure the variation of defined benefit plans			
(2) Other comprehensive incomes that cannot be transferred to profit and loss under equity method			
(3) Changes in fair value of other investments in equity instrument		-58,667,620.83	
(4) Changes in fair value of enterprise's own credit risk			
(5) Others			**7,891,756.29**
2. Other comprehensive incomes to be reclassified into profit and loss			
(1) Other comprehensive incomes that can be transferred to profit and loss under equity method			
(2) Changes in fair value of other investments on bonds			
(3) Changes in fair value of financial assets and investments available for sale			
(4) Amount of financial assets reclassified to other comprehensive income			
(5) Provision for credit losses of other investments on bond			
(6) Translation balance of foreign currency financial statement			7,891,756.29
(7) Others			
(II) Net after-tax comprehensive income attributable to minority stockholders		**67,494,081.78**	**128,069,768.41**
VII. Total comprehensive incomes		**-14,265,722.98**	**-41,652,022.52**
(I) Total comprehensive incomes attribute to owners of parent company		**81,759,804.76**	**169,721,790.93**
(II) Total comprehensive incomes attributable to the minority shareholders			

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: Principal in Charge of Accounting Work: Principal of Accounting Organization:

Consolidated Cash Flow Statement

2023 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Amount of the Current Period	Amount of the Last Period
I. Cash flow from operating activities:			
Cash received from sales of goods or rendering of services		6,843,743,995.47	4,623,069,533.08
Refunds of taxes received		171,909,257.67	445,663,806.64
Other cash received relevant to operating activities		4,034,945,809.12	1,742,028,176.77
Sub-total of cash inflows from operating activities		**11,050,599,062.26**	**6,810,761,516.49**
Cash for purchasing and receiving labour payment		7,080,992,321.64	4,598,085,340.11
Cash payments to and on behalf of employees		486,234,677.06	304,400,881.21
Payments of all types of taxes		235,249,827.45	114,551,035.87
Other cash paid relating to operating activities		2,437,363,706.80	158,388,634.45
Sub-total of cash outflows from operating activities		**10,239,840,532.95**	**5,175,425,891.64**
Net cash flows from operating activities		**810,758,529.31**	**1,635,335,624.85**
II. Cash flows from investing activities:			
Cash received from disinvestments		1,536,222,776.66	179,536,131.51
Cash received from returns on investments		237,648,088.96	88,516,677.43
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		706,684.38	166,151,276.37
Net cash received from disposal of subsidiaries and other business units		739,175,509.81	703,670,241.05
Other cash received relating to investing activities		1,507,040,229.07	1,159,792,442.07
Sub-total of cash inflows from investing activities		**4,020,793,288.88**	**2,297,666,768.43**
Cash paid to acquire fixed assets, intangible assets and other long-term assets		1,241,939,979.77	1,104,477,490.83
Cash paid for investment		4,560,245,837.24	3,695,279,835.14
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid relating to investing activities		1,906,081,551.37	1,598,360,000.00
Sub-total of cash outflows from investing activities		**7,708,267,368.38**	**6,398,117,325.97**
Net cash flows from investing activities		**-3,687,474,079.50**	**-4,100,450,557.54**
III. Cash flow from financing activities:			
Cash received from capital contribution		550,000,000.00	
Including: Cash received from subsidiaries attracting minority shareholders' investment			
Cash received from borrowings		9,409,275,130.15	4,401,259,853.09
Cash received from issuance of bonds		1,800,000,000.00	
Other cash received relating to financing activities		294,182,555.00	1,063,737,143.31
Sub-total of cash inflows from financing activities		**12,053,457,685.15**	**5,464,996,996.40**
Cash paid for debt		6,079,491,684.73	2,347,364,564.07
Cash payments for distribution of dividends or profits and for interest expenses		1,097,060,104.91	691,904,262.33
Including: Dividend and profit paid to minority shareholders by subsidiaries			
Other cash paid relating to financing activities		2,390,281,532.08	133,696,238.16
Sub-total of cash outflows from financing activities		**9,566,833,321.72**	**3,172,965,064.56**
Net cash flows from financing activities		**2,486,624,363.43**	**2,292,031,931.84**
IV. Influence of fluctuation in exchange rate on cash and cash equivalents		2,314,742.37	2,594,322.30
V. Net increase in cash and cash equivalents		-387,776,444.39	-170,488,678.55
Plus: Balance of cash and cash equivalents at the beginning of the period		1,211,795,660.08	1,382,284,338.63
VI. Balance of cash and cash equivalents at the end of the term		**824,019,215.69**	**1,211,795,660.08**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: **Principal in Charge of Accounting Work:** **Principal of Accounting Organization:**

Consolidated Statement of Changes in Owners' Equity

2023 Year

Prepared by: Yibin Pingyuan Industry Investment Group Co., Ltd.

Currency Unit: RMB Yuan

Items	Amount of the Current Period													
	Owners' equity attributable to the parent company												Minority shareholders' rights and interests	Total owner's equity
	Paid-up capital	Other equity instruments			Capital reserves	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Subtotal	Others		
		Preferred shares	Perpetual capital securities	Others										
I. Balance at the end of last year	4,650,000,000.00		520,000,000.00				7,891,756.29			-580,246,796.11	4,597,644,960.18		3,044,311,455.16	7,641,956,415.34
Plus: changes in accounting policies														
Correction of previous errors										-4,237,932.40	-4,237,932.40		-1,325,950.38	-5,563,882.78
Others										-584,484,728.51	4,593,407,027.78		3,042,985,504.78	7,636,392,532.56
II. Balance at the beginning of the year	4,650,000,000.00		520,000,000.00				7,891,756.29			30,969,316.37	2,408,528,777.02		-506,120,191.02	1,902,408,586.00
III. Increase or decrease in the current period (decrease expressed with "-")	350,000,000.00				2,072,794,500.00		-58,667,620.83		13,432,581.48	44,401,897.85	-14,265,722.98		81,759,804.76	67,494,081.78
(I) Total comprehensive incomes							-58,667,620.83				2,422,794,500.00			2,422,794,500.00
(II) Investment by owners and capital reduction	350,000,000.00				2,072,794,500.00						350,000,000.00			350,000,000.00
1. Capital paid in by owners	350,000,000.00													
2. Capital contributed by the owners of other equity instruments														
3. Amount of share-based payment recorded in the owner' equity											2,072,794,500.00			2,072,794,500.00
4. Others					2,072,794,500.00				13,432,581.48	-13,432,581.48				
(III) Profit distribution									13,432,581.48	-13,432,581.48				
1. Withdrawal of surplus reserves														
2. Distribution to owners													-599,039,995.78	-599,039,995.78
3. Others														
(IV) Inner carryover of owner's equities														
1. Transfer of capital reserves to capital														
2. Transfer of surplus reserves to capital														
3. Compensation of loss from surplus reserve														
4. Carry forward retained earnings from changes in defined benefit plans														
5. Retained earnings carried forward from other comprehensive incomes													-599,039,995.78	-599,039,995.78
6. Others														
(V) Special reserves														
1. Accrual in the current period														
2. Usage in the current period													11,160,000.00	11,160,000.00
(VI) Others														
IV. Balance at the end of the year	5,000,000,000.00		520,000,000.00		2,072,794,500.00		-50,775,864.54		13,432,581.48	-553,515,412.14	7,001,935,804.80		2,536,865,313.76	9,538,801,118.56

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative:

Principal in Charge of Accounting Work:

Principal of Accounting Organization:

Consolidated Statement of Changes in Owners' Equity (Continued)

2023 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd.

Currency Unit: RMB Yuan

Items	Amount of the Last Period													
	Owners' equity attributable to the parent company												Minority shareholders' rights and interests	Total owner's equity
	Paid-up capital	Other equity instruments			Capital reserves	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Subtotal	Others		
		Preferred shares	Perpetual capital securities	Others										
I. Balance at the end of last year	4,650,000,000.00				96,945,312.33				36,771,238.85	-173,312,443.76	4,610,404,107.42		4,323,733,367.45	**8,934,137,474.87**
Plus: changes in accounting policies														
Correction of previous errors														
Others														
II. Balance at the beginning of the year	4,650,000,000.00				96,945,312.33				36,771,238.85	-173,312,443.76	4,610,404,107.42		4,323,733,367.45	**8,934,137,474.87**
III. Increase or decrease in the current period (decrease expressed with "-")			520,000,000.00		-96,945,312.33		7,891,756.29		-36,771,238.85	-406,934,352.35	-12,759,147.24		-1,279,421,912.29	**-1,292,181,059.53**
(I) Total comprehensive incomes							7,891,756.29			-49,543,778.81	-41,652,022.52		169,721,790.93	**128,069,768.41**
(II) Investment by owners and capital reduction			520,000,000.00								520,000,000.00			**520,000,000.00**
1. Capital paid in by owners														
2. Capital contributed by the owners of other equity instruments			520,000,000.00								520,000,000.00			**520,000,000.00**
3. Amount of share-based payment recorded in the owner' equity														
4. Others														
(III) Profit distribution														
1. Withdrawal of surplus reserves														
2. Distribution to owners														
3. Others														
(IV) Inner carryover of owner's equities					-96,945,312.33				-36,771,238.85	-357,390,573.54	-491,107,124.72		-1,449,143,703.22	**-1,940,250,827.94**
1. Transfer of capital reserves to capital														
2. Transfer of surplus reserves to capital														
3. Compensation of loss from surplus reserve														
4. Carry forward retained earnings from changes in defined benefit plans														
5. Retained earnings carried forward from other comprehensive incomes					-96,945,312.33				-36,771,238.85	-357,390,573.54	-491,107,124.72		-1,449,143,703.22	**-1,940,250,827.94**
6. Others														
(V) Special reserves														
1. Accrual in the current period														
2. Usage in the current period														
(VI) Others														
IV. Balance at the end of the year	**4,650,000,000.00**		**520,000,000.00**				**7,891,756.29**			**-580,246,796.11**	**4,597,644,960.18**		**3,044,311,455.16**	**7,641,956,415.34**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: 刘彬

Principal in Charge of Accounting Work: 王骁

Principal of Accounting Organization: 王骁

Balance Sheet of Parent Company

December 31,2023

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Term-ending Balance	Balance at the End of Last Year
Current asset:			
Monetary capital		370,145,096.36	136,835,201.75
Trading financial assets			
Derivative financial assets			
Notes receivable			
Account receivable	XII. (I)	515,000.00	
Receivables financing			
Prepayments		39,750.85	41,187.06
Other receivables	XII. (II)	1,551,601,619.48	303,534,891.61
Inventory			
Contract asset			
Assets held for sales			
Non-current assets due within one year		4,313,286,988.31	3,521,982,847.48
Other current assets		401,013,606.11	657,434,027.82
Total current assets		**6,636,602,061.11**	**4,619,828,155.72**
Non-current assets:			
Debt investments		3,706,500,000.00	4,272,940,900.00
Other debt investments			
Long-term receivables			
Long-term equity investment	XII. (III)	12,422,979,747.36	9,708,093,412.32
Investment in Other Equity Instrument		221,776,500.72	
Other non-current financial assets			
Investment real estate			
Fixed asset		801,056.25	430,044.04
Construction-in-process			
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible asset		830,273.66	1,411,748.85
Development expenditure			
Goodwill			
Long-term unamortized expenses		31,463,364.36	26,058,035.38
Deferred income tax assets		19,555,873.61	
Other non-current assets			
Total non-current assets		**16,403,906,815.96**	**14,008,934,140.59**
Total assets		**23,040,508,877.07**	**18,628,762,296.31**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: Principal in Charge of Accounting Work: Principal of Accounting Organization:

Balance Sheet of Parent Company (Continued)

December 31,2023

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Term-ending Balance	Balance at the End of Last Year
Current liabilities:			
Short-term borrowing		1,572,756,038.88	389,434,305.57
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Account payable		2,088,951.22	
Advance receipts			
Contract liability			
Staff remuneration payable		5,339,846.61	4,329,777.79
Tax payable		22,748,213.38	14,834,282.39
Other payables		2,619,547,589.39	3,616,579,828.47
Liabilities held for sales			
Non-current liabilities due within one year		2,837,924,517.36	135,780,784.60
Other current liabilities			
Total current liabilities		**7,060,405,156.84**	**4,160,958,978.82**
Non-current liabilities:			
Long-term loans		6,883,729,997.00	1,974,900,000.00
Bond payable		2,994,963,508.67	6,817,151,296.94
Including: Preferred shares			
Perpetual capital securities			
Lease liability			
Long-term accounts payable			
Long term staff remuneration payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		**9,878,693,505.67**	**8,792,051,296.94**
Total liabilities		**16,939,098,662.51**	**12,953,010,275.76**
Owner's equity:			
Paid-up capital		5,000,000,000.00	4,650,000,000.00
Other equity instruments		520,000,000.00	520,000,000.00
Including: Preferred shares			
Perpetual capital securities		520,000,000.00	520,000,000.00
Capital reserves			
Less: treasury share			
Other comprehensive income		-58,667,620.83	
Special reserves			
Surplus reserves		63,075,187.47	49,642,605.99
Undistributed profit		577,002,647.92	456,109,414.56
Total owner's equity		**6,101,410,214.56**	**5,675,752,020.55**
Total liabilities and owner's equities		**23,040,508,877.07**	**18,628,762,296.31**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: Principal in Charge of Accounting Work: Principal of Accounting Organization:

Profit Statement of Parent Company

2023 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd.

Currency Unit: RMB Yuan

Items	Notes	Amount of the Current Period	Amount of the Last Period
I. Operating income	XII. (四)	**640,834,587.36**	**518,481,452.91**
Less: Operating cost	XII. (四)	3,315,344.81	2,470,962.37
Taxes and surcharges			
Sales expenses		39,968,787.74	24,238,095.85
Administrative expenses			
R & D expenses		714,609,401.63	609,843,779.21
Finance charge		629,678,738.52	556,143,532.85
Including: Interest cost		3,608,047.09	4,066,120.31
Interest income		382,002.76	505,482.70
Plus: Other incomes		267,069,569.49	251,073,528.70
Investment income (loss expressed with "-")			
Including: Investment income of joint-venture and partnership			
Derecognized gains on financial assets measured at amortized cost			
Net exposure hedging gains (loss expressed with "-")			
Income from changes in fair value (loss expressed with "-")			
Credit impairment loss (loss expressed with "-")			
Asset impairment loss (loss expressed with "-")			
Earnings from disposal of assets (loss expressed with "-")			
II. Operating profit (loss expressed with "-")		**150,392,625.43**	**133,507,626.88**
Plus: Non-operating income		10,115.75	
Less: Non-operating expenses		90,960.55	1,058,939.58
III. Total profits (Total loss expressed with "-")		**150,311,780.63**	**132,448,687.30**
Less: income tax expense		15,985,965.79	9,633,200.36
IV. Net profits (net loss expressed with "-")		**134,325,814.84**	**122,815,486.94**
(I) Net profit from continuing operations (net loss expressed with "-")		**134,325,814.84**	**122,815,486.94**
(II) Net profit from termination of operation (net loss expressed with "-")			
V. After-tax net amount of other comprehensive incomes		**-58,667,620.83**	
(I) Other comprehensive incomes that cannot be reclassified into profit and loss		**-58,667,620.83**	
1. Remeasure the variation of defined benefit plans			
2. Other comprehensive incomes that cannot be transferred to profit and loss under equity method			
3. Changes in fair value of other investments in equity instrument		-58,667,620.83	
4. Changes in fair value of enterprise's own credit risk			
5. Others			
(II) Other comprehensive incomes to be reclassified into profit and loss			
1. Other comprehensive incomes that can be transferred to profit and loss under equity method			
2. Changes in fair value of other investments on bonds			
3. Changes in fair value of financial assets and investments available for sale			
4. Amount of financial assets reclassified to other comprehensive income			
5. Provision for credit losses of other investments on bond			
6. Translation balance of foreign currency financial statement			
7. Others			
VI. Total comprehensive incomes		**75,658,194.01**	**122,815,486.94**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: 刘彬 **Principal in Charge of Accounting Work:** 王骁 **Principal of Accounting Organization:** 王骁

Cash Flow Statement of Parent Company

2023 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Amount of the Current Period	Amount of the Last Period
I. Cash flow from operating activities:			
Cash received from sales of goods or rendering of services		449,175,170.60	617,552,659.92
Refunds of taxes received			
Other cash received relevant to operating activities		8,914,868,453.72	5,102,548,372.15
Sub-total of cash inflows from operating activities		**9,364,043,624.32**	**5,720,101,032.07**
Cash for purchasing and receiving labour payment		5,870,636.74	7,039,763.82
Cash payments to and on behalf of employees		21,870,524.11	16,285,229.90
Payments of all types of taxes		34,643,706.98	24,722,115.22
Other cash paid relating to operating activities		7,545,280,123.73	5,544,974,166.27
Sub-total of cash outflows from operating activities		**7,607,664,991.56**	**5,593,021,275.21**
Net cash flows from operating activities		**1,756,378,632.76**	**127,079,756.86**
II. Cash flows from investing activities:			
Cash received from disinvestments		59,824,490.19	64,000,000.00
Cash received from returns on investments		217,074,351.80	67,311,875.47
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		47,513.38	
Net cash received from disposal of subsidiaries and other business		739,175,509.81	
Other cash received relating to investing activities		456,110,715.00	798,073,000.00
Sub-total of cash inflows from investing activities		**1,472,232,580.18**	**929,384,875.47**
Cash paid to acquire fixed assets, intangible assets and other long-term assets		519,361.93	113,479.43
Cash paid for investment		5,119,224,112.19	2,430,249,237.21
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid relating to investing activities		486,110,715.00	1,030,000,000.00
Sub-total of cash outflows from investing activities		**5,605,854,189.12**	**3,460,362,716.64**
Net cash flows from investing activities		**-4,133,621,608.94**	**-2,530,977,841.17**
III. Cash flow from financing activities:			
Cash received from capital contribution		350,000,000.00	
Cash received from borrowings		5,883,999,997.00	3,359,200,000.00
Cash received from issuance of bonds		1,800,000,000.00	
Other cash received relating to financing activities			525,200,000.00
Sub-total of cash inflows from financing activities		**8,033,999,997.00**	**3,884,400,000.00**
Cash paid for debt		3,233,620,000.00	1,072,000,000.00
Cash payments for distribution of dividends or profits and for interest expenses		643,272,693.41	453,402,683.84
Other cash paid relating to financing activities		1,612,275,167.45	108,281,872.83
Sub-total of cash outflows from financing activities		**5,489,167,860.86**	**1,633,684,556.67**
Net cash flows from financing activities		**2,544,832,136.14**	**2,250,715,443.33**
IV. Influence of fluctuation in exchange rate on cash and cash equivalents		-220.74	
V. Net increase in cash and cash equivalents		167,588,939.22	-153,182,640.98
Plus: Balance of cash and cash equivalents at the beginning of the period		111,294,056.17	264,476,697.15
VI. Balance of cash and cash equivalents at the end of the term		**278,882,995.39**	**111,294,056.17**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: **Principal in Charge of Accounting Work:** **Principal of Accounting Organization:**

Statement of Changes in Owners' Equity of Parent Company

2023 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd.

Currency Unit: RMB Yuan

Items	Amount of the Current Period										
	Paid-up capital	Other equity instruments			Capital reserves	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owner's equity
		Preferred shares	Perpetual capital securities	Others							
I. Balance at the end of last year	4,650,000,000.00		520,000,000.00						49,642,605.99	456,109,414.56	**5,675,752,020.55**
Plus: changes in accounting policies											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	4,650,000,000.00		520,000,000.00						49,642,605.99	456,109,414.56	**5,675,752,020.55**
III. Increase or decrease in the current period (decrease expressed with "-")	350,000,000.00						-58,667,620.83		13,432,581.48	120,893,233.36	**425,658,194.01**
(I) Total comprehensive incomes							-58,667,620.83			134,325,814.84	**75,658,194.01**
(II) Investment by owners and capital reduction	350,000,000.00										**350,000,000.00**
1. Capital paid in by owners	350,000,000.00										**350,000,000.00**
2. Capital contributed by the owners of other equity instruments											
3. Amount of share-based payment recorded in the owner' equity											
4. Others											
(III) Profit distribution									13,432,581.48	-13,432,581.48	
1. Withdrawal of surplus reserves									13,432,581.48	-13,432,581.48	
2. Distribution to owners											
3. Others											
(IV) Inner carryover of owner's equities											
1. Transfer of capital reserves to capital											
2. Transfer of surplus reserves to capital											
3. Compensation of loss from surplus reserve											
4. Carry forward retained earnings from changes in defined benefit plans											
5. Retained earnings carried forward from other comprehensive incomes											
6. Others											
(V) Special reserves											
1. Accrual in the current period											
2. Usage in the current period											
(VI) Others											
IV. Balance at the end of the year	**5,000,000,000.00**		**520,000,000.00**				**-58,667,620.83**		**63,075,187.47**	**577,002,647.92**	**6,101,410,214.56**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: 刘彬

Principal in Charge of Accounting Work: 王骁

Principal of Accounting Organization: 王骁

Statement of Changes in Owners' Equity of Parent Company (Continued)

2023 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd.

Currency Unit: RMB Yuan

Items	Amount of the Last Period										
	Paid-up capital	Other equity instruments			Capital reserves	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owner's equity
		Preferred shares	Perpetual capital securities	Others							
I. Balance at the end of last year	4,650,000,000.00								36,771,238.85	346,165,294.76	**5,032,936,533.61**
Plus: changes in accounting policies											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	4,650,000,000.00								36,771,238.85	346,165,294.76	**5,032,936,533.61**
III. Increase or decrease in the current period (decrease expressed with "-")			520,000,000.00						12,871,367.14	109,944,119.80	**642,815,486.94**
(I) Total comprehensive incomes										122,815,486.94	**122,815,486.94**
(II) Investment by owners and capital reduction			520,000,000.00								**520,000,000.00**
1. Capital paid in by owners											
2. Capital contributed by the owners of other equity instruments			520,000,000.00								**520,000,000.00**
3. Amount of share-based payment recorded in the owner equity											
4. Others											
(III) Profit distribution									12,871,367.14	-12,871,367.14	
1. Withdrawal of surplus reserves									12,871,367.14	-12,871,367.14	
2. Distribution to owners											
3. Others											
(IV) Inner carryover of owner's equities											
1. Transfer of capital reserves to capital											
2. Transfer of surplus reserves to capital											
3. Compensation of loss from surplus reserve											
4. Carry forward retained earnings from changes in defined benefit plans											
5. Retained earnings carried forward from other comprehensive incomes											
6. Others											
(V) Special reserves											
1. Accrual in the current period											
2. Usage in the current period											
(VI) Others											
IV. Balance at the end of the year	**4,650,000,000.00**		**520,000,000.00**						**49,642,605.99**	**456,109,414.56**	**5,675,752,020.55**

(The attached Notes to the Financial Statements is an integral part of the financial statements)

Legal Representative: 刘彬 511502014728?

Principal in Charge of Accounting Work: 王骁

Principal of Accounting Organization: 王骁

Yibin Emerging Industry Investment Group Co., Ltd.

Notes to the Consolidated Financial Statements 2023

(Unless otherwise stated, the amount shall be expressed in RMB)

I. Basic Information of the Company

(I) Company profile

Established on March 24, 2017, Yibin Emerging Industry Development Investment Co., Ltd. (hereinafter referred to as "the Company" or "Company") is a limited liability company invested by Yibin State-owned Assets Management Co., Ltd. (now renamed as "Yibin Development Holdings Group Co., Ltd.). In June 2019, the company changed its name to Yibin Emerging Industry Investment Group Co., Ltd. The basic information of the company is as follows:

Unified Social Credit Code in the *Business License*: 91511500MA63MELK6Y;

Address: No. 16 Shaping Road, Guoxing Avenue, Lingang Economic Development Zone, Yibin City, Sichuan Province;

Legal representative: Liu Bin;

Registered Capital: RMB 5 billion Yuan

Business Scope: Industrial project investment, assets management and operation; equity and debt investment services for urban construction projects; entrusted management of equity investment enterprises; equity investment and related consulting services; acceptance of the equity transfer of established enterprise investors and other means permitted by national laws and regulations. (For projects subject to approval according to law, their business activities can be carried out with the approval of relevant departments).

As of December 31, 2023, the capital contribution and shareholding ratio of the Company's shareholders are as follows:

Shareholder's Name	Amount of capital contribution (RMB 10,000 Yuan)	Proportion (%)
Yibin Sanjiang Investment & Construction Group Co., Ltd.	500,000.00	100.00
Total	**500,000.00**	**100.00**

(II) Summary of consolidation scope and subsidiaries

There are 25 subsidiaries included in the consolidated financial statements of the current period, of which Yibin Xinxing Carbon Neutrality Industry Investment Co., Ltd., Yibin Rongshi Building Materials Co., Ltd., Yibin Kaiyi International Trade Co., Ltd., Yibin Yixing Logistics Service Co., Ltd., and Yibin Yiduoduo Technology Co., Ltd. are new subsidiaries in the current period, and Yibin Langtai Technology Innovation Equity Investment Partnership (Limited Partnership) is a subsidiary that has been deleted in the current period. See Note VII "Interests in Other Entities" for details.

(III) Approval and issuance of consolidated financial statements

The consolidated financial statements have been approved by the board of directors of the Company and issued on April 23, 2024.

II. Preparation Basis of Financial Statements

(I) Preparation basis

Financial statements of the Company are prepared on the basis of going-concern assumption and actual transactions and matters, and in accordance with the Accounting Standards for Business Enterprises and the corresponding Application Guide and Interpretation, and other relevant regulations (hereinafter collectively referred to as "Accounting Standards for Business Enterprises") promulgated by the Ministry of Finance.

The Company conducts financial accounting based on accrual accounting. Except for certain financial instruments, the financial statements are all based on historical cost. In case assets are impaired, corresponding provision for impairment shall be accrued according to relevant regulations.

(II) Sustainable operation

The Company has nothing that affects its sustainable operation ability, and it is expected to have the sustainable operation ability in future 12 months. The Financial statements of the Company are prepared on the basis of going-concern assumption.

III. Significant Accounting Policies and Accounting Estimates

(I) Declaration of following the accounting standards for business enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises, and have truthfully and completely reflected its financial condition as of December 31, 2023, and operating results, cash flow and other relevant information in 2023.

(II) Accounting period

The Company's fiscal year is one fiscal year, which starts on 1 January and ends on 31 December of every year according to the Gregorian calendar.

(III) Operating cycle

The Company takes 12 months as an operating cycle and adopts it as the liquidity determining criterion of assets and liabilities.

(IV) Standard money for account keeping

The recording currency of the Company is RMB, and the currency adopted in financial statements is RMB. The Company and its subsidiaries select the recording currency on the basis of valuation and settlement currency of the main operating income and expenses.

(V) Accounting treatment methods for Business combination under common control and under the different control

1. Business combination under common control

If the enterprises involved in business combination are subject to the final control of the same party

or the same multiple parties before and after the combination, and the control is not temporary, it is business combination under common control. The combination date is the date when the combining party actually acquires the control power over the combined party.

The assets and liabilities acquired in business combination shall be measured according to the book value of the combined party set forth in consolidated financial statements of the final controlling party on the combination date. If the accounting policies employed by the combined parties are different from those employed by the Company, the combining party shall make an adjustment according to the accounting policies of the Company. On this basis, the assets and liabilities shall be recognized according to the book value after adjustment.

According to the difference between the book value of net assets acquired in business combination and the book value of combination consideration paid (or total amount of the par value of shares issued), the stock premium in capital reserve shall be adjusted. If the stock premium in capital reserve is insufficient for offset, the retained earnings shall be adjusted.

Various direct related expenses incurred for business combination, including the audit fee, evaluation fee, legal service fee, etc. paid for business combination, shall be included in the current profits and losses upon they're incurred.

Service charge, commission, etc. incurred for issuing equity securities during business combination shall be offset by the premium income of equity securities. If the premium income is insufficient, retained earnings shall be used for offset.

If the business combination under common control realized by multiple transactions step by step is a "package deal", each transaction will be treated as a transaction that acquires the control power in accounting. If it is not a "package deal", accounting treatment will be conducted according to the following steps on the date when the control power is acquired:

(1) Determination of the initial investment cost of long-term equity investment arising from business combination under common control. On the combination date, the initial investment cost of long-term equity investment shall be determined according to the share of the combined party's net assets that should be enjoyed after business combination in the book value set forth in the consolidated financial statements of final controlling party.

(2) Treatment of the difference between the initial investment cost of long-term equity investment and the book value of combination consideration. The capital reserve (capital premium or stock premium) should be adjusted according to the difference between the initial investment cost of long-term equity investment on the combination date and the sum of the book value of long-term equity investment before business combination and the book value of the consideration newly paid for further acquiring shares on the combination date. If the capital reserve (capital premium or stock premium) is insufficient to offset the difference, the retained earnings shall be used for offset.

(3) For equity investment held before the combination date, other comprehensive income recognized in accounting treatment in equity method or according to financial instrument recognition and measurement standards will not be subject to accounting treatment temporarily until accounting treatment is conducted on the same basis as that of related assets or liabilities directly disposed of by the investee when the investment is disposed of. Other changes in owner's equity recognized from net assets of the investee in accounting treatment by equity method, except the net profit or loss, other comprehensive income and profit distribution, will not be subject to accounting treatment temporarily until they're transferred into the current profits and losses when the investment is disposed of. If the residual equity after disposal is subject to accounting treatment with cost method or equity method, other comprehensive income and other owner's equity shall be

carried forward in proportion. If the residual equity after disposal is subject to accounting treatment according to financial instrument recognition and measurement standards, other comprehensive income and other owner's equity shall be carried forward in whole.

2. Business combination under the different control

If the parties involved in business combination are not subject to the final control of the same party or the same multiple parties before and after the combination, it is business combination under different controls.The acquisition date refers to the date on which the acquirer obtains control of the acquiree.

The assets paid and liabilities incurred or assumed by the acquirer as the consideration of business combination on the purchase date shall be measured at fair value, and the difference between the fair value and its book value shall be included in the current profits and losses.

While distributing combination cost on the purchase date, the acquirer shall recognize the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities acquired by it.

If the combination cost is greater than the fair value of the acquiree's net identifiable assets acquired by the acquirer, the difference shall be recognized as goodwill. If the combination cost is smaller than the fair value of the acquiree's net identifiable assets acquired by the acquirer, the difference shall be included in the current profits and losses after reexamination.

For other assets of the acquiree (not limited to the assets previously recognized by the acquiree), except intangible assets, acquired in business combination, if the economic benefits brought by them are likely to flow into the Company and their fair value can be reliably measured, they shall be recognized separately and measured at fair value. Intangible assets whose fair value can be reliably measured shall be separately recognized as intangible assets and measured at fair value. For other liabilities of the acquiree, except contingent liabilities, acquired in business combination, if the performance of relevant obligations may cause economic benefits to flow out of the Company and their fair value can be reliably measured, they shall be recognized separately and measured at fair value. Contingent liabilities of the acquiree, which are acquired in business combination and whose fair value can be reliably measured, shall be separately recognized as liabilities and measured at fair value.

During initial recognition of the acquiree's assets acquired in business combination, the intangible assets owned by the acquiree but not recognized in its financial statements shall be fully identified and reasonably judged. If any of the following conditions is satisfied, they should be recognized as intangible assets: (1) They come from contractual rights or other legal rights; (2) They can be separated or divided from the acquiree, and can be used for sale, transfer, licensing, lease or exchange alone or together with relevant contracts, assets and liabilities.

If the acquiree's deductible temporary differences acquired by the acquirer in business combination do not comply with the recognition conditions of deferred income tax assets on the purchase date, they shall not be recognized. Within 12 months after the purchase date, if any new or further information is obtained to indicate that the relevant condition on the purchase date already exists, and it is expected that economic benefits brought by deductible temporary differences of the acquiree on the purchase date can be realized, relevant deferred income tax assets shall be recognized, and the goodwill shall be reduced at the same time. If the goodwill is not enough for offset, the difference shall be recognized as the current profits and losses. Except for the above condition, the deferred income tax assets related to business combination shall be recognized and included in the current profits and losses.

For business combination under different controls, the audit fee, legal service fee, evaluation and

consulting fee and other intermediary fees and other related administrative expenses incurred by the acquirer for business combination shall be included in the current profits and losses upon they're incurred. The transaction cost of equity securities or debt securities issued by the acquirer as combination consideration shall be included in initially recognized amount of the equity securities or debt securities.

For business combination under different controls through multiple transactions step by step, if it is a "package deal", the Company will treat each transaction as a transaction that acquires the control power in accounting. If it is not a "package deal", in the individual financial statements, the sum of the book value of the acquiree's equity investment held before the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost calculated by cost method instead. Other comprehensive income recognized from the acquiree's equity investment held before the purchase date in accounting treatment by equity method shall be subject to accounting treatment on the same basis as that of related assets or liabilities directly disposed of by the investee when the investment is disposed of. The owner's equity recognized from other changes in owner's equity of the investee, except the net profit or loss, other comprehensive income and profit distribution, shall be transferred into the current profits and losses of the disposal period when the investment is disposed of. If the residual equity after disposal is subject to accounting treatment by cost method or equity method, other comprehensive income and other owner's equity shall be carried forward in proportion. If the residual equity after disposal is subject to accounting treatment according to financial instrument recognition and measurement standards, other comprehensive income and other owner's equity shall be carried forward in whole.

If the equity investment held before the purchase date is subject to accounting treatment according to financial instrument recognition and measurement standards, the sum of the fair value of the equity investment and the new investment cost will be taken as the initial investment cost calculated by cost method instead. The difference between the fair value and book value of the equity held previously and the accumulated changes in fair value originally included in other comprehensive income will be completely transferred into the current profits and losses on investments calculated by cost method instead.

3. Criteria for judging multiple transactions as a package deal

The criteria of the Company for judging multiple transactions as a package deal are as follows:

(1) These transactions are concluded simultaneously or in the condition of considering mutual impacts;

(2) These transactions can reach a complete commercial result as a whole;

(3) The occurrence of a transaction relies on the occurrence of at least one other transaction;

(VI) Preparation methods of consolidated financial statements

Consolidation scope of the consolidated financial statements of the Company is determined on the basis of control. Control means that the investor owns the power of the investee, enjoys variable returns by participating in related activities of the investee, and has the ability of utilizing the power over the investee to influence the return amount. Related activity refers to the activity imposing significant impacts on the returns from the investee.

Based on the financial statements of the Company and its subsidiaries, the whole enterprise group is regarded as an accounting entity according to other relevant materials. According to the recognition, measurement and presentation requirements of relevant Accounting Standards for Business Enterprises, the overall financial condition, operating results and cash flow of the enterprise group

have been reflected according to unified accounting policies and accounting periods.

The share in owner's equity of the subsidiary that doesn't belong to parent company shall serve as equity of minority shareholders and set out as "equity of minority shareholders" under owner's equity in the consolidated balance sheet.

The share in the current net gains or losses of the subsidiary that belongs to equity of minority shareholders shall be set out as "minority interest" under net profit in the consolidated income statement.The share in the current comprehensive income of the subsidiary, which belongs to minority shareholder's equity, shall be presented as "total comprehensive incomes attributable to the minority shareholders" under total comprehensive income in the consolidated profit statement.

If the current deficit shared by minority shareholders of the subsidiary has exceeded the share enjoyed by minority shareholders in owner's equity of the subsidiary at the beginning of the period, the balance shall still be used to offset the equity of minority shareholders.

Unrealized profits or losses on internal transactions arising from asset sale to subsidiaries shall offset the "net profit attributable to owners of the parent company" in full. Unrealized profits or losses on internal transactions arising from asset sale to the parent company from subsidiaries shall be distributed and offset between "net profit attributable to owners of the parent company" and "minority shareholder income" according to the distribution ratio of the parent company to subsidiaries. Unrealized profits or losses on internal transactions arising from asset sale between subsidiaries shall be distributed and offset between "net profit attributable to owners of the parent company" and "minority shareholder income" according to the distribution ratio of the parent company to the subsidiary selling assets.

For the subsidiary and business increased due to business combination under common control in the report period, when preparing the consolidated statements, the Company will adjust the term-beginning balance of the consolidated balance sheet, incorporate the income, expenses and profit of the subsidiary and business from the beginning of the combination period to the end of the report period into the consolidated profit statement, incorporate the cash flow into the consolidated statement of cash flow, and simultaneously adjust related items of the comparative statement as the reporting entity after business combination has been in existence since the final controlling party starts to control.

For the subsidiary and business increased due to business combination under different controls or by other means in the report period, when preparing the consolidated balance sheet, the Company will not adjust the term-beginning balance of the consolidated balance sheet, but will incorporate the income, expenses, profit and cash flow of the subsidiary and business from the purchase date to the end of the report period into the consolidated profit statement and the consolidated statement of cash flow.

If the subsidiary and business are disposed of in the report period, when preparing the consolidated balance sheet, the Company will not adjust the term-beginning balance of the consolidated balance sheet, but will incorporate the income, expenses and profit and cash flow of the subsidiary and business from the beginning of this period to disposal date into the consolidated profit statement and the consolidated statement of cash flow respectively.

If the parent company purchases the subsidiary's equity owned by minority shareholders of the subsidiary, in the consolidated financial statements, the capital reserve (capital premium or stock premium) shall be adjusted according to the difference between the new long-term equity investment acquired from the purchase of minority shareholder's equity and the subsidiary's net assets that should be enjoyed and are continuously calculated from the purchase date or

combination date according to the increased shareholding ratio. If the capital reserve is insufficient for offset, retained earnings shall be adjusted.

If the parent company partially disposes of the long-term equity investment in its subsidiary without losing its control power, in the consolidated financial statements, the capital reserve (capital premium or stock premium) shall be adjusted according to the difference between the disposal price and the subsidiary's net assets that should be enjoyed corresponding to the disposal of long-term equity investment and are continuously calculated from the purchase date or combination date. If the capital reserve is insufficient for offset, the retained earnings shall be adjusted.

If the parent company loses the control power over the investee due to partially disposing of the equity investment or any other reason, during the preparation of the consolidated financial statements, the residual equity will be measured again according to the fair value on the date when it loses the control power. The balance between the sum of the consideration acquired from equity disposal and the fair value of the residual equity and the original subsidiary's net assets that shall be enjoyed according to the original shareholding ratio and are calculated continuously from the purchase date or combination date shall be included in the investment income of the current period when the control power is lost, and simultaneously, the goodwill shall be the original subsidiary. Other comprehensive income, etc. related to equity investment of the original subsidiary shall be transferred as investment income of the current period when the control power is lost.

The consolidated change statement of owner's equity is prepared according to the consolidated balance sheet and consolidated profit statement.

(VII) Classification of joint arrangement and accounting treatment method of joint operation

Joint arrangement refers to an arrangement controlled by two or more participants jointly. Common control refers to the common control over a certain arrangement according to related provisions, and related activities of the arrangement can be decided only after unanimous approval of the participants sharing the control power. When judging whether there exists common control, it's required to judge whether all the participants or the participant combination collectively controls the arrangement, and whether decisions on related activities of the arrangement must be unanimously agreed by participants that collectively control the arrangement.

The Company determines the classification of joint arrangement according to the rights enjoyed and obligations assumed in the joint arrangement. The joint arrangement falls into joint operation and cooperative enterprise.

Joint operation refers to the joint arrangement, in which the joint venture enjoys relevant assets and bears relevant liabilities. The Company recognizes the following items related to its share of interests in the joint operation, and conducts accounting treatment according to relevant Accounting Standards for Business Enterprises:

1. Recognize the assets held separately and the assets held jointly according to its share;

2. Recognize the liabilities assumed separately and the liabilities assumed jointly according to its share;

3. Recognize the income from selling the joint operation output enjoyed by it;

4. Recognize the income of joint operation arising from selling the output according to its share;

5. Recognize the expenses incurred separately, and the expenses incurred for joint operation according to its share.

(VIII) Determination standards of cash and cash equivalents

During the preparation of cash flow statement, cash on hand and deposits that can be used for payment at any time are recognized as cash. Cash equivalent refers to the short-term (generally mature within three months from the purchase date) and highly liquid investments which are readily convertible to the cash of known amounts and which are subject to an insignificant risk of changes in value.

(IX) Foreign currency transaction and foreign current statement translation

The foreign currency transaction takes the spot exchange rate on the transaction date as the translation exchange rate to convert foreign currency amount into RMB for accounting.

The Balance of foreign monetary currency items shall be converted at the spot exchange rate on the date of balance sheet, the resulting balance of exchange shall be included in the current losses and profits except that the balance of exchange resulting from the foreign currency borrowings related to acquisition or construction of the assets complying with the capitalization conditions shall be treated according to the principle of borrowing costs capitalization. The foreign currency non-monetary items measured at historic cost shall still be converted at the spot exchange rate on the transaction date, and their recording currency amounts shall not be changed. The foreign currency non-monetary items measured at the fair value shall be converted at the spot exchange rate on the fixing date of fair value; the resulting balance of exchange shall be included in the current profits and losses or other comprehensive incomes.

(X) Financial instruments

Financial instrument refers to contracts that form financial assets of one party and financial liabilities or equity instruments of other parties.When the Company becomes one party of financial instrument contract, a financial asset or financial liability should be recognized.

1. Classification of financial instruments

According to business model for the management of financial assets and contractual cash flow characteristics of financial assets, the Company classifies its financial assets into financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

2. Recognition and measurement of financial assets

If the financial assets are measured at fair value during initial recognition, for financial assets at fair value through profit or loss, related transaction cost shall be directly included in the current profits and losses. For other categories of financial assets, related transaction cost shall be included in the initially recognized amount. For accounts receivable or notes receivable arising from selling goods or rendering services, which do not contain or consider significant financing components, the amount of consideration that the Company is entitled to receive as expected shall be the initially recognized amount.

(1) Financial assets measured at amortized cost

The Company’s business model for the management of financial assets measured at amortized cost aims at collecting the contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic loan arrangement, that is, the cash flow generated on a specific date is only the payment of the principal and interest based on the unpaid principal amount. The Company carries out subsequent measurement of such financial assets according to the amortized cost by effective interest method, and the gains or losses arising from amortization or

impairment will be included in the current profits and losses.

(2) Financial assets at fair value through other comprehensive income

The Company's business model for the management of such financial assets aims at both collecting contractual cash flow and selling the financial assets, and the contractual cash flow characteristics of such financial assets are consistent with the basic loan arrangement. The Company measures such financial assets at fair value and includes their changes in other comprehensive income, but the impairment losses or gains, exchange gains or losses and interest income calculated by effective interest method are included in the current profits and losses.

In addition, the Company designates part of the investment in non-trading equity instruments as financial assets measured at fair value through other comprehensive income. The Company includes related dividend income of such financial assets in the current profits and losses, and the changes in fair value in other comprehensive income. When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred into retained earnings from other comprehensive income, and will not be included in the current profits and losses.

(3) Financial assets at fair value through profit or loss for the current period

Except for the aforesaid financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, all other financial assets are classified by the Company as financial assets at fair value through profit or loss. At the initial recognition, to eliminate or significantly reduce the accounting mismatch, the Company designates part of the financial assets as financial assets at fair value through profit or loss. For these financial assets, the Company carries out subsequent measurement by fair value and includes the changes in fair value in the current profits and losses.

3. Classification, recognition and measurement of financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities at the initial recognition. For financial liabilities at fair value through profit or loss, related transaction cost will be directly included in the current profits and losses. For other financial liabilities, related transaction cost will be included in the initially recognized amount.

(1) Financial liabilities at fair value through profit or loss for the current period

Financial liabilities at fair value through profit or loss include trading financial liabilities (including the derivatives of financial liabilities) and financial liabilities that are designated to be measured at fair value with the changes in fair value included in the current profits and losses at initial recognition.

Trading financial liabilities (including the derivatives of financial liabilities) shall be subsequently measured at fair value, except for those related to hedge accounting, whose changes in fair values shall be included in the current profits and losses.

For a financial liability designated to be measured at fair value with the changes in fair value included in the current profits and losses, the changes in fair value of the liability resulted from the changes in the Company's credit risk will be included in other comprehensive income. When the liability is derecognized, the accumulated changes in its fair value resulted from the changes in the Company's credit risk, which is included in other comprehensive income, will be transferred into retained earnings. Other changes in fair value will be included in the current profits and losses. If the treatment of the impact of the changes in credit risk of the financial liability by the above-mentioned method will cause or expand accounting mismatch in the profits and losses, the

Company will include all gains or losses of the financial liability (including the amount of the impact of the changes in enterprise's credit risk) in the current profits and losses.

(2) Other financial liabilities

Except for the financial liabilities and financial guarantee contracts resulted from the failure to satisfy the derecognition conditions in the transfer of financial assets or continuously involving the transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost, and will be subsequently measured at amortized cost. The gains or losses from the derecognition or amortization will be included in the current profits and losses.

4. Recognition basis and measurement methods for transfer of financial assets

Financial assets that meet one of the following conditions shall be terminated: ①The contractual rights to receive the cash flow of the financial asset is terminated; ②The financial asset has been transferred and substantially all the risks and rewards of ownership of the transferred asset have also been transferred; ③The financial asset has been transferred. Although the enterprise has neither transferred nor retained almost all the risks and rewards of the ownership of the financial asset, it has abandoned its control over the financial asset.

If the Company neither transfer nor retain risk and rewards of ownership, and does not give up the control of the financial asset, financial asset and liability is recognized in accordance with its continuing involvement in transferred financial asset.The degree of continuously involving the transferred financial assets refers to the risk level faced by an enterprise due to the changes in fair value of the financial assets.

If the entire transfer of financial asset qualifies for derecognition, the difference between the book value of transferred financial assets and the sum of accumulated fair value changes due to other comprehensive income and transfer price are recognized as profit or loss for the period.

If part of the transfer of financial asset qualifies for derecognition, the book value is amortized based on the fair value of recognized and derecognized part. The difference between the amortized book value of transferred financial assets and the sum of accumulated fair value changes due to other comprehensive income and transfer price are recognized as profit or loss for the period.

When the Company sells a financial asset with the right of recourse, or endorses and transfers a financial asset held by it, it is required to determine whether almost all the risks and rewards on the ownership of the financial asset have been transferred. If almost all the risks and rewards on the ownership of the financial asset have been transferred to the transferee, the financial asset shall be derecognized. If almost all the risks and rewards on the ownership of the financial asset are retained, the financial asset shall not be derecognized. If almost all the risks and rewards on the ownership of the financial asset are not transferred or retained, it is required to continuously judge whether the enterprise has retained control over the asset, and carry out accounting treatment according to the principles mentioned in the preceding paragraphs.

5. Recognition for termination of financial liabilities

If the current obligation of a financial liability (or part of it) has been released, the Company will derecognize the financial liability (or part of the financial liability). If the Company (the borrower) signs an agreement with the lender to replace the original financial liability by assuming a new financial liability, and the contract terms on the new financial liability are substantially different from those on the original financial liability, the original financial liability shall be derecognized and a new financial liability shall be recognized. If the Company substantially modifies the contract terms on the original financial liability (or part of it), the original financial liability shall be

derecognized and a new financial liability shall be recognized according to the modified terms.

When terminating recognition of the financial liabilities (or its part), the balance between the book value and the paid consideration (including the non-cash assets transferred-out and the liabilities undertaken) shall be recorded into the current profits and losses.

6. Offset of financial assets and financial liabilities

If the Company has the legal right to offset a financial asset and financial liability with the amount recognized and such legal right is executable now, and the Company plans to carry out settlement by net amount or realize the financial asset and pay off the financial liability, the net amount after mutual offset of the financial asset and financial liability shall be presented in the balance sheet. Otherwise, the financial assets and financial liabilities shall be presented in the balance sheet respectively and will not be offset mutually.

7. Determination methods of fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can receive when selling an asset or should pay when transferring a liability in an orderly transaction on the measurement date. If there is an active market for the financial instrument, the Company will determine its fair value by quotation in the active market. Quotation in the active market refers to the price that is easily acquired from exchanges, brokers, trade associations, pricing service agencies, etc. on a regular basis, and represents the price of a market transaction actually occurring in the fair trading. If there is no active market for the financial instrument, the Company will determine its fair value by valuation techniques. Valuation techniques include referring to the prices used in recent market transactions by parties familiar with the situation and trading voluntarily, referring to the current fair values of other financial instruments that are substantially the same, discounted cash flow method, option pricing model, etc. During the valuation, the Company adopts the valuation technique that is applicable to the current situation and supported by sufficient available data and other information, selects an input value that is consistent with the characteristics of assets or liabilities considered by market participants in the transactions of related assets or liabilities, and gives priority to using the related observable input value as much as possible. If related observable input value is unavailable or is infeasible, an unobservable input value shall be employed.

8. Equity instruments

Equity instrument refers to a contract which can prove that it owns residual equity in the assets of the Company after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of an equity instrument will be treated by the Company as changes in equity. The transaction cost related to an equity transaction will be deducted from equity. The Company will not recognize the changes in fair value of equity instruments.

If the Company's equity instruments distribute dividends (including "interest" resulted from the instruments classified as equity instruments) during their existence, it will be treated as profit distribution.

(XI) Impairment of financial instruments

The financial assets, for which the Company needs to recognize the impairment loss, are financial assets measured at amortized cost, investments in debt instruments at fair value through other comprehensive income, and lease receivables, mainly including notes receivable, accounts receivable, other receivables, debt investments, other debt investments, long-term receivables, etc. In addition, for contract assets and part of the financial guarantee contracts, the provision for impairment shall be accrued and credit impairment loss shall be recognized according to accounting

policies described in this section.

1. Recognition method of the provision for impairment

Based on the expected credit loss, the Company accrues provision for impairment and recognizes the credit impairment loss according to the applicable measurement method of expected credit loss (general method or simplified method).

Credit loss refers to the difference between all contractual cash flows discounted by the Company at the original effective interest rate and receivable according to the contract and all cash flows expected to be received, that is, the present value of all cash shortages. For the purchased or originated financial assets with credit impairment, the Company discounts them according to the actual interest rate after credit adjustment.

The general method for measuring the expected credit loss means that the Company evaluates whether the credit risk of financial assets (including contract assets and other applicable items, the same below) has increased significantly since the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, the Company will measure the provision for losses at the amount equivalent to the expected credit loss during the whole duration. If the credit risk has not increased significantly, the Company will measure the provision for losses at the amount equivalent to the expected credit loss in the next 12 months. The Company will consider all reasonable and well-founded information, including forward-looking information, when evaluating the expected credit loss.

For financial instruments with low credit risk at the balance sheet date, assuming that credit risk has not increased significantly since initial recognition, the Company chooses to measure the loss provision according to the 12-month expected credit loss/does not choose a simplified handling method to depend on whether credit risk has increased significantly since initial recognition, but to measure the loss provision based on the expected credit loss amount in the next 12 months or the whole duration.

2. Criteria for judging whether the credit risk has increased significantly since the initial recognition

If the probability of default of a financial asset in the expected duration determined on the balance sheet date is significantly higher than that determined at the initial recognition, it indicates that the credit risk of the financial asset has increased significantly.Except for special circumstances, the Company uses the change of default risk during the next 12 months as a reasonable estimate of the change of default risk in the entire duration to determine whether the credit risk has increased significantly since initial recognition.

3. Combination method for evaluating the expected credit risk based on portfolio

The Company will individually evaluate the credit risks of financial assets with significantly different credit risks, such as: accounts receivable in dispute with the other party or involving litigation or arbitration; accounts receivable for which there are obvious signs indicating that the debtor may not be able to fulfill its repayment obligations, etc.

Except for financial assets that are individually evaluated for credit risk, the Company will divide the financial assets into different groups based on common risk features, and evaluate the credit risk on the basis of portfolio.

4. Accounting treatment method of the impairment of financial assets

At the term-ending, the Company will calculate the expected credit loss of each financial asset. If

the expected credit loss is greater than the carrying amount of its current provision for impairment, the difference will be recognized as impairment loss. If it is smaller than the carrying amount of the current provision for impairment, the difference will be recognized as impairment gain

5. Determination method of the credit loss of each financial asset

(1) Notes receivable

The Company will measure the provision for losses for the notes receivable at the amount equivalent to the expected credit loss in the whole duration. Based on the credit risk features of notes receivable, they will be divided into different portfolios:

Items	Basis for determination of portfolio
Bank acceptance bill	The acceptor is a bank with low credit risk.
Commercial acceptance bill	The drawer has low credit rating and high risk of credit loss

(2) Accounts receivable and contract assets

For accounts receivable and contract assets without significant financing components, the Company will measure the provision for losses at the amount equivalent to the expected credit loss in the whole duration.

For accounts receivable, contract assets and lease receivables with significant financing components, the Company always chooses to measure the provision for losses at the amount equivalent to the expected credit loss in the whole duration.

Except for accounts receivable and contract assets evaluated individually for the credit risk, they will be divided into different portfolios based on their credit risk features:

Name of Portfolio	Accrual method of bad debts provision	Scope of application
Portfolio 1:Aging portfolio	Aging analysis method	Classified according to the similarity and correlation of credit risk characteristics
Portfolio 2:Riskless portfolio	Other methods	Exchanges with government departments and their affiliated institutions, related parties, etc.

(3) Other receivables

Based on whether the credit risk of other receivables has increased significantly since the initial recognition, the Company will measure the impairment loss at the amount equivalent to the expected credit loss in the next 12 months or the whole duration. Except for other receivables evaluated individually for the credit risk, they will be divided into different portfolios based on their credit risk features:

Name of Portfolio	Accrual method of bad debts provision	Scope of application

Name of Portfolio	Accrual method of bad debts provision	Scope of application
Portfolio 1:Aging portfolio	Aging analysis method	Classified according to the similarity and correlation of credit risk characteristics
Portfolio 2:Riskless portfolio	Other methods	overnment departments and their affiliated institutions, exchanges with related parties, securities, deposit, etc.

(4) Debt investments

For debt investments, accounting treatment will mainly be carried out for bond investment, etc. measured at amortized cost. Based on whether its credit risk has increased significantly since the initial recognition, the Company will measure the impairment loss at the amount equivalent to the expected credit loss in the next 12 months or the whole duration.

(5) Other debt investments

For other debt investments, accounting treatment will mainly be carried out for bond investment at fair value through other comprehensive income, etc. Based on whether its credit risk has increased significantly since the initial recognition, the Company will measure the impairment loss at the amount equivalent to the expected credit loss in the next 12 months or the whole duration.

(XII) Inventories

1. Classification of inventories

The Company's inventory is divided into raw materials, revolving materials, commodity stocks and goods shipped in transit, etc.

2. Accounting method of shipped and acquired inventories

(1) Inventories are valued at actual cost when acquired. Inventory cost includes procurement cost, processing cost and other costs.

(2) Generally, the actual cost of inventory is determined by weighted average method at the time of acquisition or delivery. For inventory that cannot be replaced and purchased or manufactured specially for a specific item, the cost of inventory shipped in transit is determined by specific identification.

(3) For inventory calculated by planned cost, the difference between the planned cost and the actual cost shall be calculated separately. For inventory acquired or shipped in transit, the material cost variance is apportioned monthly, and the planned cost is adjusted to the actual cost.

3. Determination basis of inventories net realizable value and method of provision for inventories falling price reserves

The net realizable value refers to the amount obtained by deducting the estimated cost, sale fees and related tax fees after completion from estimated price of inventory in daily activity. The confirmation of the net realizable value shall be based on the acquired accurate evidences under the consideration of target for holding inventory and influence to the future events of balance sheet.

The inventory shall be calculated based on the lower value between cost and net realizable value on

the balance sheet date. Providing the net realizable value is lower than cost, the inventory shrinkage reserves would be usually withdrawn in accordance with the difference between the cost of single inventory item and the corresponding net realizable value. The inventory shrinkage reserves shall be consolidated in accordance with the type against large amount of inventories with lower unit price or withdrawn in combinations against inventories related to product series produced and sold in the same region with the same or similar final usage of target and difficulty to be measured separately from other items.

After the inventory shrinkage reserves, if the former influence factors for reducing the inventory value disappears and the net realizable value of inventory is higher than the corresponding book value, the amount reserved for the former inventory shrinkage reserves shall be reinstituted and the reinstituted amount shall be included in gains and losses of the current period.

4. Inventory system

Perpetual inventory system is adopted.

5. Amortization method for low priced and easily worn articles and packing

(1) Low value consumables shall take the one-time write-off method.

(2) Packages are subject to one-off write-off process.

(XIII) Contract asset

The Company's right to collect consideration for transferring goods or services to customers, which depends on other factors except for the passage of time, will be recognized as contract assets. The Company's right to collect consideration from customers unconditionally (i.e., only depending on the passage of time) will be presented separately as receivables.

(XIV) Assets held for sales

1. Recognition criteria of non-current assets held for sale or disposal group

If the Company mainly recovers the book value by selling (including non-monetary assets exchange of commercial substance, the same below) rather than continuously using a non-current asset or disposal group, it shall be classified as an asset held for sale.

The Company classifies the non-current asset or disposal group satisfying the following conditions as an asset held for sale:

(1) According to the practices of selling such asset or disposal group in similar transactions, it can be sold immediately in the current condition;

(2) It is extremely likely to be sold, namely, the Company has made a resolution on a sales plan and acquired certain purchase commitment, and the sale is expected to be completed within 1 year. Those that can be sold only after getting the approval of related authority or supervision department of the Company according to related regulations have got the approval.

Certain purchase commitment refers to a legally binding purchase agreement signed by the Company and any other party. The agreement contains the transaction price, time, harsh punishment for breach of contract and other important clauses, so that the agreement is extremely unlikely to be significantly adjusted or revoked.

2. Accounting treatment method of non-current assets held for sale or disposal group

When the Company initially measures or, on the balance sheet date, re-measures the non-current

assets held for sale or disposal group, if the book value is higher than the net amount of fair value after subtracting the selling expenses, the book value shall be written down to the aforesaid net amount, and the written-down amount shall be recognized as asset impairment loss and included in the current profits and losses. In addition, the provision for impairment of assets held for sale shall be accrued.

(1) For fixed assets held for sale, the anticipated net residual value of the fixed assets shall be adjusted so that it can reflect the amount of its fair value after subtracting the disposal expenses, but it shall not exceed the original book value of the fixed assets when the conditions of assets held for sale are satisfied. The difference between the original book value and the anticipated net residual value after adjustment shall be included in the current profits and losses as asset impairment loss. Depreciation will not be accrued for fixed assets held for sale, and they will be measured according to the book value or the net amount of fair value after subtracting the disposal expenses, whichever is lower.

(2) For equity investment held for sale in the associated enterprise or cooperative enterprise, it's required to stop the accounting treatment by equity method from the date when it's classified as an asset held for sale.

(3) If the investment in subsidiaries for sale will cause the Company to lose the control power over subsidiaries, regardless of whether the Company retains minority shareholder's equity after the sale, when the investment in subsidiaries to be sold satisfies the classification conditions of assets held for sale, the Company will classify the investment in subsidiaries as an asset held for sale on the whole in the individual financial statements of the parent company, and classify all assets and liabilities of the subsidiaries as the assets and liabilities held for sale in the consolidated financial statements.

3. Accounting treatment when the recognition conditions of assets held for sale are no longer satisfied

(1) If an asset or a disposal group is classified as an asset held for sale, but it no longer satisfies the recognition conditions of fixed assets held for sale later, the Company will stop classifying it as an asset held for sale and will measure it according to the amount of the following two items, whichever is lower:

① The book value of the asset or disposal group before it's classified as an asset held for sale, namely, the amount after adjustment according to the depreciation, amortization or impairment that shall be recognized originally in the condition that it's supposed not to be classified as an asset held for sale;

② Recoverable amount on the date when the Company decides not to sell the asset or disposal group.

(2) If the equity investment in the associated enterprise or cooperative enterprise that has been classified as an asset held for sale no longer satisfies the classification conditions of assets held for sale, the Company will make retroactive adjustment by equity method from the date when it is classified as an asset held for sale.

4. Accounting treatment of other non-current assets held for sale

Other non-current assets such as intangible assets complying with the conditions of assets held for sale shall be treated according to above principles. Other non-current assets herein do not include deferred income tax assets, assets arising from staff remuneration, financial assets regulated by *Accounting Standards for Business Enterprises No.22—Recognition and Measurement of Financial Instruments*, investment real estate and biological assets measured at fair value, and contractual rights arising from insurance contracts.

(XV) Long-term equity investment

1. Classification of long-term equity investment and the judgment basis

(1) Classification of long-term equity investment

Long-term equity investment can be divided into three categories, namely, equity investment for the investor to control and impose significant impacts on the investee, and equity investment in its cooperative enterprise.

(2) Judgment basis of the categories of long-term equity investment

① The basis for determining the control over the investee;

Control means that the investor owns the power of the investee, enjoys variable returns by participating in related activities of the investee, and has the ability of utilizing the power over the investee to influence the return amount. Related activity refers to the activity imposing significant impacts on the returns from the investee.

Related activities of the investee shall be judged according to the specific situation, usually including the sales and purchase of goods or services, the management of financial assets, the purchase and disposal of assets, research and development activities, financing activities, etc.

Make a judgment on whether to control the investee on the basis of comprehensively considering the establishment purpose of the investee, its related activities and how to make decisions on related activities, whether the power enjoyed by the Company enables it to lead related activities of the investee at present, whether it can enjoy variable returns by participating in related activities of the investee, whether it's able to use its power over the investee to influence its return amount, and the relations with other parties, etc. Once any change of relevant facts and circumstances leads to the change of relevant factors involved in control, evaluation shall be conducted again.

When judging whether it owns the power over the investee, only substantive rights related to the investee shall be considered, including the substantive rights enjoyed by it and by other parties.

② Basis for determining that it has significant impacts on the investee:

Significant impact refers to an enterprise's power on participating in the decision-making of financial and business policies, but it cannot control the formulation of these policies alone or commonly with other parties.

The Company usually judges whether it has significant impacts on the investee according to one or more of the following circumstances:

A. Have a representative in the board of directors or similar authority of the investee. Under the circumstances, as the investor has a representative in the board of directors or similar authority of the investee, and enjoys the substantive right to participate in the decision-making accordingly, it can participate in the formulation of financial and business policies of the investee through the representative, so as to impose significant impacts on the investee.

B. Participate in the formulation process of financial and business policies of the investee. Under the circumstances, the Company can put forward suggestions and advice for its own interests in the process of formulating these policies, thus imposing significant impacts on the investee.

C. Have important transactions with the investee. As relevant transactions are important for daily operation of the investee, they can affect the production and operation decisions of the investee to a certain extent.

D. Assign managers to the investee. Under the circumstances, managers have the power to lead related activities of the investee, thus imposing significant impacts on the investee.

E. Provide key technical materials for the investee. As the investee's production and operation need to rely on the investor's technology or technical materials, it indicates that the investor has significant impacts on the investee.

When the Company judges whether it has significant impacts on the investee, regardless of whether one or more of the above circumstances exist, it's also required to comprehensively consider all the facts and circumstances to make a comprehensive judgment.

Equity investment for the investor to impose significant impacts on the investee, i.e., investment in the associated enterprise.

③ Basis for determining whether the investee is a cooperative enterprise:

Cooperative enterprise of the Company means that the Company only has the right to the net assets of joint arrangement.

2. Determination of the initial cost of long-term equipment investment

(1) Long-term equipment investment arising from business combination

Business combination under common control: if the Company realizes combination consideration by paying in cash, transferring non-cash assets or bearing liabilities and issuing equity securities, the book value of the owner's equity of the combined party acquired by the Company in the consolidated financial statements of final controlling party on the combination date shall be initial investment cost of the long-term equity investment. According to the difference between initial investment cost of the long-term equity investment and the combination consideration paid, the capital reserve (capital premium or stock premium) shall be adjusted. If the capital reserve (capital premium or stock premium) is insufficient to offset the difference, the retained earnings shall be adjusted. If the combining party realizes combination consideration by issuing equity securities, the total par value of issued shares shall be the capital stock. According to the difference between initial investment cost of the long-term equity investment and the total par value of issued shares, the capital reserve (capital premium or stock premium) shall be adjusted. If the capital reserve (capital premium or stock premium) is insufficient to offset the difference, the retained earnings shall be adjusted.

Business combination under different controls: the Company takes the combination cost determined on the purchase date as initial investment cost of the long-term equity investment. The combination cost shall be the fair value of the assets paid, liabilities incurred or assumed and equity securities issued by the acquirer for acquiring the control power over the acquiree on the purchase date. The transaction cost of equity securities or debt securities issued by the acquirer as combination consideration shall be included in initially recognized amount of the equity securities or debt securities. For business combination under different controls realized through multiple transactions step by step, the sum of the book value of the acquiree's equity investment held before the purchase date and the increased investment cost on the purchase date shall be taken as initial investment cost of the investment. The Company takes the contingent consideration agreed in combination agreement as a part of the consideration transferred for business combination, and includes it in business combination cost according to its fair value on the purchase date.

Audit fee, legal service fee, evaluation and consulting fee and other intermediary fees and other related administrative expenses incurred by the combining party or acquirer for business combination shall be included in the current profits and losses upon they're incurred.

(2) Long-term equity investment acquired by other means

For a long-term investment on equity obtained in cash, actually paid acquisition price shall be taken as its initial investment cost, which includes the expenses directly related to the acquisition of long-term equity investments, taxes and other necessary expenditures.

For a long-term investment on equity obtained by issuing equity securities, the fair value of issued equity securities shall be taken as its initial investment cost.

On the premise that exchange of non-monetary assets is commercial in nature and the fair value of the assets received or surrendered can be measured reliably, for the long-term investment on equity which is received by exchanged of non-monetary assets, the fair value of the asserts surrendered shall be the basis for the determination of its initial investment cost, unless there is any exact evidence showing that the fair value of the assets received is more reliable; for exchange of non-monetary assets which doesn't satisfy the above premise, the book value of the assets surrendered and relevant payable taxes and fees shall be taken as the initial investment cost of the long-term investment on equity.

For a long-term investment on equity obtained by debt reorganization, its initial investment cost shall be determined based on the fair value.

3. Subsequent measurement of long-term equity investment and recognition method of profits and losses

The Company can carry out accounting treatment of the long-term equity investment for implementing control over the investee by cost method.

Long-term equity investments calculated by cost method shall be valuated according to initial investment cost, and the cost of long-term equity investments shall be adjusted in case of increase or recovery of the investments. Cash dividends or profits announced to distribute by the invested enterprise shall be recognized as investment income of the current period.

Equity method is adopted for accounting treatment of the long-term equity investment in the cooperative enterprise and associated enterprise. If the initial investment cost is greater than the fair value of the investee's net identifiable assets that should be enjoyed at the time of investment, the initial investment cost of long-term equity investment will not be adjusted. However, if the initial investment cost is smaller than the fair value of the investee's net identifiable assets that should be enjoyed at the time of investment, the difference will be included in the current profits and losses, and the cost of long-term equity investment will be adjusted simultaneously.

After the long-term equity investment is acquired by the company, it's required to recognize the investment income and other comprehensive income respectively according to the share of net profit or loss and other comprehensive income of the invested enterprise to be enjoyed or shared by the company, and simultaneously adjust the book value of the long-term equity investment. For the part that shall be enjoyed and calculated according to the profits or cash dividends announced to distribute by the invested enterprise, the company is required to reduce the book value of long-term equity investment correspondingly. For other changes in owner's equity of the invested enterprise except the net profit or loss, other comprehensive income and profit distribution, it's required to adjust the book value of the long-term equity investment and include them in the owner's equity.

The share of net profit or loss of the invested enterprise to be enjoyed by the company shall be recognized based on the fair value of identifiable net assets of the invested enterprise when the investment is acquired after adjustment of the net profit of the invested enterprise.

In case the accounting policies and accounting period employed by the invested enterprise are

inconsistent with those employed by this company, financial statements of the invested enterprise shall be adjusted according to this company's accounting policies and accounting period. Besides, the investment income, other comprehensive income, etc. shall be recognized on this basis.

The recognition of net loss incurred by the invested enterprise shall be limited to writing down the book value of long-term equity investments and other long-term equity substantially constituting net investment in the invested enterprise to zero, unless the company is obliged to bear extra losses.

If the invested enterprise achieves net profit in the future, after this company makes up for the shared amount of the unrecognized losses with the shared income amount, the recognition of shared income amount should be recovered.

When the net profit or loss of the invested enterprise to be enjoyed or shared by the company is calculated and recognized, the part incurred between the company and associates and joint ventures without internal transaction profit or loss and attributable to the company in proportion shall be offset, and investment income shall be recognized on this basis.

If the unrealized internal transaction loss incurred between the company and the invested enterprise belongs to asset impairment loss according to the relevant regulations of *Accounting Standards for Business Enterprises No.8—Impairment of Asset*, it shall be recognized as transaction loss in full.

If the Company is able to exert significant influence on the investee due to additional investment or implement joint control but does not constitute control, the fair value of the original equity investment determined in accordance with the *Accounting Standards for Business Enterprises No.22—Recognition and Measurement of Financial Instruments* plus the additional investment cost are as the initial cost calculated by the equity method. Where the previously held equity investment is classified as an available-for-sale financial asset, the difference between its fair value and its book value, as well as changes in the accumulated fair value originally included in other comprehensive income, shall be transferred to the current profit and loss calculated using the equity method.

If the joint control or significant influence on the invested unit is lost due to the disposal of some equity investments, etc., the remaining equity after disposal shall be calculated in accordance with the *Accounting Standards for Business Enterprises No.22—Recognition and Measurement of Financial Instruments*. The difference between the fair value and the book value is included in the current profit and loss. Other comprehensive income recognized by the original equity investment under the equity method shall be accounted for on the same basis as when the investee directly disposes of related assets or liabilities when the equity method is terminated.

If the Company loses its control over the investee due to partially disposing of the equity investment or any other reason, during the preparation of individual financial statements, if the residual equity after disposal can impose common control or significant impacts on the investee, equity method shall be adopted instead for accounting treatment, and the residual equity shall be adjusted as if it has been subject to accounting treatment by equity method upon acquisition. If the residual equity after disposal cannot impose common control or significant impacts on the investee, it shall be subject to accounting treatment according to relevant regulations of the *Accounting Standards for Business Enterprises No.22—Recognition and Measurement of Financial Instruments*.

For the disposal of long-term equity investment, the difference between its book value and the actual acquisition price shall be included in the current profits and losses. As to the long-term equity investment subject to accounting treatment by equity method, when it's disposed of, accounting treatment shall be carried out for the part originally included in other comprehensive income according to corresponding proportion on the same basis for directly disposing of related assets or

liabilities by the investee.

(XVI) Investment real estate

1. Initial measurement of investment real estate

The investment real estate of the Company includes the leased land use right, the land use right held and ready to be transferred after appreciation and the leased buildings.

2. Subsequent measurement of investment real estate

The Company adopts the fair value model for subsequent measurement of investment real estate.

If the fair value model is adopted for measurement, no depreciation or amortization of investment real estate will be made. the Company estimates its fair value at the end of the period on the basis of individual investment real estate. When there is a significant change in the ending fair value of a single investment real estate, the book value of the real estate shall be adjusted based on the fair value of the single investment real estate at the balance sheet date. The balance between the fair value at the end of the period and the fair value at the beginning of the period of the single investment real estate shall be recorded in current profit and loss. At the same time, the impact of deferred tax assets or deferred tax liabilities shall be considered.

(XVII) Fixed assets

1. Recognition conditions of fixed assets

Fixed assets refer to tangible assets held for production of goods, rendering of services, leasing or operation management with the service life of more than 1 fiscal year. The fixed assets are classified into: houses and buildings, mechanical equipment, electronic equipment, transportation equipment and office equipment.The fixed assets shall be recognized when complying with the following conditions simultaneously: (1) Economic benefits related to the fixed assets may flow into the enterprise; (2) Cost of the fixed assets can be measured reliably.

2. Depreciation method

Provision for depreciation of fixed assets shall be made by the straight-line method according to classifications. The rate of depreciation shall be determined according to class, estimated useful life and estimated rate of net residual value of the fixed asset.If the service life of each component of a fixed asset is different or it provides economic benefits for the enterprise in different ways, different depreciation rates or depreciation methods shall be selected, and depreciation shall be accrued separately.

The service life, estimated net residual value, annual depreciation rate and depreciation method of various fixed assets are as follows:

Class of Assets	Estimated residual value rate (%)(%)	Predicted Service Life	Yearly Depreciation Rate (%)
Houses and buildings	3.00	20-30 years	4.85-3.23
Transportation equipment	3.00	6-10 years	16.17-9.70
Mechanical equipment	3.00	10-15 years	9.70-6.47

Class of Assets	Estimated residual value rate (%)(%)	Predicted Service Life	Yearly Depreciation Rate (%)
Office equipment	3.00	5 years	24.25
Electronic equipment	3.00	4-11 years	24.25-8.82

(XVIII) Construction-in-process

Construction-in-process shall be accounted according to project classification. The cost shall be determined in accordance with the actual project expenditure, including various necessary project expenditures during construction process, the capitalized borrowing costs before the project reaches the estimated use state and other related expenses.

For the construction in process, all expenditures occurring before constructing the asset to reach its scheduled available status shall be taken as the entry value of the fixed asset. If the fixed asset has reached its scheduled available status but has not transacted completion settlement, it shall be shifted into the fixed asset according to the estimated value based on the project cost budget, cost or actual engineering cost, etc. and the depreciation of the fixed asset shall be accrued according to the company's depreciation policy of fixed asset, and the original provisional estimated value shall be adjusted according to actual cost after the completion settlement is transacted, but the amount of depreciation which has been withdrawn formerly.

(XIX) Borrowing costs

1. Recognition principle of borrowing costs capitalization

Borrowing costs include the interest on borrowings, amortization of discount or premium, auxiliary expenses, exchange differences arising from foreign currency borrowings, etc.

The borrowing costs incurred to the company which can be directly attributable to acquisition and construction or production of the assets complying with the capitalization conditions shall be capitalized and recognized in relevant asset costs; other borrowing costs shall be recognized as costs according to their amounts occurred and recognized in the current profits and losses.

The assets complying with the capitalization conditions refer to fixed assets, investment properties, inventories, etc. which can reach the scheduled available or salable conditions after acquisition and construction or production activities for a long time.

The borrowing costs shall begin capitalization on the premise that all the following conditions are satisfied:

(1) Assets expenditures have already occurred, which include the expenditures occurring in the forms of cash payment, transfer of non-cash assets or assumed interest-bearing debt for acquisition and construction or production of the assets complying with the capitalization conditions;

(2) The borrowing costs have already occurred;

(3) The acquisition and construction or production activities necessary for making the assets reach the scheduled available or salable status have already begun.

2. Capitalization period of borrowing costs

The capitalization period refers to the duration from the time-point the borrowing costs begin

capitalization to the time-point the borrowing costs stop capitalization, excluding the capitalization suspending period of borrowing costs.

When the assets which are acquired and constructed or produced to comply with the capitalization conditions reach a scheduled available or salable status, the borrowing costs shall stop capitalization.

When a part of items in acquisition and construction or production of asserts complying with the capitalization conditions are separately completed and available alone, borrowing costs for such part of assets shall stop capitalization.

If each part of asserts acquired and constructed or produced is separately completed, but it shall be available or salable after the whole of the assets is completed, capitalization of borrowing costs shall stop at the time such asserts are completed in whole.

3. Capitalization suspending period of borrowing costs

If the asserts complying with the capitalization conditions have an abnormal interruption in the process of acquisition and construction or production, lasting for three months above, the borrowing costs shall suspend capitalization; if such an interruption is a necessary procedure for the acquired and constructed or produced assets complying with the capitalization conditions to reach a scheduled available or salable status, the borrowing costs shall continue capitalization, the borrowing costs occurring in an interruption period shall be recognized as the current profits and losses, which shall continue capitalization after the acquisition and construction or production activities of assets begin again.

4. Calculation method of borrowing costs capitalization amounts

For a specific borrowing for the acquisition, construction or production of assets eligible for capitalization, the amount of capitalization shall be determined by deducting the interest income obtained by depositing the unused borrowing funds into the bank or the investment income obtained by temporary investment from the borrowing costs of the specific borrowing actually incurred in the current period and its auxiliary expenses.

If the general borrowing is occupied for the acquisition, construction or production of assets eligible for capitalization, the interest amount of the general borrowing that should be capitalized shall be calculated and determined by multiplying the weighted average of the portion of accumulated asset expenditure exceeding the specific borrowing by capitalization rate of the occupied general borrowing. The capitalization rate shall be calculated and determined according to the weighted average interest rate of general borrowing.

If depreciation or appreciation exists in a borrowing, the depreciation or appreciation amount which shall be amortized during each accounting period shall be determined according to actual interest rate method to adjust the Interest amount in each period.

(XX) Intangible assets

1. Valuation methods of intangible assets

(1) Carry out initial measurement according to its cost of when obtained intangible assets

Cost of intangible assets outsourcing, including purchasing price, related tax and other expenditure incurred and directly ascribed to intended purpose of the assets. Purchasing price of intangible assets shall be delay in payment if exceeding normal credit terms, for those of financing nature in fact, cost of the intangible assets shall be determined based on current value of the Purchasing price.

For intangible assets used for debt payment by the debtor through debt restructuring, entry value shall be determined based on fair value of the intangible assets, and difference between book value of the restructured debt and fair value of the intangible assets used for debt payment shall be accounted into current profits and losses;

Under the premise that non-monetary assets exchange is in commercial nature and faire value of the assets received or surrendered can be measured reliably, entry value of the intangible assets received through non-monetary assets exchange shall be determined based on fair value of the assets surrendered, unless more reliable fair value of the assets received is proved by concrete evidence; for non-monetary assets exchange fails to meet premise above, book value of the assets surrendered and relevant payable tax shall be used as cost of the intangible assets, profits and losses are not conformed.

For intangible assets obtained through business consolidation merger under the same controlling company, the entry value shall be determined according to book value of the combined party; for intangible assets obtained through business consolidation merger from different controlling company, the entry value shall be determined according to fair value of the intangible assets.

For intangible assets developed inside independently, the cost includes: material, labor cost and registration fee spent during the development, amortization of other patent rights and chartered rights used during the development as well as interest expense meeting capitalizing condition, together with other direct expenses paid till the intangible assets achieve intended purpose.

(2) Subsequent measurement

To analyze and judge its service life when obtaining the intangible assets

For intangible assets with limited service life, straight-line amortization shall be performed within the period when the enterprise obtains economic benefits; during the time when no economic benefits are expected for the enterprise, it shall be deemed as intangible assets with undetermined service life, thus no amortization is allowed. Among them, the franchise rights are amortized according to the mining quantity.

2. Service life estimation of intangible assets with limited service life

Class of Intangible Assets	Amortization Years	Amortization Method
Software	2-5 years	Straight-line method
Finished automobile technology	8 years	Straight-line method
Land use rights	30-40 years	Straight-line method
Franchise right	/	Amortized by production volume

At end of each term, service life and amortization method of the intangible assets with limited service life are re-checked.

After recheck, no difference is found at the term-ending of this year in terms of service life and amortization method of the intangible assets and the previous estimation.

3. R&D expenditure

The R&D expenditure of internal projects of This Company includes research R&D expenditure.

The expenditure at research stage shall be included in current profit and loss upon incurred.

The expenditure at development stage shall be recognized as intangible assets if the following conditions are satisfied simultaneously, and included in the current profit and loss if the following conditions are not satisfied:

① The intangible assets are finished so that they are available for use or sale or feasible in terms of technology;

② There is intent to finish and use of sell the intangible assets;

③ The way in which the intangible assets generate economic benefits, including demonstration of product market or market of the intangible assets themselves, for those for internal use, serviceability shall be proved.

④ There are sufficient technical and financial resources as well as other resource supports to finish development of the intangible assets and it is able to use or sell the intangible assets;

⑤ Expenditure ascribed to development of the intangible assets can be measured reliably.

Where the expenditure at research stage and the expenditure at development stage cannot be distinguished, all R&D expenditures incurred shall be included in the current profit and loss.

(XXI) Long-term deferred and prepaid expenses

Various expenses that have been incurred but should be shared by the current period and future periods with an amortization period of more than 1 year, including the improvement expenditure for the operation of leased fixed assets, will be amortized as long-term unamortized expenses according to the expected benefit period. If the long-term deferred expense items can't benefit the future accounting period, the amortized value that has not yet been amortized will be fully transferred into the current profits and losses.

(XXII) Contract liability

The Company recognizes the obligation to transfer goods or services to customers for the consideration received or receivable from customers as contract liabilities. If the customer has paid the contract consideration or the Company has obtained the unconditional collection right before the Company transfers the goods to the customer, the Company will recognise such amount received or receivable as contractual liabilities at the earlier of the actual payment and due payment of the customer. The contract assets and contractual liabilities under the same contract are presented on a net basis, and the contractual assets and contractual liabilities under different contracts are not offset.

(XXIII) Staff remuneration

Staff remuneration refers to all forms of remuneration or compensation given for acquiring the services rendered by employees or for the termination of labor relations, including short-term remuneration, post-employment benefit, dismiss welfare and other long-term employee benefits.

1. Accounting treatment method of short-term remuneration

Short-term remuneration actually incurred during the accounting period when employees render services to the Company is recognized as liabilities, and included in the current profits and losses or related assets cost.

2. Accounting treatment method of post-employment benefits

The post-employment benefit plan is classified into defined contribution plan and defined benefit plan.

During the accounting period when employees render services to the Company, the amount to be deposited calculated according to the defined contribution plan will be recognized as liabilities, and included in the current profits and losses or related assets cost. According to the defined contribution plan, if it is expected that the amount to be deposited will not be paid in full within 12 months after the end of the annual report period when employees render related services, the staff remuneration payable will be measured at the discounted total amount to be deposited according to the market profitability of government bonds or high-quality corporate bonds in the active market that match the obligation period and currency of the defined benefit plan on the balance sheet date.

The Company discounts all obligations under the defined benefit plan according to the market profitability of government bonds or high-quality corporate bonds in the active market that match the obligation period and currency of the defined benefit plan on the balance sheet date, including the obligation of payment expected to be completed within 12 months after the end of the annual report period when employees render services.

If there are assets under the defined benefit plan, the deficit or surplus arising from subtracting the fair value of assets under the defined benefit plan from the present value of obligations under the defined benefit plan will be recognized as net liabilities or net asset of the defined benefit plan. If there is a surplus of the defined benefit plan, the enterprise will measure the net assets of the defined benefit plan based on the surplus of the defined benefit plan or the asset ceiling, whichever is lower. Asset ceiling refers to the present value of economic benefits that an enterprise can acquire by refunding funds from the defined benefit plan or reducing the funds deposited in the defined benefit plan in the future.

At the end of the report period, the service cost in staff remuneration cost arising from the defined benefit plan and the net interest of net liabilities or net assets under the defined benefit plan will be included in the current profits and losses or assets cost, and the changes arising from the re-measurement of net liabilities or net assets under the defined benefit plan will be included in other comprehensive income, are not allowed to be reversed to profits and losses in subsequent accounting period, and can be transferred within the scope of interests.

Under the defined benefit plan, the historical service cost will be recognized as the current expenses on the date when the defined benefit plan is modified or the date when related restructuring expenses or dismiss welfare is recognized, whichever is earlier.

When an enterprise makes settlement of the defined benefit plan, the settlement gains or losses will be recognized. The gains or losses are the difference between the present value of obligations under the defined benefit plan determined on the settlement date and the settlement price.

3. Accounting treatment method of dismiss welfare

The staff compensation liabilities arising from dismiss welfare shall be recognized on the following earlier date and included in the current gains and losses:

(1) When the enterprises cannot unilaterally withdraw the dismiss welfare provided in labor relation termination plan or downsizing proposal;

(2) When the enterprises recognize the costs or expenses related to reorganization involving the payment of dismiss welfare.

If it's expected that dismiss welfare can be paid in full within 12 months after the end of annual report period when it's recognized, the relevant provisions on short-term remuneration shall apply. If it's expected that dismiss welfare can't be paid completely within 12 months after the end of annual report period, relevant regulations on other long-term employee benefits shall apply.

4. Accounting treatment method of other long-term employee benefits

Other long-term employee benefits that satisfy the conditions of the defined contribution plan shall be treated according to above 2. Those that do not comply with the defined contribution plan shall be subject to the relevant regulations on defined benefit plans, and the net liabilities or net assets of other long-term employee benefits shall be recognized and measured. At the end of the report period, the service cost in other long-term employee benefits, net interest of net liabilities or net assets, and the total net amount of changes arising from the re-measurement of other long-term employee benefits shall be included in the current profits and losses or related assets cost.

(XXIV) Estimated liabilities

When it's involved in litigation, debt guarantee, loss contract and restructuring, if these matters are likely to need delivery of assets or rendering of services in the future, and its amount can be reliably measured, it shall be recognized as anticipation liabilities.

Estimated liability is initially measured based on the best estimate expended for the performance of related present obligations, and contingency-related risk, uncertainty, currency time value and other factors are taken fully into account. If currency time value has a great influence, the best estimate is recognized by discounting related future cash outflow; the increase in estimated liability book value caused by discounting and reduction arising from the passage of time is recognized as interest cost.

Book value of estimated liability is re-checked and properly adjusted at the balance sheet date to reflect current best estimate.

(XXV) Share-based payment

1. Categories and accounting treatment of share-based payment

Share-based payment refers to the transaction of awarding equity instruments or bearing the liabilities based on equity instruments for the purpose of acquiring the services rendered by employees. Share-based payment falls into share-based payment settled by equity and share-based payment settled in cash.

(1) Share-based payment settled by equity

The stock option plan is share-based payment settled by equity for acquiring the services rendered by employees, and will be measured according to the fair value of equity instruments awarded to employees on the awarding date. The share-based payment settled by equity can be vested only when services in the waiting period are completed and the regulated performance conditions are satisfied. On the basis of the best estimate of the quantity of vested equity instruments in the waiting period, the services acquired in the current period will be included in related cost or expenses according to the fair value of equity instruments on the awarding date, and the capital reserve will be increased correspondingly.

On each balance sheet date within the vesting period, the Company makes the best estimate and modifies the estimated number of equity instruments exercisable according to the latest subsequent information such as the change of the number of exercisable employees. The impact of the above estimates shall be included in the relevant costs or expenses of the current period, and the capital reserve shall be adjusted accordingly.

For equity-settled share-based payment in exchange for other party's services, if the fair value of other party's services can be measured reliably, it shall be measured according to the fair value of other party's services on the acquisition date. If the fair value of other party's services cannot be measured reliably, but the fair value of equity instruments can be measured reliably, it shall be measured according to the fair value of equity instruments on the acquisition date of services and included in relevant costs or expenses, and the shareholders' equity shall be increased accordingly.

(2) Cash-settled share-based payment

The stock appreciation right plan is share-based payment settled in cash, and will be measured according to the fair value of liabilities borne by the Company and determined on the basis of its number of shares. The share-based payment settled in cash can be vested only when services in the waiting period are completed and the regulated performance conditions are satisfied. On the basis of the best estimate of the vesting condition on each balance sheet date in the waiting period, the services acquired in the current period will be included in cost or expenses according to the fair value amount of liabilities assumed by the Company, and the liabilities will be adjusted correspondingly. The fair value of liabilities will be measured again on each balance sheet date and settlement date before the settlement of related liabilities, and the changes will be included in the current profits and losses.

2. Determination method of the fair value of equity instruments

For shares awarded to employees, the fair value will be measured according to the market price of the Company’s shares, and adjusted according to the terms and conditions, based on which the shares are awarded (excluding the vesting conditions beyond the market conditions).

For stock options awarded to employees, the fair value of the awarded options will be estimated through option pricing model.

3. Basis for recognizing the best estimate of vested equity instruments

On each balance sheet date in the waiting period, the best estimate will be made according to the latest follow-up information such as the changes in the number of vested employees, etc., so as to revise the quantity of the estimated vested equity instruments.

4. Treatment of the modification and termination of share-based payment plan

If the modification of share-based payment plan increases the fair value of the awarded equity instruments, the increase in services acquired shall be recognized according to the increase in the fair value of equity instruments.

If the modification of share-based payment plan increases the quantity of the awarded equity instruments, the fair value of the increased equity instruments shall be recognized as the increase in services acquired accordingly.

If the vesting conditions are modified in a way that is beneficial to employees, such as shortening the waiting period, and changing or canceling performance conditions (rather than market conditions), the Company will consider the modified vesting conditions when treating the vesting conditions.

If the terms and conditions are modified in a way that reduces the total fair value of share-based payment or in other ways that are unfavorable for employees, the services acquired should still be subject to accounting treatment as if the change has never happened, unless the awarded equity instruments are cancelled in part or in whole.

If the awarded equity instruments are cancelled in the waiting period, the cancellation of the awarded equity instruments will be treated as accelerated vesting, the amount to be recognized in the remaining waiting period will be immediately included in the current profits and losses, and the capital reserve will be recognized at the same time. If the employee or other party can choose to satisfy the vesting conditions but fails to do so in the waiting period, it will be treated as the cancellation of the awarded equity instruments.

(XXVI) Preferred stock, perpetual bond and other financial instruments

The preferred stock or perpetual bond issued by the Company will be classified as financial liabilities or equity instruments upon initial recognition according to contract terms on the issued financial instruments and the economic substance reflected by it, as well as the definitions of financial liabilities and equity instruments.

If the preferred stock or perpetual bond belongs to financial liabilities, related interest, dividends (or stock dividends), gains or losses, and gains or losses arising from redemption or refinancing will be included in the current profits and losses.

If the preferred stock or perpetual bond belongs to equity instruments, it will be treated as changes in equity when being issued (including refinancing), repurchased, sold or cancelled. The distribution of the holders of equity instruments should be treated as profit distribution, and the stock dividends issued will not affect the total owner's equity.

The transaction cost related to equity transactions will be deducted from equity. Transaction cost refers to incremental expenses directly attributable to the purchase, issuance or disposal of the preferred stock or perpetual bond. Incremental expense refers to the expense that will not be incurred if an enterprise does not purchase, issue or dispose of financial instruments.

For the transaction cost (such as registration fee, underwriting fee, legal, accounting, evaluation and other professional services fees, printing cost, stamp duty, etc.) incurred when issuing or acquiring its own equity instruments, if it can be directly attributed to equity transactions, it will be deducted from equity. The transaction cost incurred in the unfinished equity transactions that have been terminated will be included in the current profits and losses.

(XXVII) Income

1. General principles of the recognition of income

If the Company has fulfilled the performance obligation under the contract, that is, when the customer acquires the control power over related goods or services (referred to as goods), the income will be recognized according to the transaction price apportioned to the performance obligation.

Performance obligation refers to the commitment of the Company to transfer the goods or services that can be clearly distinguished to customers in the contract.

Acquiring the control power over related goods refers to being able to dominate the use of the goods and obtain almost all relevant economic benefits.

The Company will evaluate the contract on the start date of the contract, identify various individual performance obligations under the contract, and determine whether each individual performance obligation will be fulfilled within a certain period or at a certain time point. Under any of the following circumstances, the performance obligation should be fulfilled within a certain period, and the Company will recognize the income in the period according to the performance progress: (1) The customer will obtain and simultaneously consume the economic benefits brought by the

Company's performance; (2) The customer can control the goods under construction during the Company's performance; (3) The goods produced by the Company in the performance process have irreplaceable uses, and the Company has the right to charge for the performance that has been completed accumulatively so far in the whole contract period. Otherwise, the Company will recognize the income at the time when the customer acquires the control power over related goods or services.

For performance obligations fulfilled within a certain period, the Company will determine the appropriate performance progress by input method according to the nature of goods and services. The input method is a method to determine the progress of performance according to the input of enterprises to fulfill performance obligations.When the performance progress cannot be reasonably determined, if it's expected that the cost incurred by the Company can be compensated, the income shall be recognized according to the cost already incurred until the performance progress can be reasonably determined.

2. Variable consideration

If the contract contains a variable consideration, the Company estimates the variable consideration in the contract and cumulative revenue recognized where it is highly probable that a significant reversal therein will not occur when the relevant uncertainty is resolved. On each balance sheet date, the Company re-estimates the amount of variable consideration that should be included in the transaction price.

3. Significant financing components

f the contract contains significant financing components, the Company determines the transaction price according to the amount payable assuming that the customer will pay in cash when obtaining the control over the goods or services, and uses the discount rate that discounts the nominal amount of the contract consideration into the cash sale price of the goods or services to amortize the balance between the determined transaction price and the consideration amount promised in the contract using the effective interest rate method during the contract period.

The Company does not consider the significant financing components in the contract if it is expected that the interval between the customer's acquisition of control over the goods or services and the customer's payment of the price does not exceed one year.

4. Consideration payable to customer

If the contract contains consideration payable to customer, unless the consideration is made to obtain goods or services that can be clearly distinguished, the Company offsets the transaction price with this consideration payable, and offsets the current revenue at the later point when the relevant revenue is recognized or the customer consideration is paid (or promised to pay), whichever is later.

5. Allocation of the transaction price to each individual performance obligation

For contracts with multiple performance obligations, the Company will allocate the transaction price to each individual performance obligation based on the relative proportion of the standalone selling price of the goods or services promised by each individual performance obligation on the commencement date of the contract. However, if there is a conclusive evidence shows that the contract discount or variable consideration is only related to one or more (but not all) performance obligations in the contract, the Company will allocate the contract discount or variable consideration to one or more relevant performance obligations.

Standalone selling price refers to the price at which the Company sells goods or services to customers separately. If the standalone selling price cannot be directly observed, the Company

comprehensively considers all relevant information that can be reasonably obtained, and uses observable input values to estimate the standalone selling price to the greatest extent.

6. Main principals/agents

When engaging in transactions, the Company determines whether it is the principal or agent based on whether it has control over the goods or services before transferring them to customers. If the Company can control the goods or services before transferring them to customers, the Company is the main principal and recognizes the income according to the total amount of consideration received or receivable; Otherwise, it is an agent and recognizes the income according to the amount of commission or handling fee expected to be entitled to receive, which shall be determined according to the net amount of the total consideration received or receivable after deducting the price payable to other relevant parties, or according to the established commission amount or proportion.

7. Change of contract

When the construction contract between the Company and the customer is changed:

(1) If construction services and contract price that can be clearly distinguished are added to the changed contract, and the new contract price reflects the standalone selling price of the new construction services, the Company will treat the change of contract as a separate contract for accounting;

(2) If the change of contract does not belong to the above situation (1), and there is a clear distinction between the transferred construction services and the non-transferred construction services on the date of contract change, the Company will treat it as the termination of the original contract, and combine the non-performance part of the original contract and the change of the contract as a new contract for accounting treatment;

(3) If the change of contract does not belong to the above situation (1), and there is no clear distinction between the transferred construction services and the non-transferred construction services on the date of contract change, the Company will take the part of the contract change as an integral part of the original contract for accounting treatment, and the resulting impact on the recognized income will be adjusted to the current income on the date of contract change.

(XXVIII) Contract cost

1. Contract performance cost

For cost incurred by the Company for performing the contract, if it does not fall within the scope of other Accounting Standards for Business Enterprises except the income standards, it shall be recognized as an asset as contract performance cost under the following conditions:

(1) The cost is directly related to a current or expected contract, including direct labor, direct material and manufacturing expenses (or similar expenses), the cost borne by the customer, and other cost incurred only due to this contract;

(2) The cost increases the resources of the enterprise for fulfilling its performance obligations in the future.

(3) It’s expected that the cost can be recovered.

The asset will be presented under inventory or other non-current assets according to whether the amortization period at the initial recognition exceeds a normal operating cycle.

2. Contract acquisition cost

The incremental cost incurred by the Company for acquiring a contract, if expected to be recovered, shall be recognized as an asset as the contract acquisition cost. Incremental cost refers to the cost that the Company will not incur without acquiring a contract, such as sales commission, etc. If the amortization period is shorter than one year, it will be included in the current profits and losses upon incurred.

3. Amortization of contract cost

The above assets related to contract cost shall be amortized on the same basis as the recognition of income from goods or services related to the assets and according to the fulfillment time point or progress of performance obligations, and be included in the current profits and losses.

4. Impairment of contract cost

For an asset related to contract cost, if its book value is higher than the difference between the following two items, the Company will accrue the provision for impairment of the excess part and recognize it as asset impairment loss:

(1) Remaining consideration expected to be acquired by the enterprise due to the transfer of goods or services related to the asset;

(2) Estimated cost to be incurred for transferring the related goods or services.

If the difference between the above (1) and (2) is higher than the book value of the asset due to any change in impairment factors in the previous period, the provision for impairment of assets already accrued shall be reversed and included in the current profits and losses, but the book value of the asset after reversal shall not exceed its book value on the reversal date under the condition of assuming that the provision for impairment is not accrued.

(XXIX) Government subsidy

Governmental subsidies are monetary assets or non-monetary assets obtained by the company from government. They include assets related governmental subsidies and income related governmental subsidies.

1. Judgment basis and accounting treatment method of assets-related government subsidy

Assets-related government subsidy refers to the government subsidy obtained by the Company for acquiring, constructing or otherwise forming the long-term assets.

Government subsidies related to assets are recognized as deferred income, and are included into profits and losses by stages within the service life of related assets according to reasonable and systematic methods .The government subsidy measured at nominal amount will be directly included in the current profits and losses.

If related assets are sold, transferred, scrapped or damaged before the end of the service life, the undistributed balance of related deferred income will be transferred into the profits and losses in the period of assets disposal.

2. Judgment basis and accounting treatment method of income-related government subsidy

Other government subsidies acquired by the Company beyond those related assets are income-related government subsidies. The income-related government subsidy shall be treated according to the following different situations:

(1) The income-related government subsidy for compensating related cost expenses or losses in the future periods shall be recognized as deferred income, and included in the current profits and losses in the period when related cost expenses or losses are recognized.

(2) The income-related government subsidy for compensating related cost expenses or losses already incurred shall be directly offset by current profits and losses.

For the government subsidy that includes both the part related to assets and the part related to income, accounting treatment shall be conducted for different parts separately. If it's difficult to distinguish the different parts, it shall be classified as income-related government subsidy as a whole.

The government subsidy related to daily activities of the Company shall be included in other income according to the essence of economic business. The government subsidy unrelated to daily activities of the Company shall be included in non-operating income and expense.

(3) The finance department will directly allocate the discount interest funds to the Company, and the Company will offset relevant borrowing costs with the corresponding discount interest funds.

The government subsidy shall be recognized and measured according to the actual amount received when it's actually received. Only when there is unambiguous evidence indicating that the subsidy is appropriated according to the fixed quota standard, and that it can satisfy relevant conditions stipulated in financial support policies and it is expected to receive the financial support funds, it can be recognized and measured according to the amount receivable.

(XXX) Deferred income tax assets and deferred income tax liabilities

For temporary differences arising from the difference between the book value of certain assets and liabilities and their tax basis, and the difference between the book value of the items that are not recognized as assets and liabilities but whose tax basis can be determined according to the tax law and their tax basis, the deferred income tax assets and deferred income tax liabilities shall be recognized by balance sheet liability method.

Generally, all temporary differences shall be recognized as related deferred income taxes. However, for deductible temporary differences, related deferred income tax assets shall be recognized to the extent of the taxable income that is likely to be acquired to offset the deductible temporary differences. In addition, for temporary differences related to the initial recognition of goodwill and the initial recognition of assets or liabilities arising from the transactions that are not business combination and will not affect the accounting profit and taxable income (or deductible losses), related deferred income tax assets and liabilities will not be recognized.

For deductible losses and tax credits that can be carried forward to the following years, the corresponding deferred income tax assets shall be recognized to the extent of the taxable income that is likely to be acquired to offset the deductible losses and tax credits.

Deferred income tax liabilities arising from the taxable temporary differences related to investments in subsidiaries, associated enterprises and cooperative enterprises shall be recognized, unless the Company can control the reversal time of the temporary differences and the temporary differences will probably not be reversed in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associated enterprises and cooperative enterprises, the deferred income tax assets can be recognized only when the temporary differences are likely to be reversed in the foreseeable future and the taxable income that can be used to offset the deductible temporary differences is likely to be acquired in the future. On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured according to the tax law and the

applicable tax rate in the period when it's expected to recover related assets or pay off related liabilities.

Except that the current income tax and deferred income tax related to the transactions and events directly included in other comprehensive income or shareholder's equity are included in other comprehensive income or shareholder's equity, and the book value of goodwill is adjusted according to the deferred income tax arising from business combination, other current income tax and deferred income tax expense or income shall be included in current profits and losses.

On the balance sheet date, the company will recheck the book value of deferred income tax assets. If it is unlikely to obtain sufficient taxable income in the future periods to offset the benefits of deferred income tax assets, the book value of deferred income tax assets shall be written down. When sufficient taxable income is likely to be obtained, the written-down amount shall be reversed.

When the company has the legal right to make net settlement and intends to do so or acquires assets and pays off liabilities simultaneously, the current income tax assets and current income tax liabilities of the company shall be presented by net amount after offset.

When having the legal right to settle the current income tax assets and current income tax liabilities on a net basis, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection and management department on the same taxpayer or different taxpayers, but within the reversal period of every significant deferred income tax asset and liability in the future, the taxpayers involved intend to make net settlement of the current income tax assets and liabilities or acquire assets and pay off liabilities at the same time.Thus deferred income tax assets and deferred income tax liabilities are reported on a net basis after offsetting.

(XXXI) Lease

Lease refers to a contract under which the Company transfers or acquires the right to control the use of one or more identified assets within a certain period in exchange for or with payment of consideration. On the start date of the contract, the Company will evaluate whether the contract is a lease or includes a lease.

(1) The Company being the lessee

(1) Initial measurement

At the commencement of the lease term, the Company will recognize the right to use the leased assets during the lease term as a right-of-use asset, and recognize the present value of the unpaid lease payment as a lease liability (except for short-term lease and low-value asset lease). When calculating the present value of the lease payment, the Company will adopt the interest rate implicit in lease as the discount rate. If the interest rate implicit in lease cannot be determined, the lessee's incremental borrowing rate will be employed as the discount rate.

(2) Subsequent measurement

According to relevant regulations of the *Accounting Standards for Business Enterprises No.4—Fixed Assets* on depreciation, the Company will accrue depreciation for right-of-use assets (please refer to this Notes III. (XVII) for details). If it can be reasonably determined that the ownership of a leased asset can be acquired upon expiration of the lease term, the Company will accrue depreciation within the residual service life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be acquired upon expiration of the lease term, the Company will accrue depreciation in the lease term or the residual service life of the leased asset, whichever is shorter.

For a lease liability, the Company will calculate its interest expense in each period of the lease term according to the fixed periodic rate, and include it in the current profits and losses or related assets cost. The variable lease payments not included in the measurement of lease liabilities shall be included in the current profits and losses or related assets cost when they're actually incurred.

After the commencement of the lease term, in case of any change in the substantive fixed payment, the estimated amount payable for guaranteed residual value, the index or ratio used to determine the lease payments, or the evaluation result or actual exercise situation of the purchase option, renewal option or termination option, the Company will re-measure the lease liabilities according to the present value of the lease payments after change, and adjust the book value of right-of-use assets accordingly. If the book value of right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Company will include the remaining amount in the current profits and losses.

(3) Short-term lease and low-value asset lease

For short-term lease (the lease with a lease term of less than 12 months from the commencement of the lease) and low-value asset lease, the Company will adopt a simplified treatment method, and not recognize the right-of-use assets and lease liabilities. Instead, during each period of the lease term, the lease payments will be included in related assets cost or the current profits and losses by straight-line method or other systematic and reasonable methods.

2.The Company being the lessor

At the commencement of the lease, based on the essence of transactions, the Company divides the lease into financial lease and operating lease. Financial lease refers to the lease that substantially transfers almost all risks and rewards related to the ownership of the leased assets. Operating lease refers to other lease except the financial lease.

(1) Operating lease

The Company recognizes the lease receipts of operating lease as the rental income in each period of the lease term by straight-line method. The variable lease payments related to operating lease, which is not included in lease receipts, will be included in the current profits and losses upon they're actually incurred.

(2) Financial lease

At the commencement of the lease term, the Company will recognize the financial lease payments receivable and derecognize the financial leasing assets. The financial lease payments receivable will be initially measured according to the net lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts not received at the commencement of the lease term and discounted according to the interest rate implicit in lease). The interest income during the lease term will be calculated and recognized according to the fixed periodic rate. In addition, the variable lease payments acquired by the Company and not included in the measurement of net lease investment will be included in the current profits and losses when they're actually incurred.

(XXXII) Affiliated parties

When one party controls or commonly controls another party or imposes significant impacts on another party, and two or more parties are controlled by the same party or controlled commonly, it will constitute a related party. The related party can be an individual or an enterprise. An enterprise that is only controlled by the state but has no other related party relationship will not constitute a related party.

Related parties of the Company include, but are not limited to:

1. Parent company;

2. Subsidiaries;

3. Other enterprises controlled by the same parent company;

4. Investors implementing common control;

5. Investors imposing significant impacts;

6. Cooperative enterprises, including subsidiaries of the cooperative enterprises;

7. Associated enterprises, including subsidiaries of the associated enterprises;

8. Main individual investors and family members closely associated with them;

9. Key managers of the Company or its parent company, and family members closely associated with them;

10. Other enterprises controlled or commonly controlled by main individual investors, key managers or family members closely associated with them.

(XXXIII) Change in main accounting policies and accounting estimate

1. Changes in accounting policies resulted from the implementation of new income standards

None.

2. Changes in accounting policies resulted from the implementation of new standards for financial instruments

None.

3. Correction of major earlier errors

None.

IV. Taxation

Main taxation types and tax rates

Taxation Type	Taxation Basis	Tax Rate (%)
VAT	The output tax is calculated based on the income from the sale of goods and taxable services calculated in accordance with the tax law. The value-added tax payable is the balance after deducting the input tax allowed to be deducted in the current period.	3,6,9,13
Corporate income tax	Calculated and levied on the basis of taxable income	15,25
Urban maintenance and construction tax	Calculated and levied on the basis of the actually paid value-added tax	7

Taxation Type	Taxation Basis	Tax Rate (%)
Educational surtax	Calculated and levied on the basis of the actually paid value-added tax	3
Local educational surtax	Calculated and levied on the basis of the actually paid value-added tax	2

According to the *Notice on Announcing the List of the First Batch of High-tech Enterprises in Sichuan Province in 2020* issued by the Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department and Sichuan Provincial Tax Service, State Taxation Administration, Yibin Cowin Automobile Co., Ltd. , a subsidiary of the Company, was identified as the first batch of high-tech enterprises in Sichuan Province in 2020, and was awarded the *Certificate of High & New Technological Enterprise* (Certificate No.: GR202051001060, valid for 3 years). According to the *Enterprise Income Tax Law* and other relevant regulations, the Company is entitled to 15% of preferential corporate income tax rate for national high-tech enterprises from September 11, 2020 to September 11, 2023.

V. Notes to Items in the Consolidated Financial Statements

For the data in the financial statements as disclosed below, unless otherwise stipulated, “the end of last year” refers to December 31, 2022, “term-ending” refers to December 31, 2023, "the previous period" refers to 2022, and "the current period" refers to 2023.

(I) Monetary capital

Items	Term-ending Balance	Balance at the End of Last Year
Cash		
Bank deposit	824,019,215.69	1,211,795,660.08
Other monetary capital	572,522,035.88	233,036,271.01
Total	**1,396,541,251.57**	**1,444,831,931.09**

Details of restricted monetary funds are as follows:

Items	Term-ending Balance	Reason of Being Restricted
Other monetary capital	380,938,980.38	Security deposits
Other monetary capital	100,000,000.00	Certificate of deposit
Other monetary capital	69,000,000.00	Funds frozen
Other monetary capital	22,046,438.08	Special purpose account
Other monetary capital	281,278.31	Suspend non-counter business
Other monetary capital	129,187.32	Escrow account
Other monetary capital	126,151.79	Dormant account
Total	**572,522,035.88**	

(II) Trading financial assets

Items	Term-ending Balance	Balance at the End of Last Year
Financial assets at fair value through profit or loss for the current period		499,817,904.02
Including: equity instrument investment		499,817,904.02
Total		**499,817,904.02**

(III) Notes receivable

Items	Term-ending Balance	Balance at the End of Last Year
Bank acceptance bill	182,794,162.48	23,876,263.80
Commercial acceptance bill	30,367,488.00	187,953,598.60
Total	**213,161,650.48**	**211,829,862.40**

(IV) Account receivable

1. Disclosure by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	2,224,281,670.82	1,922,164,046.75
1-2 years	10,290,493.00	5,569,730.68
2-3 years		
3 years above	71,300.00	71,300.00
Subtotal	**2,234,643,463.82**	**1,927,805,077.43**
Less: bad debts provision	1,100,349.30	71,300.00
Total	**2,233,543,114.52**	**1,927,733,777.43**

2. Classified presentation by accrual method of bad debts provision

Category	Term-ending Balance				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with individual accrual of bad debts provision					
Account receivable of bad debts provision provided in portfolio	2,234,643,463.82	100.00	1,100,349.30	0.05	2,233,543,114.52
Including: riskless portfolio	296,959,963.52	13.29			296,959,963.52
Combination of aging	1,937,683,500.30	86.71	1,100,349.30	0.06	1,936,583,151.00

Category	Term-ending Balance				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
analysis method					
Total	**2,234,643,463.82**	**100.00**	**1,100,349.30**	**0.05**	**2,233,543,114.52**

(Continued)

Category	Balance at the End of Last Year				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with individual accrual of bad debts provision					
Account receivable of bad debts provision provided in portfolio	1,927,805,077.43	100.00	71,300.00		1,927,733,777.43
Including: riskless portfolio	983,878,690.08	51.04			983,878,690.08
Combination of aging analysis method	943,926,387.35	48.96	71,300.00	0.01	943,855,087.35
Total	**1,927,805,077.43**	**100.00**	**71,300.00**		**1,927,733,777.43**

(1) Accounts receivable with individual accrual of bad debts provision at the term-ending: none

(2) In the combination, accounts receivable accrued by combination of aging analysis method:

Aging	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Bad Debts Provision	Accrual Percentage (%)	Book Balance	Bad Debts Provision	Accrual Percentage (%)
Within 1 year	1,927,321,707.30			943,855,087.35		
1-2 years	10,290,493.00	1,029,049.30	10.00			10.00
2-3 years			50.00			50.00
3 years above	71,300.00	71,300.00	100.00	71,300.00	71,300.00	100.00
Total	**1,937,683,500.30**	**1,100,349.30**		**943,926,387.35**	**71,300.00**	

3. Situation of the bad debts provision

Category	Balance at the End of Last Year	Amount of Changes in the Current Period			Term-ending Balance
		Accrual	Recovery or Reversal	Write off or Cancel After Verification	

Category	Balance at the End of Last Year	Amount of Changes in the Current Period			Term-ending Balance
		Accrual	Recovery or Reversal	Write off or Cancel After Verification	
Accounts receivable with a single significant amount and individual accrual of bad debts provision					
Account receivable of bad debts provision provided in portfolio	71,300.00	1,029,049.30			1,100,349.30
Including: riskless portfolio					
Combination of aging analysis method	71,300.00	1,029,049.30			1,100,349.30
Total	**71,300.00**	**1,029,049.30**			**1,100,349.30**

4. Accounts receivable actually written off in the current period: none

5. Top five accounts receivable at the term-ending balances aggregated by arrears

Company Name	Term-ending Balance	Proportion to Total Term-ending Balance of Account Receivable (%)	Amount of Bad Debts Provision Withdrawn
Far East Cable (Yibin) Co., Ltd.	882,613,104.66	39.50	
China National Machinery Import & Export Corporation	349,915,902.26	15.66	
KAI JSC	260,401,406.59	11.65	
Chery Commercial Vehicles (Anhui) Co., Ltd.	150,357,486.00	6.73	
Chery Automobile Co., Ltd.	101,843,915.88	4.56	
Total	**1,745,131,815.39**	**78.10**	

(V) Prepayments

1. Prepayments listed by aging

Aging	Term-ending Balance		Balance at the End of Last Year	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,087,579,227.99	87.67	814,941,986.43	95.70
1-2 years	148,299,004.15	11.95	5,507,365.42	0.65
2-3 years	3,641,569.76	0.29	175,832.86	0.02
3 years above	1,101,716.64	0.09	30,910,047.23	3.63
Total	**1,240,621,518.54**	**100.00**	**851,535,231.94**	**100.00**

2. Top five prepayments at the term-ending balances aggregated by prepayments

Company Name	Relationship with the Company	Term-ending Balance	Proportion to Total Term-ending Balance of Prepayments (%)
Yixing Wanma Benteng Material Technology Co., Ltd.	Supplier	389,259,950.00	31.38
Chengdu Baosteel Automobile Steel Parts Processing & Distribution Co., Ltd.	Supplier	147,500,560.80	11.89
UNIFORTUNE Supply Chain Co., Ltd.	Supplier	98,220,761.18	7.92
Yixing Zijin Copper Industry Co., Ltd.	Supplier	88,518,919.91	7.14
Jiangsu Jiangrun Copper Industry Co., Ltd.	Supplier	59,985,900.02	4.84
Total		**783,486,091.91**	**63.17**

(VI) Other receivables

Items	Term-ending Balance	Balance at the End of Last Year
Interest receivable	21,244,336.99	3,009,284.63
Other receivables	2,383,857,077.95	1,430,008,464.95
Total	**2,405,101,414.94**	**1,433,017,749.58**

1. Interest receivable

Items	Term-ending Balance	Balance at the End of Last Year
Entrusted loan	21,244,336.99	3,009,284.63
Total	**21,244,336.99**	**3,009,284.63**

2. Other receivables

(1) Disclosure by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	2,357,474,944.64	1,410,619,886.30
1-2 years	25,038,843.55	1,614,298.65
2-3 years	1,069,009.76	228,200.00
3 years above	577,743.38	17,849,543.38
Subtotal	**2,384,160,541.33**	**1,430,311,928.33**
Less: bad debts provision	303,463.38	303,463.38
Total	**2,383,857,077.95**	**1,430,008,464.95**

(2) Classified presentation by accrual method of bad debts provision

Category	Term-ending Balance

	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	2,384,160,541.33	100.00	303,463.38	0.01	2,383,857,077.95
Including: riskless portfolio	2,371,809,787.39	99.48			2,371,809,787.39
Combination of aging analysis method	12,350,753.94	0.52	303,463.38	2.46	12,047,290.56
Total	**2,384,160,541.33**	**100.00**	**303,463.38**	**0.01**	**2,383,857,077.95**

(Continued)

Category	Balance at the End of Last Year				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	1,430,311,928.33	100.00	303,463.38	0.02	1,430,008,464.95
Including: riskless portfolio	1,409,765,079.89	98.56			1,409,765,079.89
Combination of aging analysis method	20,546,848.44	1.44	303,463.38	1.48	20,243,385.06
Total	**1,430,311,928.33**	**100.00**	**303,463.38**	**0.02**	**1,430,008,464.95**

A. Other receivables for which bad debts provision are individually withdrawn at the term-ending: none

B. In the combination, other receivables accrued by combination of aging analysis method

Aging	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Bad Debts Provision	Accrual Percentage (%)	Book Balance	Bad Debts Provision	Accrual Percentage (%)
Within 1 year	12,047,290.56			20,243,385.06		
1-2 years			10.00			10.00
2-3 years			50.00			50.00
3 years above	303,463.38	303,463.38	100.00	303,463.38	303,463.38	100.00

Aging	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Bad Debts Provision	Accrual Percentage (%)	Book Balance	Bad Debts Provision	Accrual Percentage (%)
Total	**12,350,753.94**	**303,463.38**		**20,546,848.44**	**303,463.38**	

(3) Situation of the bad debts provision

Category	Balance at the End of Last Year	Amount of Changes in the Current Period			Term-ending Balance
		Accrual	Recovery or Reversal	Write off or Cancel After Verification	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	303,463.38				303,463.38
Including: riskless portfolio					
Combination of aging analysis method	303,463.38				303,463.38
Total	**303,463.38**				**303,463.38**

(4) Other receivables actually written off in the current period: none

(5) Top five other receivables at the term-ending balances aggregated by arrears

Company Name	Term-ending Balance	Proportion to Total Term-ending Balance of Other Receivables (%)	Amount of Bad Debts Provision Withdrawn
Government subsidy	1,870,500,321.04	78.46	
Yibin Sanjiang New Area Finance Bureau	287,670,000.00	12.07	
Yibin Sanjiang Technology Development Co., Ltd.	68,000,000.00	2.85	
Chery Commercial Vehicles (Anhui) Co., Ltd.	27,189,626.00	1.14	
China Development Bank FInancial Leasing Co., Ltd.	26,000,000.00	1.09	
Total	**2,279,359,947.04**	**95.61**	

(VII) Inventory

Items	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Falling Price Reserves	Book Value	Book Balance	Falling Price Reserves	Book Value

Items	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Falling Price Reserves	Book Value	Book Balance	Falling Price Reserves	Book Value
Merchandise inventory	643,397,029.32		643,397,029.32	149,595,452.71		149,595,452.71
Raw materials	405,581,335.93		405,581,335.93	296,457,032.87		296,457,032.87
Revolving materials	1,833,927.08		1,833,927.08	832,228.33		832,228.33
Total	**1,050,812,292.33**		**1,050,812,292.33**	**446,884,713.91**		**446,884,713.91**

(VIII) Non-current assets due within one year

Items	Term-ending Balance	Balance at the End of Last Year
Debt investment due within one year	2,823,610,715.00	3,510,036,715.00
Interest receivable on debt investment	8,731,481.02	8,898,083.32
Interest receivable on other borrowings	3,003,892.29	3,048,049.16
Total	**2,835,346,088.31**	**3,521,982,847.48**

1. Details of debt investment due within one year

Debt Unit	Term-ending Balance	Loan Maturity Date
XITC- single-fund trust contract for working capital loan of Yanjiang Construction	500,000,000.00	2024-7-26
XITC- single-fund trust loan contract for working capital loan of Cuiping State-owned Assets	440,000,000.00	2024-1-30
Yibin Yanjiang Construction Investment Development Co., Ltd.	370,000,000.00	2024-12-29
Shenzhen Tinno Mobile Technology Corp.	360,000,000.00	2024-8-31
Shenzhen Tinno Mobile Technology Corp.	340,000,000.00	2024-3-11
XITC- single-fund trust contract for working capital loan of Yanjiang Construction	312,500,000.00	2024-12-18
XITC- Working capital loan sheet of Yanjiang Construction No. 2 Project	300,000,000.00	2024-3-30
XITC- Working capital loan sheet of Yanjiang Construction	86,110,715.00	2024-7-13
Yibin Yanjiang Construction Investment Development Co., Ltd.	65,000,000.00	2024-12-29
XITC- single-fund trust contract for working capital loan of Zhiwei Technology	21,790,266.66	2024-10-19
XITC- single-fund trust contract for working capital loan of Zhiwei Technology	15,751,640.06	2024-10-29

Debt Unit	Term-ending Balance	Loan Maturity Date
XITC- single-fund trust contract for working capital loan of Zhiwei Technology	12,458,093.28	2024-10-28
Total	**2,823,610,715.00**	

(IX) Other current assets

Items	Term-ending Balance	Balance at the End of Last Year
Entrusted loan	400,000,000.00	650,000,000.00
Interest receivable on entrusted loan	1,013,606.11	7,434,027.82
Taxes to be deducted (prepaid)	144,500,580.37	39,301,933.38
Total	**545,514,186.48**	**696,735,961.20**

1. Details of entrusted loan at the end of the period

Debt Unit	Term-ending Balance	Loan Term
Yibin Xinze Asset Management Co., Ltd.	200,000,000.00	2023-4-26 to 2024-4-26
Yibin Nanxi District Mingtong Network Engineering Co., Ltd.	200,000,000.00	2023-4-28 to 2024-4-28
Total	**400,000,000.00**	

(X) Debt investments

Items	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
Yibin Lingang Jinyuan Industry Investment Promotion Service Co., Ltd.	2,000,000,000.00		2,000,000,000.00	2,000,000,000.00		2,000,000,000.00
Yibin Jinhang Industry Investment Services Co., Ltd.	1,284,000,000.00		1,284,000,000.00			
Shenzhen Tinno Mobile Technology Corp.	1,000,000,000.00		1,000,000,000.00	1,000,000,000.00		1,000,000,000.00
XITC- single-fund trust contract for working capital loan of Yanjiang Construction	898,610,715.00		898,610,715.00	898,610,715.00		898,610,715.00
XITC- single-fund trust loan contract for working capital loan of Cuiping State-owned Assets	440,000,000.00		440,000,000.00	490,000,000.00		490,000,000.00
Yibin Yanjiang Construction Investment Development Co., Ltd.	435,000,000.00		435,000,000.00	823,926,000.00		823,926,000.00
XITC- single-fund trust loan contract for working capital loan of Yanjiang Construction No. 2 Project	300,000,000.00		300,000,000.00	300,000,000.00		300,000,000.00
XITC- single-fund trust contract for share investment of Yibin Emerging Industry Limited Partnership	122,500,000.00		122,500,000.00	122,500,000.00		122,500,000.00
XITC- single-fund trust contract for working capital loan of Zhiwei Technology	50,000,000.00		50,000,000.00	50,000,000.00		50,000,000.00
XITC- single-fund trust contract for Yibin Xinye No.2 Project loan				221,332,414.07		221,332,414.07
Yibin Luolong Industrial Cluster Zone Investment Development Co., Ltd.				250,000,000.00		250,000,000.00
Yibin Grace Textile Co., Ltd.				50,000,000.00		50,000,000.00
Less: debt investment due within one year	2,823,610,715.00		2,823,610,715.00	3,510,036,715.00		3,510,036,715.00

Items	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
Total	**3,706,500,000.00**		**3,706,500,000.00**	**2,696,332,414.07**		**2,696,332,414.07**

(XI) Long-term equity investment

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Sichuan Aee Aviation Technology Co., Ltd.	207,522,379.73	38,000,000.00		374,634.69						245,897,014.42	
Yibin Libao New Material Co., Ltd.	311,010,586.42			-12,332,974.20						298,677,612.22	
Yibin High-end Growth Industry Investment Guidance Fund Partnership (Limited Partnership)	9,611,485.34			154,958.78						9,766,444.12	
Yibin Langtai Emerging Industry Investment Fund (Limited Partnership)	3,647,441.81			-6,073.49						3,641,368.32	
Sichuan Wedone Intelligent Technology Co., Ltd.	23,205,646.37			-1,148,869.59						22,056,776.78	
Beijing Key Power Technologies Co., Ltd.	254,110,980.85			-26,981,912.04			16,960,253.60			210,168,815.21	
Sichuan Changjiang	366,990,880.54									366,990,880.54	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Private Economic Financing Guarantee Co., Ltd.											
Yibin New Generation Information Industry Investment Fund (Limited Partnership)	360,211,875.56			-47,953,988.96						312,257,886.60	
Yibin Tianyi New Material Technology Co., Ltd.	203,953,353.78			-18,187,140.96						185,766,212.82	
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	102,097,826.15	1,800,000.00		-1,925,053.55			10,174,327.28			91,798,445.32	
Guoqi (Beijing) Intelligent Network United Automobile Industry Investment Center (Limited Partnership)	34,503,976.26	45,000,000.00		-1,215,723.02						78,288,253.24	
Yibin Talent Innovation and Entrepreneurship Equity Investment Partnership (Limited Partnership)	202,030,954.79			-1,221,053.00						200,809,901.79	
Yibin Chendao New	1,511,429,131.14			2,462,195.96			9,550,326.62			1,504,341,000.48	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Energy Industry Equity Investment Partnership (Limited Partnership)											
Sichuan Sanjiang Kunpeng Technology Co., Ltd.	11,898,351.47			542,341.35						12,440,692.82	
Yibin Shengtuo Industrial Investment Promotion Service Partnership (Limited Partnership)	999,999,870.62	500,000,000.00								1,499,999,870.62	
Yibin Yingfa Ruineng Equity Investment Partnership (Limited Partnership)	655,044,420.60			91,973,359.94						747,017,780.54	
Sichuan Sanjiang Huihai Commercial Factoring Co., Ltd.	51,457,551.16	50,000,000.00		2,423,102.76						103,880,653.92	
Jiashan Dingfeng Venture Capital Partnership (Limited Partnership)	27,425,957.94	60,000,000.00		-5,792,590.80						81,633,367.14	
Sichuan Hongshan New Energy Technology Co., Ltd.	25,113,958.18			-2,373,674.93						22,740,283.25	
Yibin SECCO Phase I New Energy Venture Capital Partnership	9,996,919.60	128,600,000.00		-367,780.83						138,229,138.77	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
(Limited Partnership)											
North Emerging (Yibin) Venture Capital Partnership (Limited Partnership)	141,396,579.76	120,000,000.00		-4,946,673.54						256,449,906.22	
Guangzhou Lihe Kecheng Venture Capital Partnership (Limited Partnership)	132,106,117.95	132,000,000.00	68,000,000.00							196,106,117.95	
Wuhu Xinrong Industrial Investment Partnership (Limited Partnership)		495,000,000.00		115,064,038.53						610,064,038.53	
Shenzhen Xinxing Zhongke New Energy Industry Investment Partnership (Limited Partnership)		303,700,000.00		-845,291.09						302,854,708.91	
Sichuan Yibin Pushi Automobile Integrated Industry Development Co., Ltd.	165,002,522.99			1,303,187.13						166,305,710.12	
Yibin Changyi Auto Parts Co., Ltd.	14,056,505.61			1,920,809.34						15,977,314.95	
Zibo CICV DATA No.2 Investment Center (Limited Partnership)	10,000,000.00			-201,057.76						9,798,942.24	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Ruiqing Automobile Engine Technology Co., Ltd.	1,038,011,335.86			5,603,974.39						1,043,615,310.25	
Yibin Shidai Kaiyi New Energy Technology Co., Ltd.	294,000.00									294,000.00	
Sichuan Yunbu Technology Co., Ltd.	5,353,704.64			-253,870.72						5,099,833.92	
Shenzhen Huayang New Material Technology Co., Ltd.		50,000,000.00		-58,713.63						49,941,286.37	
Yibin Nanmu Nanotechnology Co., Ltd.	98,627,760.23			-2,740,751.00						95,887,009.23	
Total	**6,976,112,075.35**	**1,924,100,000.00**	**68,000,000.00**	**93,269,409.76**			**36,684,907.50**			**8,888,796,577.61**	

(XII) Investment in other equity instrument

Items	Term-ending Balance	Balance at the End of Last Year
Yibin Tianyuan Group Co., Ltd.	221,776,500.72	
Total	**221,776,500.72**	

(XIII) Investment real estate

1. Investment real estate with measured with fair value

Items	Buildings and Structures	Total
I. Balance at the end of last year	874,000,408.21	874,000,408.21
II. Changes in the current period	374,451,427.20	374,451,427.20
Plus: outsourcing		
Intangible assets\Fixed asset\Transfer in from construction in progress	403,478,694.01	403,478,694.01
Changes in fair value	-29,027,266.81	-29,027,266.81
Less: disposal		
Other transfer-in		
III. Term-ending Balance	**1,248,451,835.41**	**1,248,451,835.41**

(XIV) Fixed asset

1. Situation of summary statement

Items	Term-ending Balance	Balance at the End of Last Year
Fixed asset	2,832,640,498.97	2,656,908,072.13
Clearance of fixed assets	21,207,132.91	21,870,746.95
Total	**2,853,847,631.88**	**2,678,778,819.08**

2. Fixed asset

Items	House and Buildings	Mechanical Equipment	Transportation Equipment	Office and Electronic Equipment	Total
I. Original book value					
1. Balance at the end of last year	2,022,188,708.25	1,132,998,038.57	7,567,776.16	42,969,424.25	3,205,723,947.23
2. Increase in this year	6,525,912.36	294,241,418.10	4,639,912.83	8,475,948.59	313,883,191.88
(1) Acquisition		136,876.88	4,639,912.83	3,293,114.81	8,069,904.52
(2) Transfer in from construction in progress	6,508,834.54	283,214,477.55		5,182,833.78	294,906,145.87
(3) Others	17,077.82	10,890,063.67			10,907,141.49
3. Decrease in this year			3,416,252.55	10,895,850.08	14,312,102.63
(1) Disposal or scrapping			3,101,280.32		3,101,280.32
(2) Other decreases			314,972.23	10,895,850.08	11,210,822.31
4. Term-ending balance	2,028,714,620.61	1,427,239,456.67	8,791,436.44	40,549,522.76	3,505,295,036.48
II. Accumulated depreciation					
1. Balance at the end of last year	87,966,571.48	436,412,172.60	3,480,861.44	20,956,269.58	548,815,875.10
2. Increase in this year	39,484,330.58	82,746,547.97	889,643.94	10,353,816.17	133,474,338.66
(1) Accrual	39,484,330.58	82,746,547.97	889,643.94	10,353,816.17	133,474,338.66
3. Decrease in this year			2,266,328.17	7,369,348.08	9,635,676.25
(1) Disposal or scrapping			2,047,829.49		2,047,829.49
(2) Other decreases			218,498.68	7,369,348.08	7,587,846.76
4. Term-ending balance	127,450,902.06	519,158,720.57	2,104,177.21	23,940,737.67	672,654,537.51
III. Provision for impairment					

Items	House and Buildings	Mechanical Equipment	Transportation Equipment	Office and Electronic Equipment	Total
1. Balance at the end of last year					
2. Increase in this year					
(1) Accrual					
3. Decrease in this year					
(1) Disposal or scrapping					
4. Term-ending balance					
IV. Book value					
1. Term-ending book value	1,901,263,718.55	908,080,736.10	6,687,259.23	16,608,785.09	2,832,640,498.97
2. Term-beginning book value	1,934,222,136.77	696,585,865.97	4,086,914.72	22,013,154.67	2,656,908,072.13

(XV) Construction-in-process

1. Balance the amount of construction in progress at the end of the period

Project Category	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
Equipment installation engineering	1,418,631,522.20		1,418,631,522.20	1,317,271,467.70		1,317,271,467.70
Building decoration engineering	412,319,743.45		412,319,743.45	409,538,406.51		409,538,406.51
Total	**1,830,951,265.65**		**1,830,951,265.65**	**1,726,809,874.21**		**1,726,809,874.21**

2. Changes in projects under construction in the current period

Project Name	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term		Term-ending Balance
			Transferred to Fixed Assets	Other Decreases	
Equipment installation engineering	1,317,271,467.70	305,902,701.30	110,816,483.72	93,726,163.08	1,418,631,522.20
Phase I Infrastructure Project of Yibin New Energy Automobile and Parts Industrial Park	154,103,098.41	45,604,021.92		351,376.98	199,355,743.35
Information Technology Industrial Park and Supporting Facilities Project (Phase I) of Yibin Lingang Economic and Technological Development Zone		169,523,861.04			169,523,861.04
Cowin Exhibition Center	40,985,714.15	2,454,424.91			43,440,139.06
Yibin Big Data Industrial Park Project (Phase II)	214,449,593.95	366,609,927.67	177,580,827.61	403,478,694.01	
Supporting Shift Dormitory of Yibin Automobile Industrial Park		6,508,834.54	6,508,834.54		
Total	**1,726,809,874.21**	**896,603,771.38**	**294,906,145.87**	**497,556,234.07**	**1,830,951,265.65**

(XVI) Intangible assets

Items	Land Use Rights	Software System	Franchise Right	Technology	Total
I. Original book value					
1. Balance at the end of last year	141,175,954.05	68,846,400.68		1,596,162,187.33	1,806,184,542.06
2. Increase in the current period	44,475,072.05	6,274,093.65	1,883,954,500.00	100,000.00	1,934,803,665.70
(1) Acquisition	44,475,072.05	122,283.18		100,000.00	44,697,355.23
(2) Internal R&D		638,846.77			638,846.77
(3) Allocation			1,883,954,500.00		1,883,954,500.00
(4) Others		5,512,963.70			5,512,963.70
3. Decrease in the current period				5,512,963.70	5,512,963.70
(1) Other decreases				5,512,963.70	5,512,963.70
4. Term-ending balance	185,651,026.10	75,120,494.33	1,883,954,500.00	1,590,749,223.63	3,735,475,244.06
II. Accumulated amortization					
1. Balance at the end of last year	20,881,878.54	66,417,020.69		509,698,621.34	596,997,520.57
2. Increase in the current period	4,709,021.54	6,709,893.90		171,859,502.12	183,278,417.56
(1) Accrual	4,709,021.54	6,709,893.90		171,859,502.12	183,278,417.56
3. Decrease in the current period				5,512,963.70	5,512,963.70
(1) Other decreases				5,512,963.70	5,512,963.70
4. Term-ending balance	25,590,900.08	73,126,914.59		676,045,159.76	774,762,974.43
III. Provision for Impairment					
1. Balance at the end of last year					

Items	Land Use Rights	Software System	Franchise Right	Technology	Total
2. Increase in this year					
(1) Accrual					
(2) Merge and increase					
3. Decrease in this year					
(1) Disposal					
4. Term-ending balance					
IV. Book value					
1. Term-ending book value	160,060,126.02	1,993,579.74	1,883,954,500.00	914,704,063.87	2,960,712,269.63
2. Term-beginning book value	120,294,075.51	2,429,379.99		1,086,463,565.99	1,209,187,021.49

(XVII) Development expenditure

Items	Balance at the End of Last Year	Increase in the Current Period		Decrease in the Current Period		Term-ending Balance
		Merge and Increase	Increase in Investment	Conversion into Intangible Assets	Other Decreases	
FX12 finished automobile project	301,337,962.53		103,150,492.11			404,488,454.64
GS11 finished automobile project	244,168,642.35		401,161.17			244,569,803.52
M11 project	130,055,216.44		1,349,000.10		58,004.80	131,346,211.74
A00-BEV project	10,302,441.31		113,831,075.26			124,133,516.57
FX11EV finished automobile project	89,316,302.84		24,212.94			89,340,515.78
FX12-PHEV project	444,023.07		79,703,552.75			80,147,575.82
T21FL 2017 Car of the Year	74,900,135.42					74,900,135.42
FX11 model modification M01 project	61,044,468.07		1,465,831.21			62,510,299.28
A19FL	37,084,954.14					37,084,954.14
HH12-BEV project			30,813,749.98			30,813,749.98
Ruihong finished automobile project	30,806,694.13					30,806,694.13
N212 public project	5,792,774.46		19,786,194.13			25,578,968.59
FX12 CBU project	4,573,136.53		17,605,316.40			22,178,452.93
GS11 CBU project	18,120,844.82		1,042,828.51			19,163,673.33
GS11 2022 Car of the Year	14,752,631.31		3,542,359.66			18,294,990.97
FX11 CBU project	17,151,074.01		739,966.83			17,891,040.84
FX11 M01 RDE regulation upgrade project	12,955,966.98		3,554,161.62			16,510,128.60
FX11-M01 CBU project	15,119,063.18		516,440.60			15,635,503.78
GS11 RDE regulation upgrade project	10,404,108.42		3,437,126.78			13,841,235.20

Items	Balance at the End of Last Year	Increase in the Current Period		Decrease in the Current Period		Term-ending Balance
		Merge and Increase	Increase in Investment	Conversion into Intangible Assets	Other Decreases	
MC23 project	12,551,211.60					12,551,211.60
GS11 CKD project	8,241,534.30		2,830,062.84			11,071,597.14
FX11-M01-EV-CBU right rudder project			10,439,109.52			10,439,109.52
FX11/FX11-M01 KD-Russian project	1,751,841.67		8,012,833.66			9,764,675.33
FX11 RDE regulation upgrade project	3,262,411.44		5,886,416.81			9,148,828.25
FX11 2022 Car of the Year project	8,974,067.24		-408,167.79			8,565,899.45
New energy qualification upgrading project of Cowin PHEV	711,611.88		7,309,542.36			8,021,154.24
XD21 project	7,308,353.16					7,308,353.16
HH11&HH12 EV right rudder project			6,490,979.80			6,490,979.80
FX12 RDE project	4,476,990.21		2,005,071.07			6,482,061.28
FX11 M01 KD Central Asian export project	2,668,192.27		3,548,982.12			6,217,174.39
FX11 in-production maintenance project in 2022	2,275,188.42		3,792,494.20			6,067,682.62
GS11 BEV foreign-related cooperative BEV/battery replacement project	5,703,788.86		218,545.30			5,922,334.16
Q22 series national-V standard	5,329,526.57					5,329,526.57
GS11 KD Russian project	1,815,631.00		3,230,561.50			5,046,192.50
Other development projects	93,985,235.47		1,155,077.29		90,272,095.86	4,868,216.90
M22 project	4,493,868.47					4,493,868.47
GS11-BEV project			4,170,887.95			4,170,887.95
0M11 Jintong Village commuter bus project	40.57		3,654,040.56			3,654,081.13

Items	Balance at the End of Last Year	Increase in the Current Period		Decrease in the Current Period		Term-ending Balance
		Merge and Increase	Increase in Investment	Conversion into Intangible Assets	Other Decreases	
Q26 project	3,582,200.62					3,582,200.62
GS11-ZY-DrivingTraining Version Project			3,496,885.46			3,496,885.46
FX11-MY3-Showjet PRO 2023 Model			3,180,692.04			3,180,692.04
Q26 automatic gear	2,896,311.36					2,896,311.36
FX12-KD project			2,695,452.97			2,695,452.97
FX11 in-production maintenance project in 2023			2,649,680.18			2,649,680.18
FX11-M01 CBU2 Italian export project	2,232,185.33		359,157.82			2,591,343.15
Q26 manual gear	2,590,663.80					2,590,663.80
GS11 in-production maintenance project in 2022	770,502.52		1,738,924.61			2,509,427.13
K50EV Lanxiang Targeted Development Project	2,494,440.61					2,494,440.61
Q22LEV Mingquan Targeted Development Project	2,313,121.48					2,313,121.48
FX11 M01 EV CBU international general project	1,948,232.41		321,350.60			2,269,583.01
Kaiyi policy R&D project			2,137,735.82			2,137,735.82
FX12 in-production maintenance project in 2023			2,019,153.39			2,019,153.39
Q22 series model of the year	1,949,077.73					1,949,077.73
Q26 2017 Car of the Year	1,804,585.20					1,804,585.20
Optimization project of FX11 conversion and cost reduction model	103,088.00		1,041,698.11			1,144,786.11
FX12 KD(CBU)24 Model			1,067,863.57			1,067,863.57
Total	**1,264,564,342.20**		**464,008,501.81**		**90,330,100.66**	**1,638,242,743.35**

(XVIII) Goodwill

Name of Investee	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
		Formed by Business Combination	Disposal	
Yibin Cowin Automobile Co., Ltd.	1,206,564,390.94			1,206,564,390.94
Total	**1,206,564,390.94**			**1,206,564,390.94**

(XIX) Long-term unamortized expenses

Items Name	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
Automobile technology start-up	57,307,046.88	17,102,305.97		74,409,352.85
Loan guarantee fee	43,032,775.77	140,191,421.29	126,613,465.72	56,610,731.34
Vehicle model development fees		32,509,905.66	8,127,476.41	24,382,429.25
Administrative expenses	7,774,453.94		2,032,978.44	5,741,475.50
Office rent	811,017.78	774,950.96	906,823.33	679,145.41
Decoration fee	6,300.00		6,300.00	
Total	**108,931,594.37**	**190,578,583.88**	**137,687,043.90**	**161,823,134.35**

(XX) Deferred income tax assets/Deferred income tax liabilities

1. Deferred income tax assets without offset

Items	Term-ending Balance		Balance at the End of Last Year	
	Deductible Temporary Differences	Deferred Income Tax Assets	Deductible Temporary Differences	Deferred Income Tax Assets
Bad Debts Provision	1,403,812.68	350,953.18	374,763.38	93,690.85
Changes in fair value of investment real estate	12,443,025.17	3,110,756.29		
Changes in fair value of other investments in equity instrument	78,223,494.44	19,555,873.61		
Impact of uncovered losses	832,721,338.54	194,041,153.87	990,480,954.99	212,240,219.94
Total	**924,791,670.83**	**217,058,736.95**	**990,855,718.37**	**212,333,910.79**

2. Deferred income tax liabilities without offset

Items	Term-ending Balance	Balance at the End of Last Year

	Taxable Temporary Differences	Deferred Income Tax Liabilities	Taxable Temporary Differences	Deferred Income Tax Liabilities
Changes in fair value of investment real estate	33,883,688.56	8,470,922.14	28,193,212.00	7,048,303.01
Total	**33,883,688.56**	**8,470,922.14**	**28,193,212.00**	**7,048,303.01**

(XXI) Other non-current assets

Items	Term-ending Balance	Balance at the End of Last Year
Project investment funds	200,402,900.00	350,000,000.00
Total	**200,402,900.00**	**350,000,000.00**

(XXII) Short-term borrowing

1. Classification of short-term borrowings

Items	Term-ending Balance	Balance at the End of Last Year
Guaranteed borrowing	1,307,000,000.00	221,431,586.24
Pledge borrowing	798,000,000.00	1,033,700,000.00
Credit borrowing	332,500,000.00	389,000,000.00
Interest payable on short-term borrowings	3,007,163.88	2,561,510.04
Total	**2,440,507,163.88**	**1,646,693,096.28**

2. The Balance of guaranteed borrowing as of December 31, 2023 is detailed as follows

Lender	Start Date of the Borrowing	End Date of the Borrowing	Term-ending Balance
Chengdu Branch of Bank of Tianjin Co., Ltd.	2023-11-30	2024-11-29	500,000,000.00
Yibin Development Holding Group Co., Ltd.	2023-12-26	2024-6-25	300,000,000.00
Chengdu Branch of Great Wall West China Bank Co., Ltd.	2023-8-16	2024-8-15	200,000,000.00
Chengdu Branch of Nanyang Commercial Bank (China) Co., Ltd.	2023-11-20	2024-9-6	200,000,000.00
Chengdu Branch of Huaxia Bank Co., Ltd.	2023-2-2	2024-2-2	40,000,000.00
Yibin Rural Commercial Bank Co., Ltd.	2023-10-30	2024-10-29	37,000,000.00
Chengdu Branch of Shanghai Pudong Development Bank Co., Ltd.	2023-8-11	2024-8-10	30,000,000.00
Total			**1,307,000,000.00**

3. The Balance of pledge borrowings as of December 31, 2023 is detailed as follows

Lender	Start Date of the Borrowing	End Date of the Borrowing	Term-ending Balance
Lingang Sub-branch of Yibin Commercial Bank Co., Ltd.	2023-6-15	2024-6-14	500,000,000.00
Lingang Sub-branch of Yibin Commercial Bank Co., Ltd.	2023-4-20	2024-4-19	198,000,000.00
Yibin Branch of Bank of Chengdu Co., Ltd.	2023-5-31	2024-5-30	100,000,000.00
Total			**798,000,000.00**

4. The Balance of credit borrowing as of December 31, 2023 is detailed as follows

Lender	Start Date of the Borrowing	End Date of the Borrowing	Term-ending Balance
Chengdu Rural Commercial Bank Co., Ltd.	2023-3-27	2024-3-26	332,500,000.00
Total			**332,500,000.00**

(XXIII) Notes payable

Items	Term-ending Balance	Balance at the End of Last Year
Bank acceptance bill	891,805,570.56	754,006,178.56
Commercial acceptance bill	589,259,950.00	226,410,340.00
Total	**1,481,065,520.56**	**980,416,518.56**

(XXIV) Account payable

1. Payables listed by the nature of the fund

Nature of Funds	Term-ending Balance	Balance at the End of Last Year
Payment for goods	2,648,646,284.70	2,282,993,890.71
Project funds	747,525,182.99	1,042,823,726.41
Others	667,655.33	181,800.00
Total	**3,396,839,123.02**	**3,325,999,417.12**

2. Payables listed by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	1,693,673,174.78	2,196,268,181.94
1-2 years	905,765,611.77	56,555,015.45
2-3 years	30,600,086.24	43,287,032.88
3 years above	766,800,250.23	1,029,889,186.85
Total	**3,396,839,123.02**	**3,325,999,417.12**

3. Significant payables aged over 1 year

Name of Creditor	Term-ending Balance	Reason for Non-payment
China MCC5 Group Corp. Ltd.	598,760,582.73	Settlement period not reached
Total	**598,760,582.73**	

(XXV) Advance receipts

1. Advance receipts listed by nature

Items	Term-ending Balance	Balance at the End of Last Year
Rent	547,250.46	
Total	**547,250.46**	

2. Significant advance receipts aged over 1 year: none

(XXVI) Contract liability

1. The contract liabilities listed by the nature of the fund

Items	Term-ending Balance	Balance at the End of Last Year
Payment for goods	220,801,941.14	80,275,183.33
Others	649,160.80	181,333.13
Total	**221,451,101.94**	**80,456,516.46**

2. Contract liabilities listed by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	209,852,948.63	72,368,883.08
1-2 years	11,366,962.50	7,817,174.80
2-3 years	231,190.81	89,125.45
3 years above		181,333.13
Total	**221,451,101.94**	**80,456,516.46**

(XXVII) Staff remuneration payable

1. Presentation of staff remuneration payable

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
I. Short-term remuneration	76,182,415.82	489,721,962.21	460,504,677.99	105,399,700.04
II. Post-employment benefits-defined contribution plan	39,576.41	25,692,491.31	25,711,793.72	20,274.00
Total	**76,221,992.23**	**515,414,453.52**	**486,216,471.71**	**105,419,974.04**

2. Presentation of short-term remuneration

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
1. Salary, bonus, allowance and subsidy	70,621,360.88	412,405,178.43	387,295,129.89	95,731,409.42
2. Staff welfare expense	1,384,290.02	32,308,802.99	28,403,994.67	5,289,098.34
3. Social insurance charges	132.26	13,368,308.94	13,366,646.58	1,794.62
Including: medical insurance	109.86	12,238,600.29	12,238,710.15	
Work injury insurance		1,127,899.32	1,126,127.10	1,772.22
Birth insurance premium	22.40	1,809.33	1,809.33	22.40
4. Housing accumulation funds	31,021.46	18,959,253.58	18,988,228.58	2,046.46
5. Labor union expenditure and staff education expenditure	4,145,611.20	12,680,418.27	12,450,678.27	4,375,351.20
Total	**76,182,415.82**	**489,721,962.21**	**460,504,677.99**	**105,399,700.04**

3. Presentation of defined contribution plan

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
1. Basic old-age insurance premiums	439.44	23,937,636.29	23,938,075.73	
2. Unemployment insurance expense	21.97	881,136.80	881,158.77	
3. Enterprise annuity	39,115.00	873,718.22	892,559.22	20,274.00
Total	**39,576.41**	**25,692,491.31**	**25,711,793.72**	**20,274.00**

(XXVIII) Tax payable

Items	Term-ending Balance	Balance at the End of Last Year
VAT	16,516,350.99	45,268,190.16
Corporate income tax	10,374,650.51	10,233,830.89
Consumption tax	9,276,104.33	6,577,609.40
Urban maintenance and construction tax	2,076,310.18	1,440,287.11
Stamp duty	2,300,232.93	1,914,016.87
Personal income tax	1,104,147.99	994,473.17
Educational surtax	919,853.18	617,265.89
Local educational surtax	586,052.91	411,510.61
Water conservancy fund	20,111.46	20,111.46
Environmental protection tax	16,765.90	9,699.68

Items	Term-ending Balance	Balance at the End of Last Year
Land value increment tax		10,002,609.32
House property tax		248,134.40
Land value increment tax		369,157.03
Total	**43,190,580.38**	**78,106,895.99**

(XXIX) Other payables

1. Situation of summary statement

Items	Term-ending Balance	Balance at the End of Last Year
Interest payable	45,165,229.87	4,454,474.44
Other payables	1,051,065,745.09	2,847,529,270.63
Total	**1,096,230,974.96**	**2,851,983,745.07**

2. Interest payable

Items	Term-ending Balance	Balance at the End of Last Year
Other interest	45,165,229.87	4,454,474.44
Total	**45,165,229.87**	**4,454,474.44**

3. Other payables

(1) Other payables presented by nature of funds

Items	Term-ending Balance	Balance at the End of Last Year
Open credit	290,650,187.16	2,104,540,021.75
Deposit	62,315,585.16	66,151,395.20
Others	698,099,972.77	676,837,853.68
Total	**1,051,065,745.09**	**2,847,529,270.63**

(2) Other payables listed by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	322,771,418.32	2,497,976,639.54
1-2 years	704,503,004.44	12,182,179.83
2-3 years	12,087,864.83	12,201,806.19
3 years above	11,703,457.50	325,168,645.07
Total	**1,051,065,745.09**	**2,847,529,270.63**

(3) Significant other payables aged over 1 year

Items	Term-ending Balance	Reasons for Outstanding or Carried Forward
Chery Automobile Co., Ltd.	663,800,000.00	
Ruiqing Automobile Engine Technology Co., Ltd.	281,000,000.01	
Total	**944,800,000.01**	

(XXX) Non-current liabilities due within one year

Items	Term-ending Balance	Balance at the End of Last Year
Bonds payable due within one year	2,506,598,390.05	7,000,000.00
Long-term loans due within one year	1,066,940,000.00	108,200,000.00
Long-term payables due within one year	387,044,444.44	321,306,261.79
Interest payable due within one year	142,388,699.35	138,684,643.21
Total	**4,102,971,533.84**	**575,190,905.00**

1. Details of bonds payable due within one year are as follows

Bond Name	End Date of the Borrowing	Term-ending Balance
Dollar bonds (U.S.$195,000,000 2.20 per cent. bonds due 2024)	2024-8-16	1,240,055,885.28
Phase III Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	2024-3-24	650,000,000.00
Dollar bonds (U.S.$97,000,000 2.60 per cent. credit enhanced Bonds due 2024)	2024-10-14	616,542,504.77
Total		**2,506,598,390.05**

2. Details of long-term loans due within one year are as follows

Lender	End Date of the Borrowing	Term-ending Balance
Xiamen International Trust Co., Ltd.	2024-3-31	400,000,000.00
Chengdu Guanghua Sub-branch of China Everbright Bank Co., Ltd.	2024-6-28	119,000,000.00
Sichuan Branch of China Development Bank	2024-11-30	100,000,000.00
Bank of Shanghai Chengdu branch	2024-12-28	100,000,000.00
Xiamen International Trust Co., Ltd.	2024-4-29	96,930,000.00
Bank of Shanghai Chengdu branch	2024-12-28	95,000,000.00
Yibin Branch of Bank of Chengdu Co., Ltd.	2024-10-25	30,000,000.00
Business Department of Yibin Rural Commercial Bank Co., Ltd.	2024-6-21	30,000,000.00
Chengdu Qingyang Sub-branch of China Zheshang Bank Co., Ltd.	204-4-09	29,800,000.00
China Fortune International Trust Co., Ltd.	2024-11-30	20,000,000.00

Lender	End Date of the Borrowing	Term-ending Balance
Chengdu Branch of Huaxia Bank Co., Ltd.	2024-11-21	10,000,000.00
Yibin Branch of Chengdu Rural Commercial Bank Co., Ltd.	2024-9-30	10,000,000.00
Yibin Branch of Bank of Chongqing Co., Ltd.	2024-6-10	8,000,000.00
Yibin Rural Commercial Bank Co., Ltd.	2024-1-27	7,200,000.00
Yibin Branch of China Construction Bank Corporation	2024-12-25	3,240,000.00
Xiamen International Trust Co., Ltd.	2024-5-5	3,070,000.00
Chengdu Wuhou Sub-branch of China Everbright Bank Co., Ltd.	2024-12-25	2,000,000.00
Export-Import Bank of China Sichuan Branch	2024-12-21	2,000,000.00
PingAn Trust Co., Ltd.	2024-7-16	200,000.00
Ping An Bank Co., Ltd.	2024-11-17	200,000.00
Yibin Branch of Industrial Bank Co., Ltd.	2024-11-25	200,000.00
Yibin Branch of Bank of Chengdu Co., Ltd.	2024-5-28	100,000.00
Total		**1,066,940,000.00**

3. Details of long-term payables due within one year are as follows

Lender	End Date of the Borrowing	Term-ending Balance
China Development Bank FInancial Leasing Co., Ltd.	2024-12-10	240,000,000.00
China Development Bank FInancial Leasing Co., Ltd.	2024-8-17	147,044,444.44
Total		**387,044,444.44**

4. Details of interest payable due within one year are as follows

Lender	Term-ending Balance
Company debts	71,502,118.86
Debt financing plan	27,385,838.91
Dollar bonds	13,818,360.97
China Development Bank FInancial Leasing Co., Ltd.	11,050,000.00
CITIC Trust Co., Ltd.	2,110,949.95
Bridge Trust Co., Ltd.	1,590,106.47
China Fortune International Trust Co., Ltd.	1,420,728.34
PICC Asset- Real Estate Debt Investment Plan of Automobile Industrial Park	1,279,888.89
Ping An Bank Co., Ltd.	1,242,549.00
Xiamen International Trust Co., Ltd.	1,213,013.70

Lender	Term-ending Balance
Western Trust Co., Ltd.	1,136,778.96
Chengdu Rural Commercial Bank Co., Ltd.	1,104,263.91
CITIC Trust Co., Ltd.	1,052,638.89
PingAn Trust Co., Ltd.	1,050,000.00
Industrial and Commercial Bank of China Limited	968,000.00
Yibin Branch of Industrial Bank Co., Ltd.	879,816.66
Huaxia Bank Co., Ltd.	876,444.44
China CITIC Bank Corporation Limited	826,388.89
Bank of Chengdu Co., Ltd.	514,583.33
Export-Import Bank of China Sichuan Branch	445,666.66
Yibin Rural Commercial Bank Co., Ltd.	417,083.34
Sichuan Branch of China Development Bank	351,740.29
Yibin Rural Commercial Bank Co., Ltd.	70,950.00
China Everbright Bank Co., Ltd.	52,708.33
Yibin Branch of Bank of Chengdu Co., Ltd.	14,055.56
Yibin Branch of Bank of Chongqing Co., Ltd.	14,025.00
Total	**142,388,699.35**

(XXXI) Other current liabilities

Items	Term-ending Balance	Balance at the End of Last Year
Accrued rebate	52,521,205.13	48,437,986.92
Accrued transportation fee	50,327,502.36	51,851,722.42
Accrued business publicity fee	39,956,366.27	54,820,957.89
Accrued pick-up and packing fee	22,695,175.29	27,117,775.95
Accrued lease fee	10,110,119.96	1,815,465.61
Accrued transportation premium	9,216,011.53	3,036,574.48
Unamortized tax	8,307,883.56	2,207,728.33
Accrued advertising fee	7,593,585.28	6,955,538.61
Accrued consulting fee	6,077,973.82	1,696,889.70
Accrued kinetic energy	1,988,837.14	1,396,038.42
Accrued cleaning fee	1,353,342.32	3,322,767.98
Export expenses	740,855.84	5,523,780.00
Accrued internal logistic fee	116,688.63	84,260.29

Items	Term-ending Balance	Balance at the End of Last Year
Accrued market research fee	107,017.52	239,093.00
International after-sales service fee		16,365,402.00
Accrued other fees	20,478,931.95	24,067,660.24
Total	**231,591,496.60**	**248,939,641.84**

(XXXII) Long-term loans

1. Classification of long-term loans

Items	Term-ending Balance	Balance at the End of Last Year
Guaranteed borrowing	7,625,728,397.00	1,910,000,000.00
Pledge borrowing	2,079,950,000.00	2,080,000,000.00
Credit borrowing	1,719,700,000.00	1,404,228,266.85
Subtotal	**11,425,378,397.00**	**5,394,228,266.85**
Less: long-term loans due within one year	1,066,940,000.00	108,200,000.00
Total	**10,358,438,397.00**	**5,286,028,266.85**

2. The Balance of guaranteed borrowing as of December 31, 2023 is detailed as follows

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing	Guarantor
Yunnan International Trust Co., Ltd.	1,000,000,000.00	2023-12-25	2026-12-26	Yibin Development Holding Group Co., Ltd.
PICC Asset- Real Estate Debt Investment Plan of Automobile Industrial Park	686,000,000.00	2018-12-27	2026-12-26	Yibin Development Holding Group Co., Ltd.
Chengdu Branch of Ping An Bank Co., Ltd.	645,480,000.00	2023-5-18	2026-5-17	Yibin Development Holding Group Co., Ltd.
CITIC Trust Co., Ltd.	530,000,000.00	2023-1-31	2025-1-31	Guarantor 1: Yibin Emerging Industry Investment Group Co., Ltd. Guarantor 2: Yibin Development Holding Group Co., Ltd.
Western Trust Co., Ltd.	500,000,000.00	2023-8-31	2025-8-30	Yibin Development Holding Group Co., Ltd.
PingAn Trust Co., Ltd.	500,000,000.00	2023-8-16	2026-8-15	Yibin Development Holding Group Co., Ltd.
Chengdu Branch of Huaxia Bank Co., Ltd.	495,000,000.00	2023-5-26	2025-5-26	Yibin Development Holding Group Co., Ltd.
Yibin Branch of	485,000,000.00	2022-3-14	2025-3-13	Guarantor 1: Yibin Cuiping

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing	Guarantor
Chengdu Rural Commercial Bank Co., Ltd.				District State-owned Assets Management Co., Ltd.; Guarantor 2: Yibin Big Data Co., Ltd.; Guarantor 3: Yibin Automobile Industry Development Investment Co., Ltd.
Xiamen International Trust Co., Ltd.	400,000,000.00	2022-3-31	2024-3-31	Guarantor 1: Yibin Sanjiang Investment & Construction Group Co., Ltd. Guarantor 2: Yibin Emerging Industry Investment Group Co., Ltd.
Export-Import Bank of China Sichuan Branch	349,000,000.00	2023-5-30	2025-5-29	Yibin Cuiping District State-owned Assets Management Co., Ltd.
Yibin Rural Commercial Bank Co., Ltd.	300,000,000.00	2023-6-30	2025-6-29	Yibin Development Holding Group Co., Ltd.
Sichuan Branch of China Development Bank	300,000,000.00	2023-11-30	2025-11-30	Guarantor 1: Yibin Grace Group Co., Ltd. Guarantor 2: Yibin Automobile Industry Development Investment Co., Ltd.
Yibin Branch of Bank of Chengdu Co., Ltd.	295,000,000.00	2023-4-25	2026-4-24	Sichuan Gloport Investment Development Group Co., Ltd. provides guarantee
China Fortune International Trust Co., Ltd.	190,000,000.00	2023-5-31	2025-5-30	Yibin Development Holding Group Co., Ltd.
Yibin Branch of Industrial Bank Co., Ltd.	179,999,997.00	2023-9-6	2030-9-5	Yibin Sanjiang Investment & Construction Group Co., Ltd.
China Everbright Bank Co., Ltd.	119,000,000.00	2022-12-29	2024-06-28	Yibin Development Holding Group Co., Ltd.
Yibin Branch of Leshan City Commercial Bank Co., Ltd.	100,000,000.00	2023-6-30	2026-6-29	Guarantor: Yibin Cowin Automobile Co., Ltd. Pledgor: Cowin Automobile Sales Co., Ltd.
Bank of Shanghai Chengdu branch	100,000,000.00	2023-8-24	2024-12-28	Yibin Development Holding Group Co., Ltd.
Xiamen International	96,930,000.00	2022-4-29	2024-4-29	Guarantor 1: Yibin Sanjiang

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing	Guarantor
Trust Co., Ltd.				Investment & Construction Group Co., Ltd. Guarantor 2: Yibin Emerging Industry Investment Group Co., Ltd.
Bank of Shanghai Chengdu branch	95,000,000.00	2023-3-28	2024-9-20	Yibin Development Holding Group Co., Ltd.
Yibin Branch of China CITIC Bank Corporation Limited	80,000,000.00	2023-12-20	2025-6-19	Yibin Development Holding Group Co., Ltd.
China Everbright Bank Co., Ltd.	69,000,000.00	2023-12-27	2025-3-25	Yibin Automobile Industry Development Investment Co., Ltd.
Yibin Branch of China Construction Bank Corporation	46,248,400.00	2023-1-18	2048-1-18	Yibin Emerging Industry Investment Group Co., Ltd.
Yibin Rural Commercial Bank Co., Ltd.	43,000,000.00	2022-1-28	2027-1-27	Yibin Emerging Industry Investment Group Co., Ltd.
Yibin Branch of Bank of Chengdu Co., Ltd.	10,000,000.00	2023-5-30	2025-5-28	Yibin Emerging Industry Investment Group Co., Ltd.
Yibin Branch of Bank of Chongqing Co., Ltd.	8,000,000.00	2022-9-27	2024-6-10	Yibin Emerging Industry Investment Group Co., Ltd.
Xiamen International Trust Co., Ltd.	3,070,000.00	2022-5-5	2024-5-5	Guarantor 1: Yibin Sanjiang Investment & Construction Group Co., Ltd. Guarantor 2: Yibin Emerging Industry Investment Group Co., Ltd.
Total	**7,625,728,397.00**			

3. The Balance of pledge borrowings as of December 31, 2023 is detailed as follows

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing	Pledgor
CITIC Trust Co., Ltd.	672,000,000.00	2022-2-25	2025-2-25	Yibin Emerging Industry Investment Group Co., Ltd.
CITIC Trust Co., Ltd.	150,000,000.00	2022-3-23	2025-3-23	Yibin Emerging Industry Investment Group Co., Ltd.
CITIC Trust Co., Ltd.	158,000,000.00	2022-4-25	2025-4-25	Yibin Emerging Industry Investment Group Co., Ltd.
Bridge Trust Co., Ltd.	499,950,000.00	2022-6-23	2025-6-17	Yibin Automobile Industry Development Investment Co., Ltd.，

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing	Pledgor
				Yibin Development Holding Group Co., Ltd.，Yibin Emerging Industry Investment Group Co., Ltd.
Yibin Development Holding Group Co., Ltd.	600,000,000.00	2021-12-31	2026-12-14	Yibin Emerging Industry Investment Group Co., Ltd.
Total	**2,079,950,000.00**			

4. The Balance of credit borrowing as of December 31, 2023 is detailed as follows

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing
Yibin Development Holding Group Co., Ltd.	650,000,000.00	2022-4-3	2025-3-18
Yibin Development Holding Group Co., Ltd.	600,000,000.00	2020-4-3	2025-3-18
Yibin Branch of Industrial Bank Co., Ltd.	299,900,000.00	2023-5-26	2026-5-25
Yibin Development Holding Group Co., Ltd.	100,000,000.00	2021-1-1	2026-1-1
Anhui Branch of China Development Bank	40,000,000.00	2015-11-27	2025-11-27
Chengdu Qingyang Sub-branch of China Zheshang Bank Co., Ltd.	29,800,000.00	2022-10-28	2024-4-9
Total	**1,719,700,000.00**		

(XXXIII) Bond payable

Items	Term-ending Balance	Balance at the End of Last Year
20 YX 01	1,200,000,000.00	1,998,168,396.29
20 YX 02		997,070,367.83
23 YX 01	799,117,492.39	
23 YX 02	995,846,016.28	
Phase I Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021		496,079,310.38
Phase II Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021		336,853,684.83
Phase III Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	650,000,000.00	647,971,474.31
Phase IV Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021		498,889,666.33
Dollar bonds (U.S.$195,000,000 2.20 per cent. bonds due 2024)	1,240,055,885.28	1,235,213,678.93
Dollar bonds (U.S.$97,000,000 2.60 per cent. credit enhanced Bonds due 2024)	616,542,504.77	613,904,718.04
Subtotal	**5,501,561,898.72**	**6,824,151,296.94**

Items	Term-ending Balance	Balance at the End of Last Year
Less: bonds payable due within one year	2,506,598,390.05	7,000,000.00
Total	**2,994,963,508.67**	**6,817,151,296.94**

2. The details of bonds payable are as follows

Bond Name	Face Value	Issuing Date	Bond Term	Issuance Amount
20 YX 01	2,000,000,000.00	2020-3-31	5 years	2,000,000,000.00
20 YX 02	1,000,000,000.00	2020-10-16	5 years	1,000,000,000.00
23 YX 01	800,000,000.00	2023-3-24	3 years	800,000,000.00
23 YX 02	1,000,000,000.00	2023-10-12	5 years	1,000,000,000.00
Phase I Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	500,000,000.00	2021-2-26	707 days+ 388 days	500,000,000.00
Phase II Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	350,000,000.00	2021-3-24	3 years	350,000,000.00
Phase III Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	650,000,000.00	2021-3-25	3 years	650,000,000.00
Phase IV Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	500,000,000.00	2021-7-7	23 months +13 months	500,000,000.00
Dollar bonds (U.S.$195,000,000 2.20 per cent. bonds due 2024)	1,243,261,500.00	2021-8-17	35 months	1,243,261,500.00
Dollar bonds (U.S.$97,000,000 2.60 per cent. credit enhanced Bonds due 2024)	618,442,900.00	2021-10-15	35 months	618,442,900.00
Total	**8,661,704,400.00**			**8,661,704,400.00**

(Continued)

Bond Name	Balance at the End of Last Year	Issuance in the Current Period	Interest Accrued According to Par Value	Amortization of Premium or Discount	Repayment in the Current Period	Less: Bonds Payable due Within one Year	Term-ending Balance
20 YX 01	1,998,168,396.29		84,000,000.00	1,831,603.71	800,000,000.00		1,200,000,000.00
20 YX 02	997,070,367.83		45,000,000.00	2,929,632.17	1,000,000,000.00		
23 YX 01		800,000,000.00	24,480,000.00	-882,507.61			799,117,492.39
23 YX 02		1,000,000,000.00	8,520,833.33	-4,153,983.72			995,846,016.28
Phase I Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	496,079,310.38		2,420,547.95	3,920,689.62	500,000,000.00		
Phase II Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	336,853,684.83		19,250,715.28	2,646,315.17	339,500,000.00		
Phase III Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	647,971,474.31		37,050,000.00	2,028,525.69		650,000,000.00	
Phase IV Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	498,889,666.33		12,366,438.36	1,110,333.67	500,000,000.00		
Dollar bonds (U.S.$195,000,000 2.20 per cent. bonds due 2024)	1,235,213,678.93		27,351,753.00	4,842,206.35		1,240,055,885.28	
Dollar bonds (U.S.$97,000,000 2.60 per cent. credit enhanced Bonds due 2024)	613,904,718.04		16,079,515.40	2,637,786.73		616,542,504.77	
Total	**6,824,151,296.94**	**1,800,000,000.00**	**276,519,803.32**	**16,910,601.78**	**3,139,500,000.00**	**2,506,598,390.05**	**2,994,963,508.67**

(XXXIV) Long-term payables

1. Classification details of long-term payables

Items	Term-ending Balance	Balance at the End of Last Year
Fund from financing lease	1,355,000,000.00	1,031,755,974.21
Subtotal	**1,355,000,000.00**	**1,031,755,974.21**
Less: long-term payables due within one year	387,044,444.44	321,306,261.79
Total	**967,955,555.56**	**710,449,712.42**

2. The details of financing leasing as of December 31, 2023 are as follows:

Lender	Book Balance	Less: Non-current Liabilities due within One Year	Term-ending Balance
China Development Bank FInancial Leasing Co., Ltd.	1,185,000,000.00	387,044,444.44	797,955,555.56
Chengdu Gongtou Financial Leasing Co., Ltd.	170,000,000.00		170,000,000.00
Total	**1,355,000,000.00**	**387,044,444.44**	**967,955,555.56**

(XXXV) Estimated liabilities

Items	Term-ending Balance	Balance at the End of Last Year
After-sales service fee	62,187,832.68	6,079,657.28
Total	**62,187,832.68**	**6,079,657.28**

(XXXVI) Deferred income

Items	Term-ending Balance	Balance at the End of Last Year
Special funds for industrial development	5,137,449.37	5,262,449.37
Total	**5,137,449.37**	**5,262,449.37**

(XXXVII) Paid-up capital

Shareholder's Name	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
Yibin Sanjiang Investment & Construction Group Co., Ltd.	4,650,000,000.00	350,000,000.00		5,000,000,000.00
Total	**4,650,000,000.00**	**350,000,000.00**		**5,000,000,000.00**

(XXXVIII) Other equity instruments

Items	Balance at the End of Last Year	Increase in This Year	Decrease in This Year	Term-ending

Items	Balance at the End of Last Year	Increase in This Year	Decrease in This Year	Term-ending
China Fortune International Trust Co., Ltd.	520,000,000.00			520,000,000.00
Total	**520,000,000.00**			**520,000,000.00**

(XXXIX) Capital reserves

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
Other capital reserve		2,072,794,500.00	-	2,072,794,500.00
Total		**2,072,794,500.00**	**-**	**2,072,794,500.00**

(XL) Other comprehensive income

Items	Balance at the End of Last Year	Amount of the Current Period					Term-ending Balance
		Amount Incurred Before Income Tax in the Current Period	Less: Profits and Losses Converted in the Current Period Included in Other Comprehensive Income in the Prior Period	Less: Income tax expense	Attributed to Parent Company After Tax	Attributed to Minority Shareholders After Tax	
I. Other comprehensive incomes which will be reclassified subsequently to profit and loss	7,891,756.29	-78,223,494.44		-19,555,873.61			-50,775,864.54
Including: the part that the fair value is greater than the book value when the self-use real estate or the real estate as inventory is converted into the investment real estate measured by the fair value model on the version day	7,891,756.29						7,891,756.29
Changes in fair value of other investments in equity instrument		-78,223,494.44		-19,555,873.61			-58,667,620.83
Total other comprehensive income	**7,891,756.29**	**-78,223,494.44**		**-19,555,873.61**			**-50,775,864.54**

(XLI) Surplus reserves

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
Statutory surplus reserves		13,432,581.48		13,432,581.48
Total		**13,432,581.48**		**13,432,581.48**

(XLII) Undistributed profit

Items	Term-ending Balance	Balance at the End of Last Year
Undistributed profit at the end of prior period before adjustment	-580,246,796.11	-173,312,443.76
Undistributed profit at the term-beginning after adjustment	-584,484,728.51	-517,831,650.16
Plus: net profits belongs to owner of the parent company at current term	44,401,897.85	-49,543,778.81
Less: withdrawal of statutory surplus reserve	13,432,581.48	12,871,367.14
Distribution of profits to shareholders		
Others		
Undistributed profit at the end of the current period	**-553,515,412.14**	**-580,246,796.11**

(XLIII) Operating income and operating cost

Items	Amount of the Current Period		Amount of the Last Period	
	Income	Cost	Income	Cost
Prime operating	6,727,614,711.61	5,814,984,391.19	4,857,113,439.60	4,862,792,455.99
Other operating	717,490,344.61	186,300,722.29	438,604,921.99	97,143,736.21
Total	**7,445,105,056.22**	**6,001,285,113.48**	**5,295,718,361.59**	**4,959,936,192.20**

Details of operating income and operating costs

Items	Amount of the Current Period		Amount of the Last Period	
	Income	Cost	Income	Cost
Prime operating				
Automobile and related business	3,652,710,227.26	2,851,264,442.41	2,456,681,659.36	2,510,760,230.27
Trade income	3,028,283,438.24	2,950,019,269.00	2,380,967,233.82	2,306,657,959.25
Rental income	27,232,824.91	13,700,679.78	6,622,386.23	45,374,266.47
Proceeds from financial advisory fees	19,388,221.20		12,842,160.19	
Subtotal	**6,727,614,711.61**	**5,814,984,391.19**	**4,857,113,439.60**	**4,862,792,455.99**
Other operating				

Items	Amount of the Current Period		Amount of the Last Period	
	Income	Cost	Income	Cost
Technical service	149,942,222.07	155,040,991.17	34,807,476.99	33,971,734.23
Other revenues	567,548,122.54	31,259,731.12	403,797,445.00	63,172,001.98
Subtotal	**717,490,344.61**	**186,300,722.29**	**438,604,921.99**	**97,143,736.21**
Total	**7,445,105,056.22**	**6,001,285,113.48**	**5,295,718,361.59**	**4,959,936,192.20**

(XLIV) Taxes and surcharges

Items	Amount of the Current Period	Amount of the Last Period
Consumption tax	46,974,677.36	24,755,845.81
House property tax	19,001,900.23	17,286,005.04
Land use tax	11,699,229.54	13,254,718.28
Stamp duty	8,296,380.27	4,369,164.55
Urban maintenance and construction tax	6,385,761.22	5,297,174.42
Educational surtax	2,737,118.78	2,270,217.61
Local educational surtax	1,824,745.85	1,513,478.41
Vehicle and vessel tax	2,460.00	1,200.00
Special fund for water conservancy construction	1,012.94	1,101.46
Land value increment tax		10,002,609.32
Environmental protection tax		24.24
Total	**96,923,286.19**	**78,751,539.14**

(XLV) Sales expenses

Items	Amount of the Current Period	Amount of the Last Period
Sales service fee	69,282,584.88	35,450,293.49
Staff remuneration	63,896,617.30	52,526,346.56
Business publicity expense	56,723,135.40	37,713,228.64
Traffic and transportation fees	54,989,069.91	40,908,143.30
Travel expenses and business entertainment	12,798,161.11	10,999,019.83
Intermediary fee	4,700,680.89	3,141,968.40
Office rent	4,011,014.63	10,131,837.05
Depreciation and amortization expense	384,240.61	400,235.72
Material expense		191,903.27
Others	24,730,554.57	13,875,979.97

Items	Amount of the Current Period	Amount of the Last Period
Total	**291,516,059.30**	**205,338,956.23**

(XLVI) Administrative expenses

Items	Amount of the Current Period	Amount of the Last Period
Depreciation and amortization expense	213,112,199.89	231,229,200.24
Staff remuneration	172,646,009.89	130,027,526.93
Fund management fee	13,973,838.60	12,107,318.06
Intermediary fee	11,481,567.11	7,641,038.22
Office allowance	10,419,695.86	7,950,760.68
Travel expense	9,534,842.25	1,986,653.77
Rental and property fees	9,225,096.82	4,153,812.85
Traffic and transportation fees	1,522,675.80	1,987,407.99
Business entertainment expenses	1,448,109.10	2,275,321.31
Operation and maintenance fees		6,056,055.36
Others	15,778,851.25	19,433,290.54
Total	**459,142,886.57**	**424,848,385.95**

(XLVII) R & D expenses

Items Name	Amount of the Current Period	Amount of the Last Period
Staff remuneration	1,708,476.96	33,940,459.64
Depreciation charge	6,692.52	14,760,906.12
Material expense		42,938,405.00
Outsourced testing fee		14,750,120.00
Travel expense		4,758,994.00
Office allowance		2,938,404.00
Business entertainment expenses		329,401.00
Total	**1,715,169.48**	**114,416,689.76**

(XLVIII) Finance charge

Items	Amount of the Current Period	Amount of the Last Period
Interest expense	627,898,444.31	825,699,103.59
Less: interest income	132,587,549.75	86,001,293.76
Less: exchange earning	75,045.24	-641,996.35
Commission expense	110,606,994.26	65,475,254.31

Items	Amount of the Current Period	Amount of the Last Period
Total	**605,842,843.58**	**805,815,060.49**

(XLIX) Other incomes

1. Other income sources

Items	Amount of the Current Period	Amount of the Last Period
Government subsidy	53,205,061.18	15,067,633.27
Total	**53,205,061.18**	**15,067,633.27**

2. List of governmental subsidies

Items	Amount of the Current Period	Amount of the Last Period	Asset-related/ Income-related
Operation subsidy	52,395,591.94	15,003,745.77	Income-related
Others	809,469.24	63,887.50	Income-related
Total	**53,205,061.18**	**15,067,633.27**	

(L) Income form changes in fair value

Sources of Income from Changes in Fair Value	Amount of the Current Period	Amount of the Last Period
Changes in fair value of trading financial assets	100,403,332.08	115,237,077.58
Investment real estate measured at fair value	-29,027,266.81	665,630.21
Total	**71,376,065.27**	**115,902,707.79**

(LI) Credit impairment loss

Items	Amount of the Current Period	Amount of the Last Period
Bad debt loss of accounts receivable	-1,029,049.30	
Total	**-1,029,049.30**	

(LII) Earnings from disposal of assets

Items	Amount of the Current Period	Amount of the Last Period
Disposal gains on fixed assets	-1,179,057.69	-8,821,322.16
Total	**-1,179,057.69**	**-8,821,322.16**

(LIII) Non-operating income

Items	Amount of the Current Period	Amount of the Last Period

Items	Amount of the Current Period	Amount of the Last Period
Quality compensation and penalty income	433,406.44	193,656.57
Government subsidy		300,000.00
Others	2,797,499.95	850,985.05
Total	**3,230,906.39**	**1,344,641.62**

(LIV) Non-operating expenses

Items	Amount of the Current Period	Amount of the Last Period
External donations	20,000.00	10,000.00
Poverty alleviation guarantee funds	37,160.55	29,300.00
Sponsorship fee	30,000.00	30,000.00
Others	586,534.91	1,514,945.17
Total	**673,695.46**	**1,584,245.17**

(LV) Income tax expense

Items	Amount of the Current Period	Amount of the Last Period
Income tax expense of current period	22,922,492.80	14,253,830.00
Deferred income tax expense	16,253,666.58	-31,669,180.53
Total	**39,176,159.38**	**-17,415,350.53**

(LVI) Supplementary information of cash flow statement

1. Supplementary information of cash flow statement

Supplementary Information	Amount of the Current Period	Amount of the Last Period
1. Reconciliation of net profit into cash flows from operating activities:		
Net profit	126,161,702.61	120,178,012.12
Plus: assets depreciation reserves		
Plus: credit impairment loss		
Depreciation of fixed assets, oil and gas asset depletion, productive biological assets depreciation	133,474,338.66	155,369,472.73
Amortization of intangible assets	183,278,417.56	157,333,530.34
Amortization of long-term unamortized expenses	137,687,043.90	103,678,900.28
Loss on disposal of fixed assets, intangible assets and other long-term assets (income expressed with "-")	1,179,057.69	8,821,322.16
Loss on the changes in fair value (income expressed with "-")		

Supplementary Information	Amount of the Current Period	Amount of the Last Period
Finance charge (income expressed with "-")	627,909,691.35	825,699,103.59
Investment loss (income expressed with "-")	-51,727,933.98	-1,274,241,708.42
Decrease in deferred income tax assets (increase expressed with "-")	14,831,047.45	-37,152,340.69
Increase in deferred income tax liabilities (decrease expressed with "-")	1,422,619.13	5,513,811.11
Decrease in inventories (increase expressed with "-")	-603,927,578.42	-39,760,396.30
Decrease in operating receivables (increase expressed with "-")	-1,686,546,129.49	-1,237,717,878.57
Increase in operating receivables (decrease expressed with "-")	1,927,016,252.85	2,847,613,796.50
Others		
Net cash flows from operating activities	810,758,529.31	1,635,335,624.85
2. Investing and financing activities that do not involve cash receipts and payments:		
3. Conditions for net change of cash and cash equivalents:		
Cash at the end of the period	824,019,215.69	1,211,795,660.08
Less: cash balance at the end of the last year	1,211,795,660.08	1,382,284,338.63
Plus: cash equivalents at the end of the period		
Influence of fluctuation in exchange rate on cash and cash equivalents		
Less: cash equivalents at the end of the last year		
Net increase in cash and cash equivalents	-387,776,444.39	-170,488,678.55

2. Composition of cash and cash equivalents

Items	Term-ending Balance	Balance at the End of Last Year
I. Cash	824,019,215.69	1,211,795,660.08
Including: cash in hand		
Bank deposits available for payment at any time	824,019,215.69	1,211,795,660.08
Other monetary capitals available for payment at any time		
II. Cash equivalents		
Exchange loss		
III. Balance of cash and cash equivalents at the end of the term	824,019,215.69	1,211,795,660.08

(LVII) Assets with restricted ownership or right of use

1. Restriction details of monetary funds

Items	Term-ending Balance	Reason of Being Restricted

Items	Term-ending Balance	Reason of Being Restricted
Other monetary capital	380,938,980.38	Security deposits
Other monetary capital	100,000,000.00	Certificate of deposit
Other monetary capital	69,000,000.00	Funds frozen
Other monetary capital	22,046,438.08	Special purpose account
Other monetary capital	281,278.31	Suspend non-counter business
Other monetary capital	129,187.32	Escrow account
Other monetary capital	126,151.79	Dormant account
Total	**572,522,035.88**	

2. Restriction details of equity

Items	Restriction Proportion	Reason of Being Restricted
Yibin Xinxing Supply Chain Management Co., Ltd.	100.00%	Provide counter collateral
Yibin Yizhi New Energy Automobile Technology Co., Ltd.	96.39%	
Yibin Big Data Co., Ltd.	56.34%	
Yibin Automobile Industry Development Investment Co., Ltd.	86.38%	Loan pledge
Yibin Cowin Automobile Co., Ltd.	80.66%	

3. Restriction details of long-term equity investment

Items	Restriction Proportion	Book Value (RMB 10,000 Yuan)	Reason of Being Restricted
Sichuan Aee Aviation Technology Co., Ltd.	40.00%	24,589.70	Provide counter collateral
Yibin Tianyi New Material Technology Co., Ltd.	35.84%	18,576.62	
Sichuan Wedone Intelligent Technology Co., Ltd.	35.75%	2,093.81	
Sichuan Changjiang Private Economic Financing Guarantee Co., Ltd.	35.00%	36,699.09	
Yibin Changyi Auto Parts Co., Ltd.	35.00%	1,597.73	
Beijing Key Power Technologies Co., Ltd.	33.63%	21,016.88	
Sichuan Yibin Pushi Automobile Integrated Industry Development Co., Ltd.	31.00%	15,622.66	
Yibin Libao New Material Co., Ltd.	4.05%	15,045.33	
Total		**135,241.82**	

4. Restriction details of debt investments

Items	Pledge Value	Reason of Being Restricted
Yibin Lingang Jinyuan Industry Investment Promotion Service Co., Ltd.	2,000,000,000.00	Provide counter collateral
Yibin Yanjiang Construction Investment Development Co., Ltd.	1,633,610,715.00	Loan pledge/Counter guarantee
Shenzhen Tinno Mobile Technology Corp.	1,000,000,000.00	Loan pledge/Counter guarantee
Yibin Jinhang Industry Investment Services Co., Ltd.	530,000,000.00	
Yibin Zhiwei Technology Co., Ltd.	50,000,000.00	
Total	**5,213,610,715.00**	

5. Restriction details of other current assets

Items	Pledge Value	Reason of Being Restricted
Yibin Xinze Asset Management Co., Ltd.	200,000,000.00	Loan pledge/ Counter guarantee
Yibin Nanxi District Mingtong Network Engineering Co., Ltd.	200,000,000.00	
Total	**400,000,000.00**	

6. Restriction details of fixed assets

Real Estate Ownership Certificate	Purpose	Area (m^2)	Book Value	Reason of Being Restricted
Chuan (2019) CDSBDCQ No. 0182318	Commercial	172.64	157,759,232.69	Loan mortgage
Chuan (2019) CDSBDCQ No. 0182334	Commercial	172.95		
Chuan (2019) CDSBDCQ No. 0182328	Commercial	170.42		
Chuan (2019) CDSBDCQ No. 0182344	Commercial	765.43		
Chuan (2019) CDSBDCQ No. 0182364	Commercial	315.71		
Chuan (2019) CDSBDCQ No. 0182384	Commercial	326.59		
Chuan (2019) CDSBDCQ No. 0169487	Commercial	757.92		
Chuan (2019) CDSBDCQ No. 0182371	Commercial	170.42		
Chuan (2019) CDSBDCQ No. 0184886	Commercial	172.95		
Chuan (2019) CDSBDCQ No. 0184900	Commercial	169.04		
Chuan (2020) YBSBDCQ No. 2012062	Warehousing	13,372.00		
Total		**16,566.07**	**157,759,232.69**	

7. Restriction details of construction-in-process

Items	Book Value	Reason of Being Restricted

Items	Book Value	Reason of Being Restricted
Production line equipment and tooling of Yibin factory of Cowin Automobile Co., Ltd.	1,418,631,522.20	Provide collateral
Cowin Exhibition Center	43,440,139.06	Provide counter guarantee
Total	**1,462,071,661.26**	

8. Restriction details of investment real estate

Items	Book Value	Reason of Being Restricted
Yibin Big Data Industrial Park Project (Phase I)	874,000,408.21	Provide counter guarantee
Total	**874,000,408.21**	

9. Restriction details of intangible assets

Items	Book Value	Reason of Being Restricted
Chuan (2020) YBSBDCQ No. 2012062	2,148,277.43	Provide counter guarantee
Chuan (2020) YBSBDCQ No. 2011267	23,354,023.06	Provide counter guarantee
Total	**25,502,300.49**	

10. Restriction details of account receivable

Items	Book Value	Reason of Being Restricted
Account receivable	882,613,104.66	Provide counter guarantee
Total	**882,613,104.66**	

VI. Change of Consolidation Scope

There are 25 subsidiaries included in the consolidated financial statements of the current period, of which Yibin Xinrong Assets Operation Co., Ltd. is a new subsidiary in the current period, and Yibin Langtai Technology Innovation Equity Investment Partnership (Limited Partnership) is a subsidiary that has been deleted in the current period. See Note VII “Interests in Other Entities” for details.

VII. Rights and Interests in Other Entities

(I) Equity in subsidiaries

S/N	Name of Investee	Domicile	Level	Business Nature	Registered Capital (RMB 10,000 Yuan)	Shareholding Percentage at the End of the Current Period (%)	
						Direct	Indirect
1	Yibin Intelligent Terminal Industry Fund (Limited	Yibin City	First-level	Investment and financing	62,700.00	99.68	0.32

S/N	Name of Investee	Domicile	Level	Business Nature	Registered Capital (RMB 10,000 Yuan)	Shareholding Percentage at the End of the Current Period (%)	
						Direct	Indirect
	Partnership)						
2	Yibin Xingrong Investment Management Co., Ltd.	Yibin City	First-level	Investment and management	22,225.00	89.99	10.01
3	Yibin Emerging Industry Development Investment Fund Management Co., Ltd.	Yibin City	First-level	Investment and management	1,000.00	68.00	
4	Yibin Automobile Industry Investment Fund (Limited Partnership)	Yibin City	First-level	Equity investment	247,054.00	40.48	0.04
5	Yibin Automobile Industry Development Investment Co., Ltd.	Yibin City	First-level	Gasoline and diesel vehicle manufacturing	27,008.30	87.01	7.41
6	Yibin Yuanjin Automobile Industrial Park Partnership (Limited Partnership)	Yibin City	Second-level	Equity investment	170,100.00		99.94
7	Yibin Yizhi New Energy Automobile Technology Co., Ltd.	Yibin City	Second-level	Engineering and technical research and test development	4,150.00		96.39
8	Yibin Big Data Co., Ltd.	Yibin City	First-level	Internet data service	32,940.44	56.43	
9	Sichuan Shuan Wangxin Technology Co., Ltd.	Yibin City	Second-level	Software and information technology services	10,000.00		65.00
10	Yibin Xinxing Supply Chain Management Co., Ltd.	Yibin City	First-level	Commercial service industry	10,000.00	100.00	
11	Yibin Xinxing Trade Service Management Co., Ltd.	Yibin City	Second-level	Software and information technology services	4,000.00		100.00
12	Southern Sichuan Economic Zone Integrated Development Investment Fund (Limited Partnership)	Yibin City	First-level	Investment and management	50,100.00	99.80	0.20
13	Yibin Cowin Automobile Co., Ltd.	Yibin City	Second-level	Gasoline and diesel vehicle manufacturing	472,709.72		80.67
14	Cowin Automobile Sales Co., Ltd.	Yibin City	Third-level	Sales	100,000.00		80.67
15	Wuhu Ruiqing Investment Co., Ltd.	Anhui Province	Third-level	Consulting service	972.00		77.18
16	Anhui Ruihong Automobile Co., Ltd.	Anhui Province	Third-level	R&D, production and sales	5,434.78		80.67
17	Kaiyi Automotive Technology Co., Ltd.	Chengdu City	Third-level	R&D, production and sales	50,000.00		80.67
18	Yibin Kaiyi International Trading Co., Ltd.	Yibin City	Third-level	Automobile manufacturing industry	4,000.00		80.67
19	Yibin Yixing Logistics	Yibin	Third-	Logistics	50.00		80.67

S/N	Name of Investee	Domicile	Level	Business Nature	Registered Capital (RMB 10,000 Yuan)	Shareholding Percentage at the End of the Current Period (%)	
						Direct	Indirect
	Service Co., Ltd.	City	level	management service			
20	Yibin Xinrong Asset Operation Co., Ltd.	Yibin City	First-level	Park management services	5,000.00	100.00	
21	Yibin Xinxing Carbon Neutrality Industry Investment Co., Ltd.	Yibin City	First-level	Investment and management	10,000.00	100.00	
22	Yibin Rongshi Building Materials Co., Ltd.	Yibin City	First-level	Wholesale business	1,000.00	100.00	

(II) Rights and interests in associated enterprises

S/N	Name of Associated Enterprise	Domicile	Business Nature	Shareholding Percentage (%)		Accounting Treatment Method for Investment in Associated Enterprise
				Direct	Indirect	
1	Yibin High-end Growth Industry Investment Guidance Fund Partnership (Limited Partnership)	Yibin City	Equity investment	30.00		Equity method
2	Sichuan Aee Aviation Technology Co., Ltd.	Yibin City	Aviation related equipment manufacturing	40.00		Equity method
3	Sichuan Wedone Intelligent Technology Co., Ltd.	Yibin City	Research and development	37.66		Equity method
4	Beijing Key Power Technologies Co., Ltd.	Beijing City	Research and development	33.63		Equity method
5	Sichuan Changjiang Private Economic Financing Guarantee Co., Ltd.	Yibin City	Financial guarantee	35.00		Equity method
6	Yibin Libao New Material Co., Ltd.	Yibin City	Research and development	8.04	3.03	Equity method
7	Yibin Langtai Emerging Industry Investment Fund (Limited Partnership)	Yibin City	Equity investment	66.57		Equity method
8	Yibin New Generation Information Industry Investment Fund (Limited Partnership)	Yibin City	Investment and management	99.00		Equity method
9	Sichuan Yibin Pushi Automobile Integrated Industry Development Co., Ltd.	Yibin City	Automobile manufacturing		33.00	Equity method
10	Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	Yibin City	Equity investment	39.92	20.02	Equity method
11	Guoqi (Beijing) Intelligent Network United Automobile Industry Investment Center (Limited Partnership)	Beijing City	Investment management	30.00	12.43	Equity method
12	Yibin Changyi Auto Parts Co., Ltd.	Yibin City	Automobile manufacturing		35.00	Equity method
13	Sichuan Yunbu Technology Co., Ltd.	Yibin City	Software development		38.05	Equity method

S/N	Name of Associated Enterprise	Domicile	Business Nature	Shareholding Percentage (%)		Accounting Treatment Method for Investment in Associated Enterprise
				Direct	Indirect	
14	Ruiqing Automobile Engine Technology Co., Ltd.	Jiaozuo City	Automobile manufacturing		52.89	Equity method
15	Yibin Shidai Kaiyi New Energy Technology Co., Ltd.	Yibin City	Research and experimental development		49.00	Equity method
16	Yibin Tianyi New Material Technology Co., Ltd.	Yibin City	Manufacturing	35.84	2.12	Equity method
17	Yibin Talent Innovation and Entrepreneurship Equity Investment Partnership (Limited Partnership)	Yibin City	Investment and management	19.80	0.84	Equity method
18	Yibin Chendao New Energy Industry Equity Investment Partnership (Limited Partnership)	Yibin City	Investment and management	44.10		Equity method
19	Sichuan Sanjiang Kunpeng Technology Co., Ltd.	Yibin City	Software and information technology services	40.00		Equity method
20	Yibin Yingfa Ruineng Equity Investment Partnership (Limited Partnership)	Yibin City	Commercial service industry	59.04	0.09	Equity method
21	North Emerging (Yibin) Venture Capital Partnership (Limited Partnership)	Yibin City	Capital market service	49.50	0.30	Equity method
22	Sichuan Power Battery Industry Innovation Center Co., Ltd.	Yibin City	Research and experimental development	46.51	0.10	Equity method
23	Guangzhou Lihe Kecheng Venture Capital Partnership (Limited Partnership)	Guangzhou City	Investment and management	39.60		Equity method
24	Yibin Shengtuo Industrial Investment Promotion Service Partnership (Limited Partnership)	Yibin City	Commercial service industry	15.00	5.00	Equity method
25	Sichuan Sanjiang Huihai Commercial Factoring Co., Ltd.	Yibin City	Other financial industries	10.41		Equity method
26	Sichuan Hongshan New Energy Technology Co., Ltd.	Yibin City	Research and experimental development	10.00		Equity method
27	Yibin SECCO Phase I New Energy Venture Capital Partnership (Limited Partnership)	Yibin City	Commercial service industry	49.50		Equity method
28	Shenzhen Huayang New Material Technology Co., Ltd.	Shenzhen City	Metal structure manufacturing		9.71	Equity method
29	Yibin Nanmu Nanotechnology Co., Ltd.	Yibin City	Science and technology promotion service industry		11.11	Equity method
30	Zibo CICV DATA No.2 Investment Center (Limited Partnership)	Zibo City	Commercial service industry		31.14	Equity method
31	Jiashan Dingfeng Venture Capital Partnership (Limited Partnership)	Jiaxing City	Investment and management	28.57		Equity method
32	Wuhu Xinrong Industrial Investment Partnership (Limited Partnership)	Wuhu City	Commercial service industry	56.64	0.06	Equity method

S/N	Name of Associated Enterprise	Domicile	Business Nature	Shareholding Percentage (%)		Accounting Treatment Method for Investment in Associated Enterprise
				Direct	Indirect	
33	Shenzhen Xinxing Zhongke New Energy Industry Investment Partnership (Limited Partnership)	Shenzhen City	Research and experimental development	99.01	0.22	Equity method

VIII. Situations of Related Parties

(I) Situation of the enterprise's parent company

Name of Parent Company	Domicile	Industry Involved	Registered Capital (RMB 10,000 Yuan)	Shareholding Ratio of Parent Company to This Enterprise (%)	Proportion of Voting Rights of Parent Company to This Enterprise (%)
Yibin Sanjiang Investment & Construction Group Co., Ltd.	Yibin City	Municipal road engineering construction	100,000.00	100.00	100.00

Parent company of the Company: Yibin Sanjiang Investment & Construction Group Co., Ltd. is a wholly-owned subsidiary of Yibin Development Holding Group Co., Ltd. Main business scope: licensed projects: construction of construction projects; real estate development and management; operation of bonded logistics center (for projects subject to approval according to law, their business activities can be carried out with the approval of relevant departments, and specific operational projects shall be subject to the approval documents or licenses of relevant departments). General items: investment activities with their own funds; land reclamation services; park management services; operation of electric vehicle charging infrastructure; technical services, technical development, technical consulting, technical exchange, technology transfer and technology promotion; engineering management services; project planning and public relations services; property management; supply chain management services; domestic trade agency (except for the projects subject to approval according to law, the company shall independently carry out business activities according to law with its business license).

The ultimate controller of the Company is State-owned Assets Supervision and Administration Commission of Yibin Municipal Government.

(II) Situations of subsidiaries of the enterprise

See Notes VII (I) Equity in Subsidiaries for details of subsidiaries of the enterprise.

(III) Details of joint ventures and associated enterprises of the Company

See Notes VII (II) Equity in Associated Enterprises for details of the joint ventures and associated enterprises of the enterprise.

IX. Commitments and Contingencies

(I) Important commitments

None.

(II) Contingencies

As of December 31, 2023, the external guarantees provided by the Company are detailed below

Guarantor	Guaranteed Person	Creditor	Amount of Guarantee (RMB 10,000 Yuan)	Guarantee Balance (RMB 10,000 Yuan)	Start Date
Yibin Automobile Industry Development Investment Co., Ltd.	Yibin Changyi Auto Parts Co., Ltd.	Yibin Rural Commercial Bank	350.00	285.59	2021-8-31 to 2024-8-30
Yibin Automobile Industry Development Investment Co., Ltd.	Yibin Changyi Auto Parts Co., Ltd.	Yibin Rural Commercial Bank	350.00	150.94	2022-1-19 to 2025-1-18
Total			**700.00**	**436.53**	

X. Events after the Balance Sheet Date

As of the reporting date of the financial statements, the Company has no other matters to disclose after the balance sheet date.

XI. Other Important Matters

None.

XII. Notes to Major Items in the Financial Statements of the Parent Company

(I) Account receivable

1. Disclosure by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	515,000.00	
1-2 years		
2-3 years		
3 years above		
Subtotal	**515,000.00**	
Less: Bad Debts Provision		
Total	**515,000.00**	

2. Classified presentation by accrual method of bad debts provision

Category	Term-ending Balance				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with individual accrual of bad debts provision					

Category	Term-ending Balance				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Account receivable of bad debts provision provided in portfolio	515,000.00	100.00			515,000.00
Including: riskless portfolio	515,000.00	100.00			515,000.00
Combination of aging analysis method					
Total	**515,000.00**	**100.00**			**515,000.00**

(3) Accounts receivable with individual accrual of bad debts provision at the term-ending: none

(4) In the combination, accounts receivable accrued by combination of aging analysis method: none

3. Situation of the bad debts provision: none

4. Accounts receivable actually written off in the current period: none

5. Accounts receivable collected by the debtor at the end of the period

Company Name	Term-ending Balance	Proportion to Total Term-ending Balance of Account Receivable (%)	Amount of Bad Debts Provision Withdrawn
Yibin Cowin Automobile Co., Ltd.	515,000.00	100.00	
Total	**515,000.00**	**100.00**	

(II) Other receivables

Items	Term-ending Balance	Balance at the End of Last Year
Interest receivable	74,655,589.57	31,757,340.94
Other receivables	1,476,946,029.91	271,777,550.67
Total	**1,551,601,619.48**	**303,534,891.61**

1. Interest receivable

Items	Term-ending Balance	Balance at the End of Last Year
Entrusted loan	9,799,849.88	10,375,849.85
Others	64,855,739.69	21,381,491.09
Total	**74,655,589.57**	**31,757,340.94**

2. Other receivables

(1) Disclosure by aging

Aging	Term-ending Balance	Balance at the End of Last Year

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	1,455,720,629.91	270,552,150.67
1-2 years	20,000,000.00	1,000,400.00
2-3 years	1,000,400.00	225,000.00
3 years above	225,000.00	
Subtotal	**1,476,946,029.91**	**271,777,550.67**
Less: Bad Debts Provision		
Total	**1,476,946,029.91**	**271,777,550.67**

(2) Classified presentation by accrual method of bad debts provision

Category	Term-ending Balance				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	1,476,946,029.91	100.00			1,476,946,029.91
Including: riskless portfolio	1,476,895,400.00	100.00			1,476,895,400.00
Combination of aging analysis method	50,629.91				50,629.91
Total	**1,476,946,029.91**	**100.00**			**1,476,946,029.91**

(Continued)

Category	Balance at the End of Last Year				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	271,777,550.67	100.00			271,777,550.67
Including: riskless portfolio	271,777,550.67	100.00			271,777,550.67
Combination of aging analysis method					-
Total	**271,777,550.67**	**100.00**			**271,777,550.67**

A. Other receivables for which bad debts provision are individually withdrawn at the term-ending: none

B. Other receivables for which bad debts provision is made on a combinatorial basis:

Aging	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Bad Debts Provision	Accrual Percentage (%)	Book Balance	Bad Debts Provision	Accrual Percentage (%)
Within 1 year	50,629.91					0.00
1-2 years			10.00			10.00
2-3 years			50.00			50.00
3 years above			100.00			100.00

(3) Other receivables actually written off in the current period: none

(4) Top five other receivables at the term-ending balances aggregated by arrears

Company Name	Term-ending Balance	Proportion to Total Term-ending Balance of Other Receivables (%)	Amount of Bad Debts Provision Withdrawn
Yibin Automobile Industry Development Investment Co., Ltd.	1,373,000,000.00	92.96	
Yibin Sanjiang Technology Development Co., Ltd.	68,000,000.00	4.60	
CITIC Trust Co., Ltd.	9,800,000.00	0.66	
Yibin Sanjiang New Area Finance Bureau	7,670,000.00	0.52	
China Fortune International Trust Co., Ltd.	5,200,000.00	0.35	
Total	**1,463,670,000.00**	**99.09**	

(III) Long-term equity investment

Items	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
Investment in subsidiaries	4,982,767,726.19		4,982,767,726.19	4,131,392,383.73		4,131,392,383.73
Investment in associated enterprises	7,440,212,021.17		7,440,212,021.17	5,576,701,028.59		5,576,701,028.59
Total	**12,422,979,747.36**		**12,422,979,747.36**	**9,708,093,412.32**		**9,708,093,412.32**

1. Investment in subsidiaries

Invested Entity	Accounting Method	Investment Costs	Balance at the End of Last Year	Change in Increase and Decrease	Term-ending Balance	Proportion of Shareholding in Invested Entity (%)
Yibin Automobile Industry Development Investment Co., Ltd.	Cost method	1,958,406,300.00	1,958,406,300.00		1,958,406,300.00	87.01
Yibin Automobile Industry Investment Fund (Limited Partnership)	Cost method	1,000,000,000.00	500,000,000.00	500,000,000.00	1,000,000,000.00	40.48
Yibin Xinxing Supply Chain Management Co., Ltd.	Cost method	900,000,000.00	100,000,000.00	800,000,000.00	900,000,000.00	100.00
Yibin Intelligent Terminal Industry Fund (Limited Partnership)	Cost method	625,000,000.00	625,000,000.00		625,000,000.00	99.68
Yibin Big Data Co., Ltd.	Cost method	251,378,082.19	261,002,739.73	-9,624,657.54	251,378,082.19	56.43
Southern Sichuan Economic Zone Integrated Development Investment Fund (Limited Partnership)	Cost method	217,000,000.00	167,000,000.00	50,000,000.00	217,000,000.00	99.80
Yibin Emerging Industry Development Investment Fund Management Co., Ltd.	Cost method	19,983,344.00	19,983,344.00		19,983,344.00	68.00

Invested Entity	Accounting Method	Investment Costs	Balance at the End of Last Year	Change in Increase and Decrease	Term-ending Balance	Proportion of Shareholding in Invested Entity (%)
Yibin Xinxing Carbon Neutrality Industry Investment Co., Ltd.	Cost method	10,000,000.00		10,000,000.00	10,000,000.00	100.00
Yibin Xinrong Asset Operation Co., Ltd.	Cost method	1,000,000.00	1,000,000.00		1,000,000.00	100.00
Yibin Langtai Technology Innovation Equity Investment Partnership (Limited Partnership)	Cost method		499,000,000.00	-499,000,000.00		
Total		**4,982,767,726.19**	**4,131,392,383.73**	**851,375,342.46**	**4,982,767,726.19**	

2. Investment in associates and joint ventures

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Associated enterprises											
Sichuan Aee Aviation Technology Co., Ltd.	207,522,379.73	38,000,000.00		374,634.69						245,897,014.42	
Yibin Libao New Material Co., Ltd.	311,010,586.42			-12,332,974.20						298,677,612.22	
Yibin High-end Growth Industry Investment Guidance Fund Partnership (Limited Partnership)	9,611,485.34			154,958.78						9,766,444.12	
Yibin Langtai Emerging Industry Investment Fund (Limited Partnership)	3,647,441.81			-6,073.49						3,641,368.32	
Sichuan Wedone Intelligent	23,205,646.37			-1,148,869.59						22,056,776.78	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Technology Co., Ltd.											
Beijing Key Power Technologies Co., Ltd.	254,110,980.85			-26,981,912.04			16,960,253.60			210,168,815.21	
Sichuan Changjiang Private Economic Financing Guarantee Co., Ltd.	366,990,880.54									366,990,880.54	
Yibin New Generation Information Industry Investment Fund (Limited Partnership)	360,211,875.56			-47,953,988.96						312,257,886.60	
Yibin Tianyi New Material Technology Co., Ltd.	203,953,353.78			-18,187,140.96						185,766,212.82	
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	34,032,608.72	778,274.95		-1,283,369.03			3,394,218.68			30,133,295.96	
Guoqi (Beijing) Intelligent Network United Automobile Industry Investment Center (Limited Partnership)	34,503,976.26	45,000,000.00		-1,215,723.02						78,288,253.24	
Yibin Talent Innovation and Entrepreneurship Equity Investment Partnership (Limited Partnership)	202,030,954.79			-1,221,053.00						200,809,901.79	
Yibin Chendao New Energy Industry Equity Investment Partnership (Limited Partnership)	1,511,429,131.14			2,462,195.96			9,550,326.62			1,504,341,000.48	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Sichuan Sanjiang Kunpeng Technology Co., Ltd.	11,898,351.47			542,341.35						12,440,692.82	
Yibin Shengtuo Industrial Investment Promotion Service Partnership (Limited Partnership)	999,999,870.62	500,000,000.00								1,499,999,870.62	
Yibin Yingfa Ruineng Equity Investment Partnership (Limited Partnership)	655,044,420.60			91,973,359.94						747,017,780.54	
Sichuan Sanjiang Huihai Commercial Factoring Co., Ltd.	51,457,551.16	50,000,000.00		2,423,102.76						103,880,653.92	
Jiashan Dingfeng Venture Capital Partnership (Limited Partnership)	27,425,957.94	60,000,000.00		-5,792,590.80						81,633,367.14	
Sichuan Hongshan New Energy Technology Co., Ltd.	25,113,958.18			-2,373,674.93						22,740,283.25	
Yibin SECCO Phase I New Energy Venture Capital Partnership (Limited Partnership)	9,996,919.60	128,600,000.00		-367,780.83						138,229,138.77	
North Emerging (Yibin) Venture Capital Partnership (Limited Partnership)	141,396,579.76	120,000,000.00		-4,946,673.54						256,449,906.22	
Guangzhou Lihe Kecheng Venture Capital Partnership	132,106,117.95	132,000,000.00	68,000,000.00							196,106,117.95	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
(Limited Partnership)											
Wuhu Xinrong Industrial Investment Partnership (Limited Partnership)		495,000,000.00		115,064,038.53						610,064,038.53	
Shenzhen Xinxing Zhongke New Energy Industry Investment Partnership (Limited Partnership)		303,700,000.00		-845,291.09						302,854,708.91	
Total	**5,576,701,028.59**	**1,873,078,274.95**	**68,000,000.00**	**88,337,516.53**			**29,904,798.90**			**7,440,212,021.17**	

(IV) Operating income and operating cost

Items	Amount of the Current Period		Amount of the Last Period	
	Income	Cost	Income	Cost
Prime operating	26,415,094.34		26,415,094.44	
Other operating	614,419,493.02		492,066,358.47	
Total	**640,834,587.36**		**518,481,452.91**	

Details of operating income and operating costs

Items	Amount of the Current Period		Amount of the Last Period	
	Income	Cost	Income	Cost
Prime operating				
Proceeds from financial advisory fees	26,415,094.34		26,415,094.44	
Subtotal	**26,415,094.34**		**26,415,094.44**	
Other operating				
Interest income	613,933,643.96		492,066,358.47	
Other income	485,849.06			
Subtotal	**614,419,493.02**		**492,066,358.47**	
Total	**640,834,587.36**		**518,481,452.91**	

XIII. Approval of Financial Statements

The financial statements and Notes to Financial Statements have been approved by the board of directors of the Company on April 23, 2024.

(This page without text is the signature & seal page of the **Notes to 2023 Consolidated Financial Statements of Yibin Emerging Industry Investment Group Co., Ltd.**)

Yibin Emerging Industry Investment Group Co., Ltd.

Principal of the Company:

Principal in Charge of Accounting Work:

Principal of Accounting Organization:

April 23, 2024

亚太(集团)会计师事务所(特殊普通合伙)
Asia Pacific (Group) CPAs(Special General Partnership)

Address: Room 2001, 20/F,
Building 3, Yard No.16, Lize Road,
Fengtai District, Beijing City, China
(Zip Code: 100073)
Tel/Fax:010-88312386

Auditing Report

YKSZ (2023) No.01590043

To All Shareholders of Yibin Emerging Industry Investment Group Co., Ltd:

I. Audit Opinions

We have audited the financial statements of Yibin Emerging Industry Investment Group Co., Ltd (hereinafter referred to as "Emerging Industry Group" or "Yibin Emerging Industry Investment Group Co., Ltd."), including the consolidated and corporate balance sheet as of December 31, 2022, consolidated and corporate profit statement, consolidated and corporate cash flow statement, change statement of consolidated and corporate owners' equity and notes to financial statements in 2022.

We believe that the attached financial statements have been compiled in all major aspects in accordance with the regulations of Accounting Standards for Business Enterprises and fairly reflect the consolidated and corporate financial situations of Emerging Industry Group as of December 31, 2022 and consolidated and corporate operation results and cash flow in 2022.

II. Basis for Formation of Audit Opinion

We have conducted our audits in accordance with the provisions of Auditing Standards for Certified Public Accountants of China, and our responsibilities under these standards are further elaborated in the "Certified Public Accountant's Responsibility for Auditing Financial Statements" section of the audit report. According to the China Code of Ethics for Certified Public Accountants, we are independent of Emerging Industry Group and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

III. Other Information

The management of Emerging Industry Group (hereinafter referred to as the management) shall be responsible for other information. Other information includes the information covered in Annual Report 2022 of Emerging Industry Group, but excludes the financial statements and our audit report.

Our audit opinion on the financial statements doesn't cover other information and we also do not issue any authentication conclusion on other information in any form.

Combining our audit on the financial statements, our responsibility is to read other information and in this process, consider whether other information has any major inconformity with the financial statements or the condition learned about by us during the audit process, or seems to have any major misstatement.

On the basis of the work that we have conducted, if we confirm that there exists any major misstatement in other information, we should report such fact. There isn't any matter in this aspect needing to be reported by us.

IV. Responsibility of the Management and Governing Level for Financial Statements

The management shall be responsible for preparing the financial statements in accordance with the provisions of Accounting Standards for Business Enterprises so that the financial statements can realize fair reflection, and designing, implementing and maintaining necessary internal control so that there isn't any major misstatement in the financial statements arising from fraud or error

When preparing the financial statements, the Management is responsible for assessing the sustainable operation ability of Emerging Industry Group, and applying the going-concern assumption, unless the Management plans to liquidate Emerging Industry Group, terminate its operations or has no other realistic choices.

The governance level of Emerging Industry Group (hereinafter referred to as the governance level) is responsible for supervising the financial reporting process of Emerging Industry Group.

V. CPA's Responsibility for Auditing of Financial Statements

Our objective is to acquire reasonable guarantee for whether there doesn't exist any major misstatement arising from fraud or error in the financial statements on the whole and issue the audit report including our audit opinion. Reasonable guarantee is high-level guarantee, but it can't guarantee that a certain major misstatement can always be discovered during the audit in compliance with the auditing standards. The misstatement may be arising from fraud or error. In case it's reasonably expected that the misstatement may influence any economic decision made by the user of the financial statements in accordance with the financial statements separately or collectively, it's generally considered as a major statement.

While conducting the audit work in compliance with the auditing standards, we have used professional judgment and maintained professional skepticism. In addition, we have also carried out the following work:

(I) Identify and evaluate major misstatement risks of financial statements resulted from fraud or error. Design and implement the auditing procedure to cope with these risks, and acquire sufficient and appropriate auditing evidence as the basis of issuing the audit opinion. Since the fraud may involve in collusion, counterfeit, deliberate omission or false statement or outmatch internal control, the risk of failing to discover the major misstatement resulted from fraud is higher than the risk of failing to discover the major misstatement resulted from error.

(II) Learn about and conduct an audit on relevant internal control to design an appropriate auditing procedure, but we are not for the purpose of issuing an opinion on the effectiveness of internal control.

(III) We evaluate whether or not the management selects accounting policies on a proper basis and makes accounting estimate and relevant disclosure on a reasonable basis.

(IV) We make conclusions about whether the management uses going-concern assumption on a proper basis. And, we make a conclusion about whether there is any major uncertainty in any matter or circumstance causing major doubt about the sustainability of Emerging Industry Group. If we conclude that there is a major uncertainty, we are required in accordance with the auditing standard to state in the audit report that the financial statement user should note relevant disclosure in the financial statements. In case of insufficient disclosure, we shall give modified opinions. Our conclusion is made based on the available information as to the date of audit report. However, future events or

situations may cause non-sustainability of Emerging Industry Group.

(V) We assess the overall presentations, structures and contents of the financial statements and assess whether the financial statements fairly reflect the relevant transactions and matters.

(VI) We acquire sufficient and appropriate audit evidence related to financial information about the entities or business activities of Emerging Industry Group, so as to issue an audit opinion on the financial statements. We are responsible for guiding, supervising and conducting the group audit. We will bear all liabilities for our audit opinions.

We have communicated with the governing level for the planned audit scope, time arrangement, major audit findings, etc., including internal control defects worthy of attention identified by us during the audit.

Asia Pacific (Group) CPAs
(Special General Partnership)

CPA of China:

CPA of China:

Beijing, China

April 26, 2023

Consolidated Balance Sheet

December 31,2022

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Term-ending Balance	Balance at the End of Last Year
Current asset:			
Monetary capital	V (I)	1,444,831,931.09	2,029,200,596.08
Trading financial assets	V (II)	499,817,904.02	419,044,861.77
Derivative financial assets			
Notes receivable	V (III)	211,829,862.40	196,516,929.31
Account receivable	V (IV)	1,927,733,777.43	1,365,750,170.84
Receivables financing			
Prepayments	V (V)	851,535,231.94	423,380,180.58
Other receivables	V (VI)	1,433,017,749.58	1,203,760,746.68
Inventory	V (VII)	446,884,713.91	407,124,317.61
Contract asset			
Assets held for sales			
Non-current assets due within one year	V (VIII)	3,521,982,847.48	88,518,041.65
Other current assets	V (IX)	696,735,961.20	967,248,595.41
Total current assets		**11,034,369,979.05**	**7,100,544,439.93**
Non-current assets:			
Debt investments	V (X)	2,696,332,414.07	6,227,325,425.54
Other debt investments			
Long-term receivables			
Long-term equity investment	V (XI)	6,976,112,075.35	3,598,408,131.84
Investment in Other Equity Instrument			
Other non-current financial assets			
Investment real estate	V (XII)	874,000,408.21	416,947,300.00
Fixed asset	V (XIII)	2,678,778,819.08	2,932,699,499.52
Construction-in-process	V (XIV)	1,726,809,874.21	1,718,928,623.26
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible asset	V (XV)	1,209,187,021.49	1,189,363,607.64
Development expenditure	V (XVI)	1,264,564,342.20	1,293,414,023.29
Goodwill	V (XVII)	1,206,564,390.94	1,206,564,390.94
Long-term unamortized expenses	V (XVIII)	108,931,594.37	78,903,681.16
Deferred income tax assets	V (XIX)	212,333,910.79	175,181,570.10
Other non-current assets	V (XX)	350,000,000.00	350,000,000.00
Total non-current assets		**19,303,614,850.71**	**19,187,736,253.29**
Total assets		**30,337,984,829.76**	**26,288,280,693.22**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: 刘彬 **Principal in Charge of Accounting Work:** 王骁 **Principal of Accounting Organization:** 王骁

Consolidated Balance Sheet (Continued)

December 31,2022

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Term-ending Balance	Balance at the End of Last Year
Current liabilities:			
Short-term borrowing	V (XXI)	1,646,693,096.28	591,041,881.11
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	V (XXII)	980,416,518.56	431,166,825.16
Account payable	V (XXIII)	3,325,999,417.12	2,660,997,552.21
Advance receipts			
Contract liability	V (XXIV)	80,456,516.46	88,118,365.96
Staff remuneration payable	V (XXV)	76,221,992.23	49,639,635.98
Tax payable	V (XXVI)	78,106,895.99	19,556,581.89
Other payables	V (XXVII)	2,851,983,745.07	921,638,665.97
Liabilities held for sales			
Non-current liabilities due within one year	V (XXVIII)	575,190,905.00	1,795,820,278.24
Other current liabilities	V (XXIX)	248,939,641.84	203,485,871.94
Total current liabilities		**9,864,008,728.55**	**6,761,465,658.46**
Non-current liabilities:			
Long-term loans	V (XXX)	5,286,028,266.85	2,766,000,000.00
Bond payable	V (XXXI)	6,817,151,296.94	6,793,948,777.27
Including: Preferred shares			
Perpetual capital securities			
Lease liability			
Long-term accounts payable	V (XXXII)	710,449,712.42	1,021,415,974.21
Long term staff remuneration payable			
Estimated liabilities	V (XXXIII)	6,079,657.28	6,615,867.14
Deferred income	V (XXXIV)	5,262,449.37	3,162,449.37
Deferred income tax liabilities	V (XIX)	7,048,303.01	1,534,491.90
Other non-current liabilities			
Total non-current liabilities		**12,832,019,685.87**	**10,592,677,559.89**
Total liabilities		**22,696,028,414.42**	**17,354,143,218.35**
Owner's equity:			
Paid-up capital	V (XXXV)	4,650,000,000.00	4,650,000,000.00
Other equity instruments	V (XXXVI)	520,000,000.00	
Including: Preferred shares			
Perpetual capital securities		520,000,000.00	
Capital reserves	V (XXXVII)		96,945,312.33
Less: treasury share			
Other comprehensive income	V (XXXVIII)	7,891,756.29	
Special reserves			
Surplus reserves	V (XXXIX)		36,771,238.85
Undistributed profit	V (XL)	-580,246,796.11	-173,312,443.76
Total owners' equity attributable to the parent company		4,597,644,960.18	4,610,404,107.42
Minority shareholders' rights and interests		3,044,311,455.16	4,323,733,367.45
Total owner's equity		**7,641,956,415.34**	**8,934,137,474.87**
Total liabilities and owner's equities		**30,337,984,829.76**	**26,288,280,693.22**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: **Principal in Charge of Accounting Work:** **Principal of Accounting Organization:**

Consolidated Profit Statement

2022 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Amount of the Current Period	Amount of the Last Period
I. Total operating income	V (XLI)	**5,295,718,361.59**	**3,415,136,656.41**
Including: Operating income	V (XLI)	5,295,718,361.59	3,415,136,656.41
II. Total operating costs	V (XLI)	**6,589,106,823.77**	**4,791,255,481.97**
Including: Operating cost	V (XLI)	4,959,936,192.20	3,616,062,552.44
Taxes and surcharges	V (XLII)	78,751,539.14	64,670,623.61
Sales expenses	V (XLIII)	205,338,956.23	240,544,943.94
Administrative expenses	V (XLIV)	424,848,385.95	324,850,212.84
R & D expenses	V (XLV)	114,416,689.76	1,965,143.16
Finance charge	V (XLVI)	805,815,060.49	543,162,005.98
Including: Interest cost		825,699,103.59	608,032,328.05
Interest income		86,001,293.76	57,290,993.07
Plus: Other incomes	V (XLVII)	15,067,633.27	884,495,051.22
Investment income (loss expressed with "-")	V (XLVIII)	1,274,241,708.42	637,574,369.33
Including: Investment income of joint-venture and partnership			
Derecognized gains on financial assets measured at amortized cost			
Net exposure hedging gains (loss expressed with "-")			
Income from changes in fair value (loss expressed with "-")	V (XLIX)	115,902,707.79	34,632,786.64
Credit impairment loss (loss expressed with "-")			
Asset impairment loss (loss expressed with "-")			
Earnings from disposal of assets (loss expressed with "-")	V (L)	-8,821,322.16	-1,884.31
III. Operating profit (loss expressed with "-")		**103,002,265.14**	**180,581,497.32**
Plus: Non-operating income	V (LI)	1,344,641.62	4,156,447.15
Less: Non-operating expenses	V (LII)	1,584,245.17	432,257.22
IV. Total profits (Total loss expressed with "-")		**102,762,661.59**	**184,305,687.25**
Less: income tax expense	V (LIII)	-17,415,350.53	44,932,794.81
V. Net profits (net loss expressed with "-")		**120,178,012.12**	**139,372,892.44**
(I) Classification by business continuity:			
1. Net profit from continuing operations (net loss expressed with "-")		120,178,012.12	139,372,892.44
2. Net profit from termination of operation (net loss expressed with "-")			
(II) Classification by ownership:			
1. Net profit attributable to shareholders of parent company (net loss expressed with "-")		-49,543,778.81	21,570,893.81
2. Gains and losses of minority shareholders (net loss expressed with "-")		169,721,790.93	117,801,998.63
VI. After-tax net amount of other comprehensive incomes		**7,891,756.29**	
(I) Net amount of other comprehensive income after tax attributed to parent company owners		**7,891,756.29**	
1. Other comprehensive incomes that cannot be reclassified into profit and loss			
(1) Remeasure the variation of defined benefit plans			
(2) Other comprehensive incomes that cannot be transferred to profit and loss under equity method			
(3) Changes in fair value of other investments in equity instrument			
(4) Changes in fair value of enterprise's own credit risk			
(5) Others			
2. Other comprehensive incomes to be reclassified into profit and loss		**7,891,756.29**	
(1) Other comprehensive incomes that can be transferred to profit and loss under equity method			
(2) Changes in fair value of other investments on bonds			
(3) Changes in fair value of financial assets and investments available for sale			
(4) Amount of financial assets reclassified to other comprehensive income			
(5) Provision for credit losses of other investments on bond			
(6) Translation balance of foreign currency financial statement			
(7) Others		7,891,756.29	
(II) Net after-tax comprehensive income attributable to minority stockholders			
VII. Total comprehensive incomes		**128,069,768.41**	**139,372,892.44**
(I) Total comprehensive incomes attribute to owners of parent company		**-41,652,022.52**	**21,570,893.81**
(II) Total comprehensive incomes attributable to the minority shareholders		**169,721,790.93**	**117,801,998.63**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: 刘彬 Principal in Charge of Accounting Work: 王骁 Principal of Accounting Organization: 王骁

Consolidated Cash Flow Statement

2022 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Amount of the Current Period	Amount of the Last Period
I. Cash flow from operating activities:			
Cash received from sales of goods or rendering of services		4,623,069,533.08	2,118,600,395.82
Refunds of taxes received		445,663,806.64	164,123,120.50
Other cash received relevant to operating activities		1,742,028,176.77	1,203,282,978.66
Sub-total of cash inflows from operating activities		**6,810,761,516.49**	**3,486,006,494.98**
Cash for purchasing and receiving labour payment		4,598,085,340.11	2,574,947,195.35
Cash payments to and on behalf of employees		304,400,881.21	251,337,321.71
Payments of all types of taxes		114,551,035.87	158,661,087.33
Other cash paid relating to operating activities		158,388,634.45	350,571,504.90
Sub-total of cash outflows from operating activities		**5,175,425,891.64**	**3,335,517,109.29**
Net cash flows from operating activities		**1,635,335,624.85**	**150,489,385.69**
II. Cash flows from investing activities:			
Cash received from disinvestments		179,536,131.51	1,343,598,994.44
Cash received from returns on investments		88,516,677.43	646,184,774.79
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		166,151,276.37	
Net cash received from disposal of subsidiaries and other business units		703,670,241.05	
Other cash received relating to investing activities		1,159,792,442.07	400,176,257.04
Sub-total of cash inflows from investing activities		**2,297,666,768.43**	**2,389,960,026.27**
Cash paid to acquire fixed assets, intangible assets and other long-term assets		1,104,477,490.83	1,126,901,923.56
Cash paid for investment		3,695,279,835.14	2,189,330,466.57
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid relating to investing activities		1,598,360,000.00	3,202,720,000.00
Sub-total of cash outflows from investing activities		**6,398,117,325.97**	**6,518,952,390.13**
Net cash flows from investing activities		**-4,100,450,557.54**	**-4,128,992,363.86**
III. Cash flow from financing activities:			
Cash received from capital contribution			102,100,000.00
Including: Cash received from subsidiaries attracting minority shareholders' investment			
Cash received from borrowings		4,401,259,853.09	4,486,000,000.00
Cash received from issuance of bonds			3,841,282,336.58
Other cash received relating to financing activities		1,063,737,143.31	240,795.60
Sub-total of cash inflows from financing activities		**5,464,996,996.40**	**8,429,623,132.18**
Cash paid for debt		2,347,364,564.07	5,196,759,991.53
Cash payments for distribution of dividends or profits and for interest expenses		691,904,262.33	664,079,082.50
Including: Dividend and profit paid to minority shareholders by subsidiaries			
Other cash paid relating to financing activities		133,696,238.16	1,420,593,634.04
Sub-total of cash outflows from financing activities		**3,172,965,064.56**	**7,281,432,708.07**
Net cash flows from financing activities		**2,292,031,931.84**	**1,148,190,424.11**
IV. Influence of fluctuation in exchange rate on cash and cash equivalents		2,594,322.30	-776,317.81
V. Net increase in cash and cash equivalents		-170,488,678.55	-2,831,088,871.87
Plus: Balance of cash and cash equivalents at the beginning of the period		1,382,284,338.63	4,213,373,210.50
VI. Balance of cash and cash equivalents at the end of the term		**1,211,795,660.08**	**1,382,284,338.63**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: Principal in Charge of Accounting Work: Principal of Accounting Organization:

Consolidated Statement of Changes in Owners' Equity

2022 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd.

Currency Unit: RMB Yuan

Item	Amount of the Current Period													
	Owners' equity attributable to the parent company												Minority shareholders' rights and interests	Total owner's equity
	Paid-up capital	Other equity instruments: Preferred shares	Other equity instruments: Perpetual capital securities	Other equity instruments: Others	Capital reserves	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Subtotal	Others		
I. Balance at the end of last year	4,650,000,000.00				96,945,312.33				36,771,238.85	-173,312,443.76	4,610,404,107.42		4,323,733,367.45	8,934,137,474.87
Plus: changes in accounting policies														
Correction of previous errors														
Others														
II. Balance at the beginning of the year	4,650,000,000.00				96,945,312.33				36,771,238.85	-173,312,443.76	4,610,404,107.42		4,323,733,367.45	8,934,137,474.87
III. Increase or decrease in the current period (decrease expressed with "-")			520,000,000.00		-96,945,312.33		7,891,756.29		-36,771,238.85	-406,934,352.35	-12,759,147.24		-1,279,421,912.29	-1,292,181,059.53
(I) Total comprehensive incomes							7,891,756.29			-49,543,778.81	-41,652,022.52		169,721,790.93	128,069,768.41
(II) Investment by owners and capital reduction			520,000,000.00								520,000,000.00			520,000,000.00
1. Capital paid in by owners														
2. Capital contributed by the owners of other equity instruments			520,000,000.00								520,000,000.00			520,000,000.00
3. Amount of share-based payment recorded in the owners' equity														
4. Others														
(III) Profit distribution														
1. Withdrawal of surplus reserves														
2. Distribution to owners														
3. Others														
(IV) Inner carryover of owner's equities					-96,945,312.33				-36,771,238.85	-357,390,573.54	-491,107,124.72		-1,449,143,703.22	-1,940,250,827.94
1. Transfer of capital reserves to capital														
2. Transfer of surplus reserves to capital														
3. Compensation of loss from surplus reserve														
4. Carry forward retained earnings from changes in defined benefit plans														
5. Retained earnings carried forward from other comprehensive incomes														
6. Others					-96,945,312.33				-36,771,238.85	-357,390,573.54	-491,107,124.72		-1,449,143,703.22	-1,940,250,827.94
(V) Special reserves														
1. Accrual in the current period														
2. Usage in the current period														
(VI) Others														
IV. Balance at the end of the year	4,650,000,000.00		520,000,000.00				7,891,756.29			-580,246,796.11	4,597,644,960.18		3,044,311,455.16	7,641,956,415.34

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: 刘彬

Principal in Charge of Accounting Work: 王骁

Principal of Accounting Organization: 王骁

Consolidated Statement of Changes in Owners' Equity (Continued)

2022 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Amount of the Last Period													
	Owners' equity attributable to the parent company												Minority shareholders' rights and interests	Total owner's equity
	Paid-in capital	Other equity instruments: Preferred shares	Other equity instruments: Perpetual capital securities	Other equity instruments: Others	Capital reserves	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Subtotal	Others		
I. Balance at the end of last year	4,650,000,000.00								24,584,477.03	-171,297,031.13	4,503,287,445.90		4,351,365,057.86	8,854,652,503.76
Plus: changes in accounting policies														
Correction of previous errors														
Others														
II. Balance at the beginning of the year	4,650,000,000.00								24,584,477.03	-171,297,031.13	4,503,287,445.90		4,351,365,057.86	8,854,652,503.76
III. Increase or decrease in the current period (decrease expressed with "-")					96,945,312.33				12,186,761.82	-2,015,412.63	107,116,661.52		-27,631,680.41	79,484,971.11
(I) Total comprehensive incomes										21,570,893.81	21,570,893.81		117,801,998.63	139,372,892.44
(II) Investment by owners and capital reduction					96,945,312.33						96,945,312.33			96,945,312.33
1. Capital paid in by owners														
2. Capital contributed by the owners of other equity instruments														
3. Amount of share-based payment recorded in the owner' equity														
4. Others					96,945,312.33						96,945,312.33			96,945,312.33
(III) Profit distribution									12,186,761.82	-12,186,761.82			-153,212,671.68	-153,212,671.68
1. Withdrawal of surplus reserves									12,186,761.82	-12,186,761.82				
2. Distribution to owners													-153,212,671.68	-153,212,671.68
3. Others														
(IV) Inner carryover of owner's equities														
1. Transfer of capital reserves to capital														
2. Transfer of surplus reserves to capital														
3. Compensation of loss from surplus reserve														
4. Carry forward retained earnings from changes in defined benefit plans														
5. Retained earnings carried forward from other comprehensive incomes														
6. Others														
(V) Special reserves														
1. Accrual in the current period														
2. Usage in the current period														
(VI) Others										-11,399,544.62	-11,399,544.62		7,778,982.64	-3,620,561.98
IV. Balance at the end of the year	4,650,000,000.00				96,945,312.33				36,771,238.85	-173,312,443.76	4,610,404,107.42		4,323,733,367.45	8,934,137,474.87

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: 刘彬

Principal in Charge of Accounting Work: 王骁

Principal of Accounting Organization: 王骁

Balance Sheet

December 31,2022

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Term-ending Balance	Balance at the End of Last Year
Current asset:			
Monetary capital		136,835,201.75	278,744,164.26
Trading financial assets			
Derivative financial assets			
Notes receivable			
Account receivable			
Receivables financing			
Prepayments		41,187.06	11,126.86
Other receivables	XII (I)	303,534,891.61	6,425,400.00
Inventory			
Contract asset			
Assets held for sales			
Non-current assets due within one year		3,521,982,847.48	97,247,236.07
Other current assets		657,434,027.82	650,634,027.78
Total current assets		**4,619,828,155.72**	**1,033,061,954.97**
Non-current assets:			
Debt investments		4,272,940,900.00	7,475,977,615.00
Other debt investments			
Long-term receivables			
Long-term equity investment	XII (II)	9,708,093,412.32	7,289,821,544.22
Investment in Other Equity Instrument			
Other non-current financial assets			
Investment real estate			
Fixed asset		430,044.04	530,475.82
Construction-in-process			
Productive biological assets			
Oil and gas assets			
Right-of-use asset			
Intangible asset		1,411,748.85	2,095,927.71
Development expenditure			
Goodwill			
Long-term unamortized expenses		26,058,035.38	31,879,421.06
Deferred income tax assets			
Other non-current assets			
Total non-current assets		**14,008,934,140.59**	**14,800,304,983.81**
Total assets		**18,628,762,296.31**	**15,833,366,938.78**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: 刘彬 Principal in Charge of Accounting Work: 王骁 Principal of Accounting Organization: 王骁

Balance Sheet (Continued)

December 31,2022

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Term-ending Balance	Balance at the End of Last Year
Current liabilities:			
Short-term borrowing		389,434,305.57	541,959,833.33
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Account payable			
Advance receipts			
Contract liability			
Staff remuneration payable		4,329,777.79	4,382,989.49
Tax payable		14,834,282.39	8,407,341.41
Other payables		3,616,579,828.47	2,799,501,035.27
Liabilities held for sales			
Non-current liabilities due within one year		135,780,784.60	652,230,428.40
Other current liabilities			
Total current liabilities		**4,160,958,978.82**	**4,006,481,627.90**
Non-current liabilities:			
Long-term loans		1,974,900,000.00	
Bond payable		6,817,151,296.94	6,793,948,777.27
Including: Preferred shares			
Perpetual capital securities			
Lease liability			
Long-term accounts payable			
Long term staff remuneration payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		**8,792,051,296.94**	**6,793,948,777.27**
Total liabilities		**12,953,010,275.76**	**10,800,430,405.17**
Owner's equity:			
Paid-up capital		4,650,000,000.00	4,650,000,000.00
Other equity instruments		520,000,000.00	
Including: Preferred shares			
Perpetual capital securities		520,000,000.00	
Capital reserves			
Less: treasury share			
Other comprehensive income			
Special reserves			
Surplus reserves		49,642,605.99	36,771,238.85
Undistributed profit		456,109,414.56	346,165,294.76
Total owner's equity		**5,675,752,020.55**	**5,032,936,533.61**
Total liabilities and owner's equities		**18,628,762,296.31**	**15,833,366,938.78**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: **Principal in Charge of Accounting Work:** 王骁 **Principal of Accounting Organization:** 王骁

刘彬

Profit Statement

2022 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd.

Currency Unit: RMB Yuan

Items	Notes	Amount of the Current Period	Amount of the Last Period
I. Operating income	XII (III)	**518,481,452.91**	**26,415,094.44**
Less: Operating cost	XII (III)		
Taxes and surcharges		2,470,962.37	2,127,250.69
Sales expenses			
Administrative expenses		24,238,095.85	31,938,228.38
R & D expenses			
Finance charge		609,843,779.21	459,309,457.39
Including: Interest cost		556,143,532.85	474,529,094.87
Interest income		4,066,120.31	5,102,763.82
Plus: Other incomes		505,482.70	3,836.47
Investment income (loss expressed with "-")	XII (IV)	251,073,528.70	594,848,618.77
Including: Investment income of joint-venture and partnership			
Derecognized gains on financial assets measured at amortized cost			
Net exposure hedging gains (loss expressed with "-")			
Income from changes in fair value (loss expressed with "-")			
Credit impairment loss (loss expressed with "-")			
Asset impairment loss (loss expressed with "-")			
Earnings from disposal of assets (loss expressed with "-")			
II. Operating profit (loss expressed with "_")		**133,507,626.88**	**127,892,613.22**
Plus: Non-operating income			3,234,000.01
Less: Non-operating expenses		1,058,939.58	51,156.54
III. Total profits (Total loss expressed with "-")		**132,448,687.30**	**131,075,456.69**
Less: income tax expense		9,633,200.36	9,207,838.53
IV. Net profits (net loss expressed with "-")		**122,815,486.94**	**121,867,618.16**
(I) Net profit from continuing operations (net loss expressed with "-")		**122,815,486.94**	**121,867,618.16**
(II) Net profit from termination of operation (net loss expressed with "-")			
V. After-tax net amount of other comprehensive incomes			
(I) Other comprehensive incomes that cannot be reclassified into profit and loss			
1. Remeasure the variation of defined benefit plans			
2. Other comprehensive incomes that cannot be transferred to profit and loss under equity method			
3. Changes in fair value of other investments in equity instrument			
4. Changes in fair value of enterprise's own credit risk			
5. Others			
(II) Other comprehensive incomes to be reclassified into profit and loss			
1. Other comprehensive incomes that can be transferred to profit and loss under equity method			
2. Changes in fair value of other investments on bonds			
3. Changes in fair value of financial assets and investments available for sale			
4. Amount of financial assets reclassified to other comprehensive income			
5. Provision for credit losses of other investments on bond			
6. Translation balance of foreign currency financial statement			
7. Others			
VI. Total comprehensive incomes		**122,815,486.94**	**121,867,618.16**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: 刘彬

Principal in Charge of Accounting Work: 王骁

Principal of Accounting Organization: 王骁

Statement of Cash Flow

2022 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Notes	Amount of the Current Period	Amount of the Last Period
I. Cash flow from operating activities:			
Cash received from sales of goods or rendering of services		617,552,659.92	
Refunds of taxes received			73,474.90
Other cash received relevant to operating activities		5,102,548,372.15	4,995,144,880.52
Sub-total of cash inflows from operating activities		**5,720,101,032.07**	**4,995,218,355.42**
Cash for purchasing and receiving labour payment		7,039,763.82	14,174,791.37
Cash payments to and on behalf of employees		16,285,229.90	13,869,695.29
Payments of all types of taxes		24,722,115.22	37,113,165.12
Other cash paid relating to operating activities		5,544,974,166.27	3,241,342,574.34
Sub-total of cash outflows from operating activities		**5,593,021,275.21**	**3,306,500,226.12**
Net cash flows from operating activities		**127,079,756.86**	**1,688,718,129.30**
II. Cash flows from investing activities:			
Cash received from disinvestments		64,000,000.00	522,553,489.91
Cash received from returns on investments		67,311,875.47	460,371,629.12
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 received relating to investing activities		798,073,000.00	16,827,885.10
Sub-total of cash inflows from investing activities		**929,384,875.47**	**999,753,004.13**
Cash paid to acquire fixed assets, intangible assets and other long-term assets		113,479.43	174,008.52
Cash paid for investment		2,430,249,237.21	2,229,353,344.00
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid relating to investing activities		1,030,000,000.00	3,153,940,900.00
Sub-total of cash outflows from investing activities		**3,460,362,716.64**	**5,383,468,252.52**
Net cash flows from investing activities		**-2,530,977,841.17**	**-4,383,715,248.39**
III. Cash flow from financing activities:			
Cash received from capital contribution			
Cash received from borrowings		3,359,200,000.00	2,220,000,000.00
Cash received from issuance of bonds			3,841,282,336.58
Other cash received relating to financing activities		525,200,000.00	240,795.60
Sub-total of cash inflows from financing activities		**3,884,400,000.00**	**6,061,523,132.18**
Cash paid for debt		1,072,000,000.00	3,673,500,000.00
Cash payments for distribution of dividends or profits and for interest expenses		453,402,683.84	315,429,581.32
Other cash paid relating to financing activities		108,281,872.83	66,877,580.61
Sub-total of cash outflows from financing activities		**1,633,684,556.67**	**4,055,807,161.93**
Net cash flows from financing activities		**2,250,715,443.33**	**2,005,715,970.25**
IV. Influence of fluctuation in exchange rate on cash and cash equivalents			-773,514.84
V. Net increase in cash and cash equivalents		-153,182,640.98	-690,054,663.68
Plus: Balance of cash and cash equivalents at the beginning of the period		264,476,697.15	954,531,360.83
VI. Balance of cash and cash equivalents at the end of the term		**111,294,056.17**	**264,476,697.15**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: Principal in Charge of Accounting Work: Principal of Accounting Organization:

刘彬 王骁 王骁

Statement of Changes in Owners' Equity

2022 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd.

Currency Unit: RMB Yuan

Item	Amount of the Current Period										
	Paid-up capital	Other equity instruments			Capital reserves	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owner's equity
		Preferred shares	Perpetual capital securities	Others							
I. Balance at the end of last year	4,650,000,000.00								36,771,238.85	346,165,294.76	**5,032,936,533.61**
Plus: changes in accounting policies											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	4,650,000,000.00								36,771,238.85	346,165,294.76	**5,032,936,533.61**
III. Increase or decrease in the current period (decrease expressed with "-")			520,000,000.00						12,871,367.14	109,944,119.80	**642,815,486.94**
(I) Total comprehensive incomes										122,815,486.94	**122,815,486.94**
(II) Investment by owners and capital reduction			520,000,000.00								**520,000,000.00**
1. Capital paid in by owners											
2. Capital contributed by the owners of other equity instruments			520,000,000.00								**520,000,000.00**
3. Amount of share-based payment recorded in the owner' equity											
4. Others											
(III) Profit distribution									12,871,367.14	-12,871,367.14	
1. Withdrawal of surplus reserves									12,871,367.14	-12,871,367.14	
2. Distribution to owners											
3. Others											
(IV) Inner carryover of owner's equities											
1. Transfer of capital reserves to capital											
2. Transfer of surplus reserves to capital											
3. Compensation of loss from surplus reserve											
4. Carry forward retained earnings from changes in defined benefit plans											
5. Retained earnings carried forward from other comprehensive incomes											
6. Others											
(V) Special reserves											
1. Accrual in the current period											
2. Usage in the current period											
(VI) Others											
IV. Balance at the end of the year	4,650,000,000.00		520,000,000.00						49,642,605.99	456,109,414.56	**5,675,752,020.55**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: 刘彬

Principal in Charge of Accounting Work: 王骁

Principal of Accounting Organization: 王骁

Statement of Changes in Owners' Equity (Continued)

2022 Year

Prepared by: Yibin Emerging Industry Investment Group Co., Ltd. Currency Unit: RMB Yuan

Items	Amount of the Last Period										
	Paid-up capital	Other equity instruments: Preferred shares	Other equity instruments: Perpetual capital securities	Other equity instruments: Others	Capital reserves	Less: treasury share	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owner's equity
I. Balance at the end of last year	4,650,000,000.00								24,584,477.03	236,484,438.42	**4,911,068,915.45**
Plus: changes in accounting policies											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	4,650,000,000.00								24,584,477.03	236,484,438.42	**4,911,068,915.45**
III. Increase or decrease in the current period (decrease expressed with "-")									12,186,761.82	109,680,856.34	**121,867,618.16**
(I) Total comprehensive incomes										121,867,618.16	**121,867,618.16**
(II) Investment by owners and capital reduction											
1. Capital paid in by owners											
2. Capital contributed by the owners of other equity instruments											
3. Amount of share-based payment recorded in the owner' equity											
4. Others											
(III) Profit distribution									12,186,761.82	-12,186,761.82	
1. Withdrawal of surplus reserves									12,186,761.82	-12,186,761.82	
2. Distribution to owners											
3. Others											
(IV) Inner carryover of owner's equities											
1. Transfer of capital reserves to capital											
2. Transfer of surplus reserves to capital											
3. Compensation of loss from surplus reserve											
4. Carry forward retained earnings from changes in defined benefit plans											
5. Retained earnings carried forward from other comprehensive incomes											
6. Others											
(V) Special reserves											
1. Accrual in the current period											
2. Usage in the current period											
(VI) Others											
IV. Balance at the end of the year	**4,650,000,000.00**								**36,771,238.85**	**346,165,294.76**	**5,032,936,533.61**

(The attached Notes to the Financial Statements is an integral part of the financial statements.)

Legal Representative: 刘彬

Principal in Charge of Accounting Work: 王骁

Principal of Accounting Organization: 王骁

Yibin Emerging Industry Investment Group Co., Ltd.

Notes to the Consolidated Financial Statements 2022

(Unless otherwise stated, the amount shall be expressed in RMB)

I. Basic Information of the Company

(I) Company profile

Established on March 24, 2017, Yibin Emerging Industry Development Investment Co., Ltd. (hereinafter referred to as "the Company" or "Company") is a limited liability company invested by Yibin State-owned Assets Management Co., Ltd. (now renamed as "Yibin Development Holdings Group Co., Ltd.). In June 2019, the company changed its name to Yibin Emerging Industry Investment Group Co., Ltd. The basic information of the company is as follows:

Unified Social Credit Code in the *Business License*: 91511500MA63MELK6Y;

Address: No. 16 Shaping Road, Guoxing Avenue, Lingang Economic Development Zone, Yibin City, Sichuan Province;

Legal representative: Liu Bin;

Registered Capital: RMB 5 billion Yuan

Business Scope: Industrial project investment, assets management and operation; equity and debt investment services for urban construction projects; entrusted management of equity investment enterprises; equity investment and related consulting services; acceptance of the equity transfer of established enterprise investors and other means permitted by national laws and regulations. (For projects subject to approval according to law, their business activities can be carried out with the approval of relevant departments);

As of December 31, 2022, the capital contribution and shareholding ratio of the Company's shareholders are as follows:

Shareholder's Name	Amount of capital contribution (RMB 10,000 Yuan)	Proportion (%)
Yibin Sanjiang Investment & Construction Group Co., Ltd.	465,000.00	100.00
Total	**465,000.00**	**100.00**

(II) Summary of consolidation scope and subsidiaries

There are 19 subsidiaries included in the consolidated financial statements of the current period, of which Yibin Xinrong Assets Operation Co., Ltd. is a new subsidiary in the current period, and Ruiqing Automobile Engine Technology Co., Ltd. is a subsidiary that has been deleted in the current period. See Note VII "Interests in Other Entities" for details.

(III) Approval and issuance of consolidated financial statements

The consolidated financial statements have been approved by the board of directors of the Company and issued on April 26, 2023.

II. Preparation Basis of Financial Statements

(I) Preparation basis

Financial statements of the Company are prepared on the basis of going-concern assumption and actual transactions and matters, and in accordance with the Accounting Standards for Business Enterprises and the corresponding Application Guide and Interpretation, and other relevant regulations (hereinafter

collectively referred to as "Accounting Standards for Business Enterprises") promulgated by the Ministry of Finance.

The Company conducts financial accounting based on accrual accounting. Except for certain financial instruments, the financial statements are all based on historical cost. In case assets are impaired, corresponding provision for impairment shall be accrued according to relevant regulations.

(II) Sustainable operation

The Company has nothing that affects its sustainable operation ability, and it is expected to have the sustainable operation ability in future 12 months. The Financial statements of the Company are prepared on the basis of going-concern assumption.

III. Significant Accounting Policies and Accounting Estimates

(I) Declaration of following the accounting standards for business enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises, and have truthfully and completely reflected its financial condition as of December 31, 2022, and operating results, cash flow and other relevant information in 2022.

(II) Accounting period

The Company's fiscal year is one fiscal year, which starts on 1 January and ends on 31 December of every year according to the Gregorian calendar.

(III) Operating cycle

The Company takes 12 months as an operating cycle and adopts it as the liquidity determining criterion of assets and liabilities.

(IV) Standard money for account keeping

The recording currency of the Company is RMB, and the currency adopted in financial statements is RMB. The Company and its subsidiaries select the recording currency on the basis of valuation and settlement currency of the main operating income and expenses.

(V) Accounting treatment methods for Business combination under common control and under the different control

1. Business combination under common control

If the enterprises involved in business combination are subject to the final control of the same party or the same multiple parties before and after the combination, and the control is not temporary, it is business combination under common control. The combination date is the date when the combining party actually acquires the control power over the combined party.

The assets and liabilities acquired in business combination shall be measured according to the book value of the combined party set forth in consolidated financial statements of the final controlling party on the combination date. If the accounting policies employed by the combined parties are different from those employed by the Company, the combining party shall make an adjustment according to the accounting policies of the Company. On this basis, the assets and liabilities shall be recognized according to the book value after adjustment.

According to the difference between the book value of net assets acquired in business combination and the book value of combination consideration paid (or total amount of the par value of shares issued), the stock premium in capital reserve shall be adjusted. If the stock premium in capital reserve is insufficient for offset, the retained earnings shall be adjusted.

Various direct related expenses incurred for business combination, including the audit fee, evaluation fee, legal service fee, etc. paid for business combination, shall be included in the current profits and losses upon they're incurred.

Service charge, commission, etc. incurred for issuing equity securities during business combination shall be offset by the premium income of equity securities. If the premium income is insufficient, retained earnings shall be used for offset.

If the business combination under common control realized by multiple transactions step by step is a "package deal", each transaction will be treated as a transaction that acquires the control power in accounting. If it is not a "package deal", accounting treatment will be conducted according to the following steps on the date when the control power is acquired:

(1) Determination of the initial investment cost of long-term equity investment arising from business combination under common control. On the combination date, the initial investment cost of long-term equity investment shall be determined according to the share of the combined party's net assets that should be enjoyed after business combination in the book value set forth in the consolidated financial statements of final controlling party.

(2) Treatment of the difference between the initial investment cost of long-term equity investment and the book value of combination consideration. The capital reserve (capital premium or stock premium) should be adjusted according to the difference between the initial investment cost of long-term equity investment on the combination date and the sum of the book value of long-term equity investment before business combination and the book value of the consideration newly paid for further acquiring shares on the combination date. If the capital reserve (capital premium or stock premium) is insufficient to offset the difference, the retained earnings shall be used for offset.

(3) For equity investment held before the combination date, other comprehensive income recognized in accounting treatment in equity method or according to financial instrument recognition and measurement standards will not be subject to accounting treatment temporarily until accounting treatment is conducted on the same basis as that of related assets or liabilities directly disposed of by the investee when the investment is disposed of. Other changes in owner's equity recognized from net assets of the investee in accounting treatment by equity method, except the net profit or loss, other comprehensive income and profit distribution, will not be subject to accounting treatment temporarily until they're transferred into the current profits and losses when the investment is disposed of. If the residual equity after disposal is subject to accounting treatment with cost method or equity method, other comprehensive income and other owner's equity shall be carried forward in proportion. If the residual equity after disposal is subject to accounting treatment according to financial instrument recognition and measurement standards, other comprehensive income and other owner's equity shall be carried forward in whole.

2. Business combination under the different control

If the parties involved in business combination are not subject to the final control of the same party or the same multiple parties before and after the combination, it is business combination under different controls.The acquisition date refers to the date on which the acquirer obtains control of the acquiree.

The assets paid and liabilities incurred or assumed by the acquirer as the consideration of business combination on the purchase date shall be measured at fair value, and the difference between the fair value and its book value shall be included in the current profits and losses.

While distributing combination cost on the purchase date, the acquirer shall recognize the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities acquired by it.

If the combination cost is greater than the fair value of the acquiree's net identifiable assets acquired by the acquirer, the difference shall be recognized as goodwill. If the combination cost is smaller than the fair value of the acquiree's net identifiable assets acquired by the acquirer, the difference shall be included in the current profits and losses after reexamination.

For other assets of the acquiree (not limited to the assets previously recognized by the acquiree), except intangible assets, acquired in business combination, if the economic benefits brought by them are likely to flow into the Company and their fair value can be reliably measured, they shall be recognized separately and measured at fair value. Intangible assets whose fair value can be reliably measured shall be separately recognized as intangible assets and measured at fair value. For other liabilities of the

acquiree, except contingent liabilities, acquired in business combination, if the performance of relevant obligations may cause economic benefits to flow out of the Company and their fair value can be reliably measured, they shall be recognized separately and measured at fair value. Contingent liabilities of the acquiree, which are acquired in business combination and whose fair value can be reliably measured, shall be separately recognized as liabilities and measured at fair value.

During initial recognition of the acquiree's assets acquired in business combination, the intangible assets owned by the acquiree but not recognized in its financial statements shall be fully identified and reasonably judged. If any of the following conditions is satisfied, they should be recognized as intangible assets: (1) They come from contractual rights or other legal rights; (2) They can be separated or divided from the acquiree, and can be used for sale, transfer, licensing, lease or exchange alone or together with relevant contracts, assets and liabilities.

If the acquiree's deductible temporary differences acquired by the acquirer in business combination do not comply with the recognition conditions of deferred income tax assets on the purchase date, they shall not be recognized. Within 12 months after the purchase date, if any new or further information is obtained to indicate that the relevant condition on the purchase date already exists, and it is expected that economic benefits brought by deductible temporary differences of the acquiree on the purchase date can be realized, relevant deferred income tax assets shall be recognized, and the goodwill shall be reduced at the same time. If the goodwill is not enough for offset, the difference shall be recognized as the current profits and losses. Except for the above condition, the deferred income tax assets related to business combination shall be recognized and included in the current profits and losses.

For business combination under different controls, the audit fee, legal service fee, evaluation and consulting fee and other intermediary fees and other related administrative expenses incurred by the acquirer for business combination shall be included in the current profits and losses upon they're incurred. The transaction cost of equity securities or debt securities issued by the acquirer as combination consideration shall be included in initially recognized amount of the equity securities or debt securities.

For business combination under different controls through multiple transactions step by step, if it is a "package deal", the Company will treat each transaction as a transaction that acquires the control power in accounting. If it is not a "package deal", in the individual financial statements, the sum of the book value of the acquiree's equity investment held before the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost calculated by cost method instead. Other comprehensive income recognized from the acquiree's equity investment held before the purchase date in accounting treatment by equity method shall be subject to accounting treatment on the same basis as that of related assets or liabilities directly disposed of by the investee when the investment is disposed of. The owner's equity recognized from other changes in owner's equity of the investee, except the net profit or loss, other comprehensive income and profit distribution, shall be transferred into the current profits and losses of the disposal period when the investment is disposed of. If the residual equity after disposal is subject to accounting treatment by cost method or equity method, other comprehensive income and other owner's equity shall be carried forward in proportion. If the residual equity after disposal is subject to accounting treatment according to financial instrument recognition and measurement standards, other comprehensive income and other owner's equity shall be carried forward in whole.

If the equity investment held before the purchase date is subject to accounting treatment according to financial instrument recognition and measurement standards, the sum of the fair value of the equity investment and the new investment cost will be taken as the initial investment cost calculated by cost method instead. The difference between the fair value and book value of the equity held previously and the accumulated changes in fair value originally included in other comprehensive income will be completely transferred into the current profits and losses on investments calculated by cost method instead.

3. Criteria for judging multiple transactions as a package deal

The criteria of the Company for judging multiple transactions as a package deal are as follows:

(1) These transactions are concluded simultaneously or in the condition of considering mutual impacts;

(2) These transactions can reach a complete commercial result as a whole;

(3) The occurrence of a transaction relies on the occurrence of at least one other transaction;

(VI) Preparation methods of consolidated financial statements

Consolidation scope of the consolidated financial statements of the Company is determined on the basis of control. Control means that the investor owns the power of the investee, enjoys variable returns by participating in related activities of the investee, and has the ability of utilizing the power over the investee to influence the return amount. Related activity refers to the activity imposing significant impacts on the returns from the investee.

Based on the financial statements of the Company and its subsidiaries, the whole enterprise group is regarded as an accounting entity according to other relevant materials. According to the recognition, measurement and presentation requirements of relevant Accounting Standards for Business Enterprises, the overall financial condition, operating results and cash flow of the enterprise group have been reflected according to unified accounting policies and accounting periods.

The share in owner's equity of the subsidiary that doesn't belong to parent company shall serve as equity of minority shareholders and set out as "equity of minority shareholders" under owner's equity in the consolidated balance sheet.

The share in the current net gains or losses of the subsidiary that belongs to equity of minority shareholders shall be set out as "minority interest" under net profit in the consolidated income statement.The share in the current comprehensive income of the subsidiary, which belongs to minority shareholder's equity, shall be presented as "total comprehensive incomes attributable to the minority shareholders" under total comprehensive income in the consolidated profit statement.

If the current deficit shared by minority shareholders of the subsidiary has exceeded the share enjoyed by minority shareholders in owner's equity of the subsidiary at the beginning of the period, the balance shall still be used to offset the equity of minority shareholders.

Unrealized profits or losses on internal transactions arising from asset sale to subsidiaries shall offset the "net profit attributable to owners of the parent company" in full. Unrealized profits or losses on internal transactions arising from asset sale to the parent company from subsidiaries shall be distributed and offset between "net profit attributable to owners of the parent company" and "minority shareholder income" according to the distribution ratio of the parent company to subsidiaries. Unrealized profits or losses on internal transactions arising from asset sale between subsidiaries shall be distributed and offset between "net profit attributable to owners of the parent company" and "minority shareholder income" according to the distribution ratio of the parent company to the subsidiary selling assets.

For the subsidiary and business increased due to business combination under common control in the report period, when preparing the consolidated statements, the Company will adjust the term-beginning balance of the consolidated balance sheet, incorporate the income, expenses and profit of the subsidiary and business from the beginning of the combination period to the end of the report period into the consolidated profit statement, incorporate the cash flow into the consolidated statement of cash flow, and simultaneously adjust related items of the comparative statement as the reporting entity after business combination has been in existence since the final controlling party starts to control.

For the subsidiary and business increased due to business combination under different controls or by other means in the report period, when preparing the consolidated balance sheet, the Company will not adjust the term-beginning balance of the consolidated balance sheet, but will incorporate the income, expenses, profit and cash flow of the subsidiary and business from the purchase date to the end of the report period into the consolidated profit statement and the consolidated statement of cash flow.

If the subsidiary and business are disposed of in the report period, when preparing the consolidated balance sheet, the Company will not adjust the term-beginning balance of the consolidated balance sheet, but will incorporate the income, expenses and profit and cash flow of the subsidiary and business from the beginning of this period to disposal date into the consolidated profit statement and the

consolidated statement of cash flow respectively.

If the parent company purchases the subsidiary's equity owned by minority shareholders of the subsidiary, in the consolidated financial statements, the capital reserve (capital premium or stock premium) shall be adjusted according to the difference between the new long-term equity investment acquired from the purchase of minority shareholder's equity and the subsidiary's net assets that should be enjoyed and are continuously calculated from the purchase date or combination date according to the increased shareholding ratio. If the capital reserve is insufficient for offset, retained earnings shall be adjusted.

If the parent company partially disposes of the long-term equity investment in its subsidiary without losing its control power, in the consolidated financial statements, the capital reserve (capital premium or stock premium) shall be adjusted according to the difference between the disposal price and the subsidiary's net assets that should be enjoyed corresponding to the disposal of long-term equity investment and are continuously calculated from the purchase date or combination date. If the capital reserve is insufficient for offset, the retained earnings shall be adjusted.

If the parent company loses the control power over the investee due to partially disposing of the equity investment or any other reason, during the preparation of the consolidated financial statements, the residual equity will be measured again according to the fair value on the date when it loses the control power. The balance between the sum of the consideration acquired from equity disposal and the fair value of the residual equity and the original subsidiary's net assets that shall be enjoyed according to the original shareholding ratio and are calculated continuously from the purchase date or combination date shall be included in the investment income of the current period when the control power is lost, and simultaneously, the goodwill shall be the original subsidiary. Other comprehensive income, etc. related to equity investment of the original subsidiary shall be transferred as investment income of the current period when the control power is lost.

The consolidated change statement of owner's equity is prepared according to the consolidated balance sheet and consolidated profit statement.

(VII) Classification of joint arrangement and accounting treatment method of joint operation

Joint arrangement refers to an arrangement controlled by two or more participants jointly. Common control refers to the common control over a certain arrangement according to related provisions, and related activities of the arrangement can be decided only after unanimous approval of the participants sharing the control power. When judging whether there exists common control, it's required to judge whether all the participants or the participant combination collectively controls the arrangement, and whether decisions on related activities of the arrangement must be unanimously agreed by participants that collectively control the arrangement.

The Company determines the classification of joint arrangement according to the rights enjoyed and obligations assumed in the joint arrangement. The joint arrangement falls into joint operation and cooperative enterprise.

Joint operation refers to the joint arrangement, in which the joint venture enjoys relevant assets and bears relevant liabilities. The Company recognizes the following items related to its share of interests in the joint operation, and conducts accounting treatment according to relevant Accounting Standards for Business Enterprises:

1. Recognize the assets held separately and the assets held jointly according to its share;

2. Recognize the liabilities assumed separately and the liabilities assumed jointly according to its share;

3. Recognize the income from selling the joint operation output enjoyed by it;

4. Recognize the income of joint operation arising from selling the output according to its share;

5. Recognize the expenses incurred separately, and the expenses incurred for joint operation according to its share.

(VIII) Determination standards of cash and cash equivalents

During the preparation of cash flow statement, cash on hand and deposits that can be used for payment at any time are recognized as cash. Cash equivalent refers to the short-term (generally mature within three months from the purchase date) and highly liquid investments which are readily convertible to the cash of known amounts and which are subject to an insignificant risk of changes in value.

(IX) Foreign currency transaction and foreign current statement translation

The foreign currency transaction takes the spot exchange rate on the transaction date as the translation exchange rate to convert foreign currency amount into RMB for accounting.

The Balance of foreign monetary currency items shall be converted at the spot exchange rate on the date of balance sheet, the resulting balance of exchange shall be included in the current losses and profits except that the balance of exchange resulting from the foreign currency borrowings related to acquisition or construction of the assets complying with the capitalization conditions shall be treated according to the principle of borrowing costs capitalization. The foreign currency non-monetary items measured at historic cost shall still be converted at the spot exchange rate on the transaction date, and their recording currency amounts shall not be changed. The foreign currency non-monetary items measured at the fair value shall be converted at the spot exchange rate on the fixing date of fair value; the resulting balance of exchange shall be included in the current profits and losses or other comprehensive incomes.

(X) Financial instruments

Financial instrument refers to contracts that form financial assets of one party and financial liabilities or equity instruments of other parties.When the Company becomes one party of financial instrument contract, a financial asset or financial liability should be recognized.

1. Classification of financial instruments

According to business model for the management of financial assets and contractual cash flow characteristics of financial assets, the Company classifies its financial assets into financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

2. Recognition and measurement of financial assets

If the financial assets are measured at fair value during initial recognition, for financial assets at fair value through profit or loss, related transaction cost shall be directly included in the current profits and losses. For other categories of financial assets, related transaction cost shall be included in the initially recognized amount. For accounts receivable or notes receivable arising from selling goods or rendering services, which do not contain or consider significant financing components, the amount of consideration that the Company is entitled to receive as expected shall be the initially recognized amount.

(1) Financial assets measured at amortized cost

The Company’s business model for the management of financial assets measured at amortized cost aims at collecting the contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic loan arrangement, that is, the cash flow generated on a specific date is only the payment of the principal and interest based on the unpaid principal amount. The Company carries out subsequent measurement of such financial assets according to the amortized cost by effective interest method, and the gains or losses arising from amortization or impairment will be included in the current profits and losses.

(2) Financial assets at fair value through other comprehensive income

The Company’s business model for the management of such financial assets aims at both collecting contractual cash flow and selling the financial assets, and the contractual cash flow characteristics of such financial assets are consistent with the basic loan arrangement. The Company measures such

financial assets at fair value and includes their changes in other comprehensive income, but the impairment losses or gains, exchange gains or losses and interest income calculated by effective interest method are included in the current profits and losses.

In addition, the Company designates part of the investment in non-trading equity instruments as financial assets measured at fair value through other comprehensive income. The Company includes related dividend income of such financial assets in the current profits and losses, and the changes in fair value in other comprehensive income. When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred into retained earnings from other comprehensive income, and will not be included in the current profits and losses.

(3) Financial assets at fair value through profit or loss for the current period

Except for the aforesaid financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, all other financial assets are classified by the Company as financial assets at fair value through profit or loss. At the initial recognition, to eliminate or significantly reduce the accounting mismatch, the Company designates part of the financial assets as financial assets at fair value through profit or loss. For these financial assets, the Company carries out subsequent measurement by fair value and includes the changes in fair value in the current profits and losses.

3. Classification, recognition and measurement of financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities at the initial recognition. For financial liabilities at fair value through profit or loss, related transaction cost will be directly included in the current profits and losses. For other financial liabilities, related transaction cost will be included in the initially recognized amount.

(1) Financial liabilities at fair value through profit or loss for the current period

Financial liabilities at fair value through profit or loss include trading financial liabilities (including the derivatives of financial liabilities) and financial liabilities that are designated to be measured at fair value with the changes in fair value included in the current profits and losses at initial recognition.

Trading financial liabilities (including the derivatives of financial liabilities) shall be subsequently measured at fair value, except for those related to hedge accounting, whose changes in fair values shall be included in the current profits and losses.

For a financial liability designated to be measured at fair value with the changes in fair value included in the current profits and losses, the changes in fair value of the liability resulted from the changes in the Company's credit risk will be included in other comprehensive income. When the liability is derecognized, the accumulated changes in its fair value resulted from the changes in the Company's credit risk, which is included in other comprehensive income, will be transferred into retained earnings. Other changes in fair value will be included in the current profits and losses. If the treatment of the impact of the changes in credit risk of the financial liability by the above-mentioned method will cause or expand accounting mismatch in the profits and losses, the Company will include all gains or losses of the financial liability (including the amount of the impact of the changes in enterprise's credit risk) in the current profits and losses.

(2) Other financial liabilities

Except for the financial liabilities and financial guarantee contracts resulted from the failure to satisfy the derecognition conditions in the transfer of financial assets or continuously involving the transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost, and will be subsequently measured at amortized cost. The gains or losses from the derecognition or amortization will be included in the current profits and losses.

4. Recognition basis and measurement methods for transfer of financial assets

Financial assets that meet one of the following conditions shall be terminated: ①The contractual rights to receive the cash flow of the financial asset is terminated; ②The financial asset has been transferred and

substantially all the risks and rewards of ownership of the transferred asset have also been transferred; ③The financial asset has been transferred. Although the enterprise has neither transferred nor retained almost all the risks and rewards of the ownership of the financial asset, it has abandoned its control over the financial asset.

If the Company neither transfer nor retain risk and rewards of ownership, and does not give up the control of the financial asset, financial asset and liability is recognized in accordance with its continuing involvement in transferred financial asset.The degree of continuously involving the transferred financial assets refers to the risk level faced by an enterprise due to the changes in fair value of the financial assets.

If the entire transfer of financial asset qualifies for derecognition, the difference between the book value of transferred financial assets and the sum of accumulated fair value changes due to other comprehensive income and transfer price are recognized as profit or loss for the period.

If part of the transfer of financial asset qualifies for derecognition, the book value is amortized based on the fair value of recognized and derecognized part. The difference between the amortized book value of transferred financial assets and the sum of accumulated fair value changes due to other comprehensive income and transfer price are recognized as profit or loss for the period.

When the Company sells a financial asset with the right of recourse, or endorses and transfers a financial asset held by it, it is required to determine whether almost all the risks and rewards on the ownership of the financial asset have been transferred. If almost all the risks and rewards on the ownership of the financial asset have been transferred to the transferee, the financial asset shall be derecognized. If almost all the risks and rewards on the ownership of the financial asset are retained, the financial asset shall not be derecognized. If almost all the risks and rewards on the ownership of the financial asset are not transferred or retained, it is required to continuously judge whether the enterprise has retained control over the asset, and carry out accounting treatment according to the principles mentioned in the preceding paragraphs.

5. Recognition for termination of financial liabilities

If the current obligation of a financial liability (or part of it) has been released, the Company will derecognize the financial liability (or part of the financial liability). If the Company (the borrower) signs an agreement with the lender to replace the original financial liability by assuming a new financial liability, and the contract terms on the new financial liability are substantially different from those on the original financial liability, the original financial liability shall be derecognized and a new financial liability shall be recognized. If the Company substantially modifies the contract terms on the original financial liability (or part of it), the original financial liability shall be derecognized and a new financial liability shall be recognized according to the modified terms.

When terminating recognition of the financial liabilities (or its part), the balance between the book value and the paid consideration (including the non-cash assets transferred-out and the liabilities undertaken) shall be recorded into the current profits and losses.

6. **Offset of financial assets and financial liabilities**

If the Company has the legal right to offset a financial asset and financial liability with the amount recognized and such legal right is executable now, and the Company plans to carry out settlement by net amount or realize the financial asset and pay off the financial liability, the net amount after mutual offset of the financial asset and financial liability shall be presented in the balance sheet. Otherwise, the financial assets and financial liabilities shall be presented in the balance sheet respectively and will not be offset mutually.

7. Determination methods of fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can receive when selling an asset or should pay when transferring a liability in an orderly transaction on the measurement date. If there is an active market for the financial instrument, the Company will determine its fair value by quotation in the active market. Quotation in the active market refers to the price that is easily acquired from exchanges,

brokers, trade associations, pricing service agencies, etc. on a regular basis, and represents the price of a market transaction actually occurring in the fair trading. If there is no active market for the financial instrument, the Company will determine its fair value by valuation techniques. Valuation techniques include referring to the prices used in recent market transactions by parties familiar with the situation and trading voluntarily, referring to the current fair values of other financial instruments that are substantially the same, discounted cash flow method, option pricing model, etc. During the valuation, the Company adopts the valuation technique that is applicable to the current situation and supported by sufficient available data and other information, selects an input value that is consistent with the characteristics of assets or liabilities considered by market participants in the transactions of related assets or liabilities, and gives priority to using the related observable input value as much as possible. If related observable input value is unavailable or is infeasible, an unobservable input value shall be employed.

8. Equity instruments

Equity instrument refers to a contract which can prove that it owns residual equity in the assets of the Company after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of an equity instrument will be treated by the Company as changes in equity. The transaction cost related to an equity transaction will be deducted from equity. The Company will not recognize the changes in fair value of equity instruments.

If the Company's equity instruments distribute dividends (including "interest" resulted from the instruments classified as equity instruments) during their existence, it will be treated as profit distribution.

(XI) Impairment of financial instruments

The financial assets, for which the Company needs to recognize the impairment loss, are financial assets measured at amortized cost, investments in debt instruments at fair value through other comprehensive income, and lease receivables, mainly including notes receivable, accounts receivable, other receivables, debt investments, other debt investments, long-term receivables, etc. In addition, for contract assets and part of the financial guarantee contracts, the provision for impairment shall be accrued and credit impairment loss shall be recognized according to accounting policies described in this section.

1. Recognition method of the provision for impairment

Based on the expected credit loss, the Company accrues provision for impairment and recognizes the credit impairment loss according to the applicable measurement method of expected credit loss (general method or simplified method).

Credit loss refers to the difference between all contractual cash flows discounted by the Company at the original effective interest rate and receivable according to the contract and all cash flows expected to be received, that is, the present value of all cash shortages. For the purchased or originated financial assets with credit impairment, the Company discounts them according to the actual interest rate after credit adjustment.

The general method for measuring the expected credit loss means that the Company evaluates whether the credit risk of financial assets (including contract assets and other applicable items, the same below) has increased significantly since the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, the Company will measure the provision for losses at the amount equivalent to the expected credit loss during the whole duration. If the credit risk has not increased significantly, the Company will measure the provision for losses at the amount equivalent to the expected credit loss in the next 12 months. The Company will consider all reasonable and well-founded information, including forward-looking information, when evaluating the expected credit loss.

For financial instruments with low credit risk at the balance sheet date, assuming that credit risk has not increased significantly since initial recognition, the Company chooses to measure the loss provision according to the 12-month expected credit loss/does not choose a simplified handling method to depend

on whether credit risk has increased significantly since initial recognition, but to measure the loss provision based on the expected credit loss amount in the next 12 months or the whole duration.

2. Criteria for judging whether the credit risk has increased significantly since the initial recognition

If the probability of default of a financial asset in the expected duration determined on the balance sheet date is significantly higher than that determined at the initial recognition, it indicates that the credit risk of the financial asset has increased significantly.Except for special circumstances, the Company uses the change of default risk during the next 12 months as a reasonable estimate of the change of default risk in the entire duration to determine whether the credit risk has increased significantly since initial recognition.

3. Combination method for evaluating the expected credit risk based on portfolio

The Company will individually evaluate the credit risks of financial assets with significantly different credit risks, such as: accounts receivable in dispute with the other party or involving litigation or arbitration; accounts receivable for which there are obvious signs indicating that the debtor may not be able to fulfill its repayment obligations, etc.

Except for financial assets that are individually evaluated for credit risk, the Company will divide the financial assets into different groups based on common risk features, and evaluate the credit risk on the basis of portfolio.

4. Accounting treatment method of the impairment of financial assets

At the term-ending, the Company will calculate the expected credit loss of each financial asset. If the expected credit loss is greater than the carrying amount of its current provision for impairment, the difference will be recognized as impairment loss. If it is smaller than the carrying amount of the current provision for impairment, the difference will be recognized as impairment gain

5. Determination method of the credit loss of each financial asset

(1) Notes receivable

The Company will measure the provision for losses for the notes receivable at the amount equivalent to the expected credit loss in the whole duration. Based on the credit risk features of notes receivable, they will be divided into different portfolios:

Items	Basis for determination of portfolio
Bank acceptance bill	The acceptor is a bank with low credit risk.
Commercial acceptance bill	The drawer has low credit rating and high risk of credit loss

(2) Accounts receivable and contract assets

For accounts receivable and contract assets without significant financing components, the Company will measure the provision for losses at the amount equivalent to the expected credit loss in the whole duration.

For accounts receivable, contract assets and lease receivables with significant financing components, the Company always chooses to measure the provision for losses at the amount equivalent to the expected credit loss in the whole duration.

Except for accounts receivable and contract assets evaluated individually for the credit risk, they will be divided into different portfolios based on their credit risk features:

Name of Portfolio	Accrual method of bad debts provision	Scope of application
Portfolio 1:Aging	Aging analysis method	Classified according to the similarity and correlation

Name of Portfolio	Accrual method of bad debts provision	Scope of application
portfolio		of credit risk characteristics
Portfolio 2:Riskless portfolio	Other methods	Exchanges with government departments and their affiliated institutions, related parties, etc.

(3) Other receivables

Based on whether the credit risk of other receivables has increased significantly since the initial recognition, the Company will measure the impairment loss at the amount equivalent to the expected credit loss in the next 12 months or the whole duration. Except for other receivables evaluated individually for the credit risk, they will be divided into different portfolios based on their credit risk features:

Name of Portfolio	Accrual method of bad debts provision	Scope of application
Portfolio 1:Aging portfolio	Aging analysis method	Classified according to the similarity and correlation of credit risk characteristics
Portfolio 2:Riskless portfolio	Other methods	overnment departments and their affiliated institutions, exchanges with related parties, securities, deposit, etc.

(4) Debt investments

For debt investments, accounting treatment will mainly be carried out for bond investment, etc. measured at amortized cost. Based on whether its credit risk has increased significantly since the initial recognition, the Company will measure the impairment loss at the amount equivalent to the expected credit loss in the next 12 months or the whole duration.

(5) Other debt investments

For other debt investments, accounting treatment will mainly be carried out for bond investment at fair value through other comprehensive income, etc. Based on whether its credit risk has increased significantly since the initial recognition, the Company will measure the impairment loss at the amount equivalent to the expected credit loss in the next 12 months or the whole duration.

(XII) Inventories

1. Classification of inventories

The Company's inventory is divided into raw materials, revolving materials, commodity stocks and goods shipped in transit, etc.

2. Accounting method of shipped and acquired inventories

(1) Inventories are valued at actual cost when acquired. Inventory cost includes procurement cost, processing cost and other costs.

(2) Generally, the actual cost of inventory is determined by weighted average method at the time of acquisition or delivery. For inventory that cannot be replaced and purchased or manufactured specially for a specific item, the cost of inventory shipped in transit is determined by specific identification.

(3) For inventory calculated by planned cost, the difference between the planned cost and the actual cost shall be calculated separately. For inventory acquired or shipped in transit, the material cost variance is apportioned monthly, and the planned cost is adjusted to the actual cost.

3. Determination basis of inventories net realizable value and method of provision for inventories falling price reserves

The net realizable value refers to the amount obtained by deducting the estimated cost, sale fees and related tax fees after completion from estimated price of inventory in daily activity. The confirmation

of the net realizable value shall be based on the acquired accurate evidences under the consideration of target for holding inventory and influence to the future events of balance sheet.

The inventory shall be calculated based on the lower value between cost and net realizable value on the balance sheet date. Providing the net realizable value is lower than cost, the inventory shrinkage reserves would be usually withdrawn in accordance with the difference between the cost of single inventory item and the corresponding net realizable value. The inventory shrinkage reserves shall be consolidated in accordance with the type against large amount of inventories with lower unit price or withdrawn in combinations against inventories related to product series produced and sold in the same region with the same or similar final usage of target and difficulty to be measured separately from other items.

After the inventory shrinkage reserves, if the former influence factors for reducing the inventory value disappears and the net realizable value of inventory is higher than the corresponding book value, the amount reserved for the former inventory shrinkage reserves shall be reinstituted and the reinstituted amount shall be included in gains and losses of the current period.

4. Inventory system

Perpetual inventory system is adopted.

5. Amortization method for low priced and easily worn articles and packing

(1) Low value consumables shall take the one-time write-off method.

(2) Packages are subject to one-off write-off process.

(XIII) Contract asset

The Company's right to collect consideration for transferring goods or services to customers, which depends on other factors except for the passage of time, will be recognized as contract assets. The Company's right to collect consideration from customers unconditionally (i.e., only depending on the passage of time) will be presented separately as receivables.

(XIV) Assets held for sales

1. Recognition criteria of non-current assets held for sale or disposal group

If the Company mainly recovers the book value by selling (including non-monetary assets exchange of commercial substance, the same below) rather than continuously using a non-current asset or disposal group, it shall be classified as an asset held for sale.

The Company classifies the non-current asset or disposal group satisfying the following conditions as an asset held for sale:

(1) According to the practices of selling such asset or disposal group in similar transactions, it can be sold immediately in the current condition;

(2) It is extremely likely to be sold, namely, the Company has made a resolution on a sales plan and acquired certain purchase commitment, and the sale is expected to be completed within 1 year. Those that can be sold only after getting the approval of related authority or supervision department of the Company according to related regulations have got the approval.

Certain purchase commitment refers to a legally binding purchase agreement signed by the Company and any other party. The agreement contains the transaction price, time, harsh punishment for breach of contract and other important clauses, so that the agreement is extremely unlikely to be significantly adjusted or revoked.

2. Accounting treatment method of non-current assets held for sale or disposal group

When the Company initially measures or, on the balance sheet date, re-measures the non-current assets held for sale or disposal group, if the book value is higher than the net amount of fair value after subtracting the selling expenses, the book value shall be written down to the aforesaid net amount, and

the written-down amount shall be recognized as asset impairment loss and included in the current profits and losses. In addition, the provision for impairment of assets held for sale shall be accrued.

(1) For fixed assets held for sale, the anticipated net residual value of the fixed assets shall be adjusted so that it can reflect the amount of its fair value after subtracting the disposal expenses, but it shall not exceed the original book value of the fixed assets when the conditions of assets held for sale are satisfied. The difference between the original book value and the anticipated net residual value after adjustment shall be included in the current profits and losses as asset impairment loss. Depreciation will not be accrued for fixed assets held for sale, and they will be measured according to the book value or the net amount of fair value after subtracting the disposal expenses, whichever is lower.

(2) For equity investment held for sale in the associated enterprise or cooperative enterprise, it's required to stop the accounting treatment by equity method from the date when it's classified as an asset held for sale.

(3) If the investment in subsidiaries for sale will cause the Company to lose the control power over subsidiaries, regardless of whether the Company retains minority shareholder's equity after the sale, when the investment in subsidiaries to be sold satisfies the classification conditions of assets held for sale, the Company will classify the investment in subsidiaries as an asset held for sale on the whole in the individual financial statements of the parent company, and classify all assets and liabilities of the subsidiaries as the assets and liabilities held for sale in the consolidated financial statements.

3. Accounting treatment when the recognition conditions of assets held for sale are no longer satisfied

(1) If an asset or a disposal group is classified as an asset held for sale, but it no longer satisfies the recognition conditions of fixed assets held for sale later, the Company will stop classifying it as an asset held for sale and will measure it according to the amount of the following two items, whichever is lower:

① The book value of the asset or disposal group before it's classified as an asset held for sale, namely, the amount after adjustment according to the depreciation, amortization or impairment that shall be recognized originally in the condition that it's supposed not to be classified as an asset held for sale;

②Recoverable amount on the date when the Company decides not to sell the asset or disposal group.

(2) If the equity investment in the associated enterprise or cooperative enterprise that has been classified as an asset held for sale no longer satisfies the classification conditions of assets held for sale, the Company will make retroactive adjustment by equity method from the date when it is classified as an asset held for sale.

4. Accounting treatment of other non-current assets held for sale

Other non-current assets such as intangible assets complying with the conditions of assets held for sale shall be treated according to above principles. Other non-current assets herein do not include deferred income tax assets, assets arising from staff remuneration, financial assets regulated by *Accounting Standards for Business Enterprises No.22—Recognition and Measurement of Financial Instruments*, investment real estate and biological assets measured at fair value, and contractual rights arising from insurance contracts.

(XV) Long-term equity investment

1. Classification of long-term equity investment and the judgment basis

(1) Classification of long-term equity investment

Long-term equity investment can be divided into three categories, namely, equity investment for the investor to control and impose significant impacts on the investee, and equity investment in its cooperative enterprise.

(2) Judgment basis of the categories of long-term equity investment

① The basis for determining the control over the investee;

Control means that the investor owns the power of the investee, enjoys variable returns by participating in related activities of the investee, and has the ability of utilizing the power over the investee to influence the return amount. Related activity refers to the activity imposing significant impacts on the returns from the investee.

Related activities of the investee shall be judged according to the specific situation, usually including the sales and purchase of goods or services, the management of financial assets, the purchase and disposal of assets, research and development activities, financing activities, etc.

Make a judgment on whether to control the investee on the basis of comprehensively considering the establishment purpose of the investee, its related activities and how to make decisions on related activities, whether the power enjoyed by the Company enables it to lead related activities of the investee at present, whether it can enjoy variable returns by participating in related activities of the investee, whether it's able to use its power over the investee to influence its return amount, and the relations with other parties, etc. Once any change of relevant facts and circumstances leads to the change of relevant factors involved in control, evaluation shall be conducted again.

When judging whether it owns the power over the investee, only substantive rights related to the investee shall be considered, including the substantive rights enjoyed by it and by other parties.

② Basis for determining that it has significant impacts on the investee:

Significant impact refers to an enterprise's power on participating in the decision-making of financial and business policies, but it cannot control the formulation of these policies alone or commonly with other parties.

The Company usually judges whether it has significant impacts on the investee according to one or more of the following circumstances:

A. Have a representative in the board of directors or similar authority of the investee. Under the circumstances, as the investor has a representative in the board of directors or similar authority of the investee, and enjoys the substantive right to participate in the decision-making accordingly, it can participate in the formulation of financial and business policies of the investee through the representative, so as to impose significant impacts on the investee.

B. Participate in the formulation process of financial and business policies of the investee. Under the circumstances, the Company can put forward suggestions and advice for its own interests in the process of formulating these policies, thus imposing significant impacts on the investee.

C. Have important transactions with the investee. As relevant transactions are important for daily operation of the investee, they can affect the production and operation decisions of the investee to a certain extent.

D. Assign managers to the investee. Under the circumstances, managers have the power to lead related activities of the investee, thus imposing significant impacts on the investee.

E. Provide key technical materials for the investee. As the investee's production and operation need to rely on the investor's technology or technical materials, it indicates that the investor has significant impacts on the investee.

When the Company judges whether it has significant impacts on the investee, regardless of whether one or more of the above circumstances exist, it's also required to comprehensively consider all the facts and circumstances to make a comprehensive judgment.

Equity investment for the investor to impose significant impacts on the investee, i.e., investment in the associated enterprise.

③ Basis for determining whether the investee is a cooperative enterprise:

Cooperative enterprise of the Company means that the Company only has the right to the net assets of

joint arrangement.

2. Determination of the initial cost of long-term equipment investment

(1) Long-term equipment investment arising from business combination

Business combination under common control: if the Company realizes combination consideration by paying in cash, transferring non-cash assets or bearing liabilities and issuing equity securities, the book value of the owner's equity of the combined party acquired by the Company in the consolidated financial statements of final controlling party on the combination date shall be initial investment cost of the long-term equity investment. According to the difference between initial investment cost of the long-term equity investment and the combination consideration paid, the capital reserve (capital premium or stock premium) shall be adjusted. If the capital reserve (capital premium or stock premium) is insufficient to offset the difference, the retained earnings shall be adjusted. If the combining party realizes combination consideration by issuing equity securities, the total par value of issued shares shall be the capital stock. According to the difference between initial investment cost of the long-term equity investment and the total par value of issued shares, the capital reserve (capital premium or stock premium) shall be adjusted. If the capital reserve (capital premium or stock premium) is insufficient to offset the difference, the retained earnings shall be adjusted.

Business combination under different controls: the Company takes the combination cost determined on the purchase date as initial investment cost of the long-term equity investment. The combination cost shall be the fair value of the assets paid, liabilities incurred or assumed and equity securities issued by the acquirer for acquiring the control power over the acquiree on the purchase date. The transaction cost of equity securities or debt securities issued by the acquirer as combination consideration shall be included in initially recognized amount of the equity securities or debt securities. For business combination under different controls realized through multiple transactions step by step, the sum of the book value of the acquiree's equity investment held before the purchase date and the increased investment cost on the purchase date shall be taken as initial investment cost of the investment. The Company takes the contingent consideration agreed in combination agreement as a part of the consideration transferred for business combination, and includes it in business combination cost according to its fair value on the purchase date.

Audit fee, legal service fee, evaluation and consulting fee and other intermediary fees and other related administrative expenses incurred by the combining party or acquirer for business combination shall be included in the current profits and losses upon they're incurred.

(2) Long-term equity investment acquired by other means

For a long-term investment on equity obtained in cash, actually paid acquisition price shall be taken as its initial investment cost, which includes the expenses directly related to the acquisition of long-term equity investments, taxes and other necessary expenditures.

For a long-term investment on equity obtained by issuing equity securities, the fair value of issued equity securities shall be taken as its initial investment cost.

On the premise that exchange of non-monetary assets is commercial in nature and the fair value of the assets received or surrendered can be measured reliably, for the long-term investment on equity which is received by exchanged of non-monetary assets, the fair value of the asserts surrendered shall be the basis for the determination of its initial investment cost, unless there is any exact evidence showing that the fair value of the assets received is more reliable; for exchange of non-monetary assets which doesn't satisfy the above premise, the book value of the assets surrendered and relevant payable taxes and fees shall be taken as the initial investment cost of the long-term investment on equity.

For a long-term investment on equity obtained by debt reorganization, its initial investment cost shall be determined based on the fair value.

3. Subsequent measurement of long-term equity investment and recognition method of profits and losses

The Company can carry out accounting treatment of the long-term equity investment for implementing

control over the investee by cost method.

Long-term equity investments calculated by cost method shall be valuated according to initial investment cost, and the cost of long-term equity investments shall be adjusted in case of increase or recovery of the investments. Cash dividends or profits announced to distribute by the invested enterprise shall be recognized as investment income of the current period.

Equity method is adopted for accounting treatment of the long-term equity investment in the cooperative enterprise and associated enterprise. If the initial investment cost is greater than the fair value of the investee's net identifiable assets that should be enjoyed at the time of investment, the initial investment cost of long-term equity investment will not be adjusted. However, if the initial investment cost is smaller than the fair value of the investee's net identifiable assets that should be enjoyed at the time of investment, the difference will be included in the current profits and losses, and the cost of long-term equity investment will be adjusted simultaneously.

After the long-term equity investment is acquired by the company, it's required to recognize the investment income and other comprehensive income respectively according to the share of net profit or loss and other comprehensive income of the invested enterprise to be enjoyed or shared by the company, and simultaneously adjust the book value of the long-term equity investment. For the part that shall be enjoyed and calculated according to the profits or cash dividends announced to distribute by the invested enterprise, the company is required to reduce the book value of long-term equity investment correspondingly. For other changes in owner's equity of the invested enterprise except the net profit or loss, other comprehensive income and profit distribution, it's required to adjust the book value of the long-term equity investment and include them in the owner's equity.

The share of net profit or loss of the invested enterprise to be enjoyed by the company shall be recognized based on the fair value of identifiable net assets of the invested enterprise when the investment is acquired after adjustment of the net profit of the invested enterprise.

In case the accounting policies and accounting period employed by the invested enterprise are inconsistent with those employed by this company, financial statements of the invested enterprise shall be adjusted according to this company's accounting policies and accounting period. Besides, the investment income, other comprehensive income, etc. shall be recognized on this basis.

The recognition of net loss incurred by the invested enterprise shall be limited to writing down the book value of long-term equity investments and other long-term equity substantially constituting net investment in the invested enterprise to zero, unless the company is obliged to bear extra losses.

If the invested enterprise achieves net profit in the future, after this company makes up for the shared amount of the unrecognized losses with the shared income amount, the recognition of shared income amount should be recovered.

When the net profit or loss of the invested enterprise to be enjoyed or shared by the company is calculated and recognized, the part incurred between the company and associates and joint ventures without internal transaction profit or loss and attributable to the company in proportion shall be offset, and investment income shall be recognized on this basis.

If the unrealized internal transaction loss incurred between the company and the invested enterprise belongs to asset impairment loss according to the relevant regulations of *Accounting Standards for Business Enterprises No.8—Impairment of Asset*, it shall be recognized as transaction loss in full.

If the Company is able to exert significant influence on the investee due to additional investment or implement joint control but does not constitute control, the fair value of the original equity investment determined in accordance with the *Accounting Standards for Business Enterprises No.22—Recognition and Measurement of Financial Instruments* plus the additional investment cost are as the initial cost calculated by the equity method. Where the previously held equity investment is classified as an available-for-sale financial asset, the difference between its fair value and its book value, as well as changes in the accumulated fair value originally included in other comprehensive income, shall be transferred to the current profit and loss calculated using the equity method.

If the joint control or significant influence on the invested unit is lost due to the disposal of some equity investments, etc., the remaining equity after disposal shall be calculated in accordance with the *Accounting Standards for Business Enterprises No.22—Recognition and Measurement of Financial Instruments*. The difference between the fair value and the book value is included in the current profit and loss. Other comprehensive income recognized by the original equity investment under the equity method shall be accounted for on the same basis as when the investee directly disposes of related assets or liabilities when the equity method is terminated.

If the Company loses its control over the investee due to partially disposing of the equity investment or any other reason, during the preparation of individual financial statements, if the residual equity after disposal can impose common control or significant impacts on the investee, equity method shall be adopted instead for accounting treatment, and the residual equity shall be adjusted as if it has been subject to accounting treatment by equity method upon acquisition. If the residual equity after disposal cannot impose common control or significant impacts on the investee, it shall be subject to accounting treatment according to relevant regulations of the *Accounting Standards for Business Enterprises No.22—Recognition and Measurement of Financial Instruments*.

For the disposal of long-term equity investment, the difference between its book value and the actual acquisition price shall be included in the current profits and losses. As to the long-term equity investment subject to accounting treatment by equity method, when it's disposed of, accounting treatment shall be carried out for the part originally included in other comprehensive income according to corresponding proportion on the same basis for directly disposing of related assets or liabilities by the investee.

(XVI) Investment real estate

1. Initial measurement of investment real estate

The investment real estate of the Company includes the leased land use right, the land use right held and ready to be transferred after appreciation and the leased buildings.

2. Subsequent measurement of investment real estate

The Company adopts the fair value model for subsequent measurement of investment real estate.

If the fair value model is adopted for measurement, no depreciation or amortization of investment real estate will be made. the Company estimates its fair value at the end of the period on the basis of individual investment real estate. When there is a significant change in the ending fair value of a single investment real estate, the book value of the real estate shall be adjusted based on the fair value of the single investment real estate at the balance sheet date. The balance between the fair value at the end of the period and the fair value at the beginning of the period of the single investment real estate shall be recorded in current profit and loss. At the same time, the impact of deferred tax assets or deferred tax liabilities shall be considered.

(XVII) Fixed assets

1. Recognition conditions of fixed assets

Fixed assets refer to tangible assets held for production of goods, rendering of services, leasing or operation management with the service life of more than 1 fiscal year. The fixed assets are classified into: houses and buildings, roads, electronic equipment, transportation equipment and office equipment.The fixed assets shall be recognized when complying with the following conditions simultaneously: (1) Economic benefits related to the fixed assets may flow into the enterprise; (2) Cost of the fixed assets can be measured reliably.

2. Depreciation method

Provision for depreciation of fixed assets shall be made by the straight-line method according to classifications. The rate of depreciation shall be determined according to class, estimated useful life and estimated rate of net residual value of the fixed asset.If the service life of each component of a fixed asset is different or it provides economic benefits for the enterprise in different ways, different

depreciation rates or depreciation methods shall be selected, and depreciation shall be accrued separately.

The service life, estimated net residual value, annual depreciation rate and depreciation method of various fixed assets are as follows:

Class of Assets	Estimated residual value rate (%)(%)	Predicted Service Life	Yearly Depreciation Rate (%)
Houses and buildings	3	20-30 years	4.85-3.23
Transportation equipment	3	6-10 years	16.17-9.70
Mechanical equipment	3	10-15 years	9.70-6.47
Office equipment	3	5 years	24.25
Electronic equipment	3	4-11 years	24.25-8.82

(XVIII) Construction-in-process

Construction-in-process shall be accounted according to project classification. The cost shall be determined in accordance with the actual project expenditure, including various necessary project expenditures during construction process, the capitalized borrowing costs before the project reaches the estimated use state and other related expenses.

For the construction in process, all expenditures occurring before constructing the asset to reach its scheduled available status shall be taken as the entry value of the fixed asset. If the fixed asset has reached its scheduled available status but has not transacted completion settlement, it shall be shifted into the fixed asset according to the estimated value based on the project cost budget, cost or actual engineering cost, etc. and the depreciation of the fixed asset shall be accrued according to the company's depreciation policy of fixed asset, and the original provisional estimated value shall be adjusted according to actual cost after the completion settlement is transacted, but the amount of depreciation which has been withdrawn formerly.

(XIX) Borrowing costs

1. Recognition principle of borrowing costs capitalization

Borrowing costs include the interest on borrowings, amortization of discount or premium, auxiliary expenses, exchange differences arising from foreign currency borrowings, etc.

The borrowing costs incurred to the company which can be directly attributable to acquisition and construction or production of the assets complying with the capitalization conditions shall be capitalized and recognized in relevant asset costs; other borrowing costs shall be recognized as costs according to their amounts occurred and recognized in the current profits and losses.

The assets complying with the capitalization conditions refer to fixed assets, investment properties, inventories, etc. which can reach the scheduled available or salable conditions after acquisition and construction or production activities for a long time.

The borrowing costs shall begin capitalization on the premise that all the following conditions are satisfied:

(1) Assets expenditures have already occurred, which include the expenditures occurring in the forms of cash payment, transfer of non-cash assets or assumed interest-bearing debt for acquisition and construction or production of the assets complying with the capitalization conditions;

(2) The borrowing costs have already occurred;

(3) The acquisition and construction or production activities necessary for making the assets reach the scheduled available or salable status have already begun.

2. Capitalization period of borrowing costs

The capitalization period refers to the duration from the time-point the borrowing costs begin capitalization to the time-point the borrowing costs stop capitalization, excluding the capitalization suspending period of borrowing costs.

When the assets which are acquired and constructed or produced to comply with the capitalization conditions reach a scheduled available or salable status, the borrowing costs shall stop capitalization.

When a part of items in acquisition and construction or production of asserts complying with the capitalization conditions are separately completed and available alone, borrowing costs for such part of assets shall stop capitalization.

If each part of asserts acquired and constructed or produced is separately completed, but it shall be available or salable after the whole of the assets is completed, capitalization of borrowing costs shall stop at the time such asserts are completed in whole.

3. Capitalization suspending period of borrowing costs

If the asserts complying with the capitalization conditions have an abnormal interruption in the process of acquisition and construction or production, lasting for three months above, the borrowing costs shall suspend capitalization; if such an interruption is a necessary procedure for the acquired and constructed or produced assets complying with the capitalization conditions to reach a scheduled available or salable status, the borrowing costs shall continue capitalization, the borrowing costs occurring in an interruption period shall be recognized as the current profits and losses, which shall continue capitalization after the acquisition and construction or production activities of assets begin again.

4. Calculation method of borrowing costs capitalization amounts

For a specific borrowing for the acquisition, construction or production of assets eligible for capitalization, the amount of capitalization shall be determined by deducting the interest income obtained by depositing the unused borrowing funds into the bank or the investment income obtained by temporary investment from the borrowing costs of the specific borrowing actually incurred in the current period and its auxiliary expenses.

If the general borrowing is occupied for the acquisition, construction or production of assets eligible for capitalization, the interest amount of the general borrowing that should be capitalized shall be calculated and determined by multiplying the weighted average of the portion of accumulated asset expenditure exceeding the specific borrowing by capitalization rate of the occupied general borrowing. The capitalization rate shall be calculated and determined according to the weighted average interest rate of general borrowing.

If depreciation or appreciation exists in a borrowing, the depreciation or appreciation amount which shall be amortized during each accounting period shall be determined according to actual interest rate method to adjust the Interest amount in each period.

(XX) Intangible assets

1. Valuation methods of intangible assets

(1) Carry out initial measurement according to its cost of when obtained intangible assets

Cost of intangible assets outsourcing, including purchasing price, related tax and other expenditure incurred and directly ascribed to intended purpose of the assets. Purchasing price of intangible assets shall be delay in payment if exceeding normal credit terms, for those of financing nature in fact, cost of the intangible assets shall be determined based on current value of the Purchasing price.

For intangible assets used for debt payment by the debtor through debt restructuring, entry value shall be determined based on fair value of the intangible assets, and difference between book value of the restructured debt and fair value of the intangible assets used for debt payment shall be accounted into current profits and losses;

Under the premise that non-monetary assets exchange is in commercial nature and faire value of the assets received or surrendered can be measured reliably, entry value of the intangible assets received through non-monetary assets exchange shall be determined based on fair value of the assets surrendered, unless more reliable fair value of the assets received is proved by concrete evidence; for non-monetary assets exchange fails to meet premise above, book value of the assets surrendered and relevant payable tax shall be used as cost of the intangible assets, profits and losses are not conformed.

For intangible assets obtained through business consolidation merger under the same controlling company, the entry value shall be determined according to book value of the combined party; for intangible assets obtained through business consolidation merger from different controlling company, the entry value shall be determined according to fair value of the intangible assets.

For intangible assets developed inside independently, the cost includes: material, labor cost and registration fee spent during the development, amortization of other patent rights and chartered rights used during the development as well as interest expense meeting capitalizing condition, together with other direct expenses paid till the intangible assets achieve intended purpose.

(2) Subsequent measurement

To analyze and judge its service life when obtaining the intangible assets

For intangible assets with limited service life, straight-line amortization shall be performed within the period when the enterprise obtains economic benefits; during the time when no economic benefits are expected for the enterprise, it shall be deemed as intangible assets with undetermined service life, thus no amortization is allowed.

2. Service life estimation of intangible assets with limited service life

Class of Intangible Assets	Amortization years
Software	2-5 years
Finished automobile technology	8 years
Land use rights	30-40 years

At end of each term, service life and amortization method of the intangible assets with limited service life are re-checked.

After recheck, no difference is found at the term-ending of this year in terms of service life and amortization method of the intangible assets and the previous estimation.

3. R&D expenditure

The R&D expenditure of internal projects of This Company includes research R&D expenditure.

The expenditure at research stage shall be included in current profit and loss upon incurred.

The expenditure at development stage shall be recognized as intangible assets if the following conditions are satisfied simultaneously, and included in the current profit and loss if the following conditions are not satisfied:

① The intangible assets are finished so that they are available for use or sale or feasible in terms of technology;

② There is intent to finish and use of sell the intangible assets;

③ The way in which the intangible assets generate economic benefits, including demonstration of product market or market of the intangible assets themselves, for those for internal use, serviceability shall be proved.

④ There are sufficient technical and financial resources as well as other resource supports to finish

development of the intangible assets and it is able to use or sell the intangible assets;

⑤ Expenditure ascribed to development of the intangible assets can be measured reliably.

Where the expenditure at research stage and the expenditure at development stage cannot be distinguished, all R&D expenditures incurred shall be included in the current profit and loss.

(XXI) Long-term deferred and prepaid expenses

Various expenses that have been incurred but should be shared by the current period and future periods with an amortization period of more than 1 year, including the improvement expenditure for the operation of leased fixed assets, will be amortized as long-term unamortized expenses according to the expected benefit period. If the long-term deferred expense items can't benefit the future accounting period, the amortized value that has not yet been amortized will be fully transferred into the current profits and losses.

(XXII) Contract liability

The Company recognizes the obligation to transfer goods or services to customers for the consideration received or receivable from customers as contract liabilities. If the customer has paid the contract consideration or the Company has obtained the unconditional collection right before the Company transfers the goods to the customer, the Company will recognise such amount received or receivable as contractual liabilities at the earlier of the actual payment and due payment of the customer. The contract assets and contractual liabilities under the same contract are presented on a net basis, and the contractual assets and contractual liabilities under different contracts are not offset.

(XXIII) Staff remuneration

Staff remuneration refers to all forms of remuneration or compensation given for acquiring the services rendered by employees or for the termination of labor relations, including short-term remuneration, post-employment benefit, dismiss welfare and other long-term employee benefits.

1. Accounting treatment method of short-term remuneration

Short-term remuneration actually incurred during the accounting period when employees render services to the Company is recognized as liabilities, and included in the current profits and losses or related assets cost.

2. Accounting treatment method of post-employment benefits

The post-employment benefit plan is classified into defined contribution plan and defined benefit plan.

During the accounting period when employees render services to the Company, the amount to be deposited calculated according to the defined contribution plan will be recognized as liabilities, and included in the current profits and losses or related assets cost. According to the defined contribution plan, if it is expected that the amount to be deposited will not be paid in full within 12 months after the end of the annual report period when employees render related services, the staff remuneration payable will be measured at the discounted total amount to be deposited according to the market profitability of government bonds or high-quality corporate bonds in the active market that match the obligation period and currency of the defined benefit plan on the balance sheet date.

The Company discounts all obligations under the defined benefit plan according to the market profitability of government bonds or high-quality corporate bonds in the active market that match the obligation period and currency of the defined benefit plan on the balance sheet date, including the obligation of payment expected to be completed within 12 months after the end of the annual report period when employees render services.

If there are assets under the defined benefit plan, the deficit or surplus arising from subtracting the fair value of assets under the defined benefit plan from the present value of obligations under the defined benefit plan will be recognized as net liabilities or net asset of the defined benefit plan. If there is a surplus of the defined benefit plan, the enterprise will measure the net assets of the defined benefit plan

based on the surplus of the defined benefit plan or the asset ceiling, whichever is lower. Asset ceiling refers to the present value of economic benefits that an enterprise can acquire by refunding funds from the defined benefit plan or reducing the funds deposited in the defined benefit plan in the future.

At the end of the report period, the service cost in staff remuneration cost arising from the defined benefit plan and the net interest of net liabilities or net assets under the defined benefit plan will be included in the current profits and losses or assets cost, and the changes arising from the re-measurement of net liabilities or net assets under the defined benefit plan will be included in other comprehensive income, are not allowed to be reversed to profits and losses in subsequent accounting period, and can be transferred within the scope of interests.

Under the defined benefit plan, the historical service cost will be recognized as the current expenses on the date when the defined benefit plan is modified or the date when related restructuring expenses or dismiss welfare is recognized, whichever is earlier.

When an enterprise makes settlement of the defined benefit plan, the settlement gains or losses will be recognized. The gains or losses are the difference between the present value of obligations under the defined benefit plan determined on the settlement date and the settlement price.

3. Accounting treatment method of dismiss welfare

The staff compensation liabilities arising from dismiss welfare shall be recognized on the following earlier date and included in the current gains and losses:

(1) When the enterprises cannot unilaterally withdraw the dismiss welfare provided in labor relation termination plan or downsizing proposal;

(2) When the enterprises recognize the costs or expenses related to reorganization involving the payment of dismiss welfare.

If it's expected that dismiss welfare can be paid in full within 12 months after the end of annual report period when it's recognized, the relevant provisions on short-term remuneration shall apply. If it's expected that dismiss welfare can't be paid completely within 12 months after the end of annual report period, relevant regulations on other long-term employee benefits shall apply.

4. Accounting treatment method of other long-term employee benefits

Other long-term employee benefits that satisfy the conditions of the defined contribution plan shall be treated according to above 2. Those that do not comply with the defined contribution plan shall be subject to the relevant regulations on defined benefit plans, and the net liabilities or net assets of other long-term employee benefits shall be recognized and measured. At the end of the report period, the service cost in other long-term employee benefits, net interest of net liabilities or net assets, and the total net amount of changes arising from the re-measurement of other long-term employee benefits shall be included in the current profits and losses or related assets cost.

(XXIV) Estimated liabilities

When it's involved in litigation, debt guarantee, loss contract and restructuring, if these matters are likely to need delivery of assets or rendering of services in the future, and its amount can be reliably measured, it shall be recognized as anticipation liabilities.

Estimated liability is initially measured based on the best estimate expended for the performance of related present obligations, and contingency-related risk, uncertainty, currency time value and other factors are taken fully into account. If currency time value has a great influence, the best estimate is recognized by discounting related future cash outflow; the increase in estimated liability book value caused by discounting and reduction arising from the passage of time is recognized as interest cost.

Book value of estimated liability is re-checked and properly adjusted at the balance sheet date to reflect current best estimate.

(XXV) Share-based payment

1. Categories and accounting treatment of share-based payment

Share-based payment refers to the transaction of awarding equity instruments or bearing the liabilities based on equity instruments for the purpose of acquiring the services rendered by employees. Share-based payment falls into share-based payment settled by equity and share-based payment settled in cash.

(1) Share-based payment settled by equity

The stock option plan is share-based payment settled by equity for acquiring the services rendered by employees, and will be measured according to the fair value of equity instruments awarded to employees on the awarding date. The share-based payment settled by equity can be vested only when services in the waiting period are completed and the regulated performance conditions are satisfied. On the basis of the best estimate of the quantity of vested equity instruments in the waiting period, the services acquired in the current period will be included in related cost or expenses according to the fair value of equity instruments on the awarding date, and the capital reserve will be increased correspondingly.

On each balance sheet date within the vesting period, the Company makes the best estimate and modifies the estimated number of equity instruments exercisable according to the latest subsequent information such as the change of the number of exercisable employees. The impact of the above estimates shall be included in the relevant costs or expenses of the current period, and the capital reserve shall be adjusted accordingly.

For equity-settled share-based payment in exchange for other party's services, if the fair value of other party's services can be measured reliably, it shall be measured according to the fair value of other party's services on the acquisition date. If the fair value of other party's services cannot be measured reliably, but the fair value of equity instruments can be measured reliably, it shall be measured according to the fair value of equity instruments on the acquisition date of services and included in relevant costs or expenses, and the shareholders' equity shall be increased accordingly.

(2) Cash-settled share-based payment

The stock appreciation right plan is share-based payment settled in cash, and will be measured according to the fair value of liabilities borne by the Company and determined on the basis of its number of shares. The share-based payment settled in cash can be vested only when services in the waiting period are completed and the regulated performance conditions are satisfied. On the basis of the best estimate of the vesting condition on each balance sheet date in the waiting period, the services acquired in the current period will be included in cost or expenses according to the fair value amount of liabilities assumed by the Company, and the liabilities will be adjusted correspondingly. The fair value of liabilities will be measured again on each balance sheet date and settlement date before the settlement of related liabilities, and the changes will be included in the current profits and losses.

2. Determination method of the fair value of equity instruments

For shares awarded to employees, the fair value will be measured according to the market price of the Company’s shares, and adjusted according to the terms and conditions, based on which the shares are awarded (excluding the vesting conditions beyond the market conditions).

For stock options awarded to employees, the fair value of the awarded options will be estimated through option pricing model.

3. Basis for recognizing the best estimate of vested equity instruments

On each balance sheet date in the waiting period, the best estimate will be made according to the latest follow-up information such as the changes in the number of vested employees, etc., so as to revise the quantity of the estimated vested equity instruments.

4. Treatment of the modification and termination of share-based payment plan

If the modification of share-based payment plan increases the fair value of the awarded equity

instruments, the increase in services acquired shall be recognized according to the increase in the fair value of equity instruments.

If the modification of share-based payment plan increases the quantity of the awarded equity instruments, the fair value of the increased equity instruments shall be recognized as the increase in services acquired accordingly.

If the vesting conditions are modified in a way that is beneficial to employees, such as shortening the waiting period, and changing or canceling performance conditions (rather than market conditions), the Company will consider the modified vesting conditions when treating the vesting conditions.

If the terms and conditions are modified in a way that reduces the total fair value of share-based payment or in other ways that are unfavorable for employees, the services acquired should still be subject to accounting treatment as if the change has never happened, unless the awarded equity instruments are cancelled in part or in whole.

If the awarded equity instruments are cancelled in the waiting period, the cancellation of the awarded equity instruments will be treated as accelerated vesting, the amount to be recognized in the remaining waiting period will be immediately included in the current profits and losses, and the capital reserve will be recognized at the same time. If the employee or other party can choose to satisfy the vesting conditions but fails to do so in the waiting period, it will be treated as the cancellation of the awarded equity instruments.

(XXVI) Preferred stock, perpetual bond and other financial instruments

The preferred stock or perpetual bond issued by the Company will be classified as financial liabilities or equity instruments upon initial recognition according to contract terms on the issued financial instruments and the economic substance reflected by it, as well as the definitions of financial liabilities and equity instruments.

If the preferred stock or perpetual bond belongs to financial liabilities, related interest, dividends (or stock dividends), gains or losses, and gains or losses arising from redemption or refinancing will be included in the current profits and losses.

If the preferred stock or perpetual bond belongs to equity instruments, it will be treated as changes in equity when being issued (including refinancing), repurchased, sold or cancelled. The distribution of the holders of equity instruments should be treated as profit distribution, and the stock dividends issued will not affect the total owner's equity.

The transaction cost related to equity transactions will be deducted from equity. Transaction cost refers to incremental expenses directly attributable to the purchase, issuance or disposal of the preferred stock or perpetual bond. Incremental expense refers to the expense that will not be incurred if an enterprise does not purchase, issue or dispose of financial instruments.

For the transaction cost (such as registration fee, underwriting fee, legal, accounting, evaluation and other professional services fees, printing cost, stamp duty, etc.) incurred when issuing or acquiring its own equity instruments, if it can be directly attributed to equity transactions, it will be deducted from equity. The transaction cost incurred in the unfinished equity transactions that have been terminated will be included in the current profits and losses.

(XXVII) Income

1. General principles of the recognition of income

If the Company has fulfilled the performance obligation under the contract, that is, when the customer acquires the control power over related goods or services (referred to as goods), the income will be recognized according to the transaction price apportioned to the performance obligation.

Performance obligation refers to the commitment of the Company to transfer the goods or services that can be clearly distinguished to customers in the contract.

Acquiring the control power over related goods refers to being able to dominate the use of the goods

and obtain almost all relevant economic benefits.

The Company will evaluate the contract on the start date of the contract, identify various individual performance obligations under the contract, and determine whether each individual performance obligation will be fulfilled within a certain period or at a certain time point. Under any of the following circumstances, the performance obligation should be fulfilled within a certain period, and the Company will recognize the income in the period according to the performance progress: (1) The customer will obtain and simultaneously consume the economic benefits brought by the Company's performance; (2) The customer can control the goods under construction during the Company's performance; (3) The goods produced by the Company in the performance process have irreplaceable uses, and the Company has the right to charge for the performance that has been completed accumulatively so far in the whole contract period. Otherwise, the Company will recognize the income at the time when the customer acquires the control power over related goods or services.

For performance obligations fulfilled within a certain period, the Company will determine the appropriate performance progress by input method according to the nature of goods and services. The input method is a method to determine the progress of performance according to the input of enterprises to fulfill performance obligations.When the performance progress cannot be reasonably determined, if it's expected that the cost incurred by the Company can be compensated, the income shall be recognized according to the cost already incurred until the performance progress can be reasonably determined.

2. Variable consideration

If the contract contains a variable consideration, the Company estimates the variable consideration in the contract and cumulative revenue recognized where it is highly probable that a significant reversal therein will not occur when the relevant uncertainty is resolved. On each balance sheet date, the Company re-estimates the amount of variable consideration that should be included in the transaction price.

3. Significant financing components

f the contract contains significant financing components, the Company determines the transaction price according to the amount payable assuming that the customer will pay in cash when obtaining the control over the goods or services, and uses the discount rate that discounts the nominal amount of the contract consideration into the cash sale price of the goods or services to amortize the balance between the determined transaction price and the consideration amount promised in the contract using the effective interest rate method during the contract period.

The Company does not consider the significant financing components in the contract if it is expected that the interval between the customer's acquisition of control over the goods or services and the customer's payment of the price does not exceed one year.

4. Consideration payable to customer

If the contract contains consideration payable to customer, unless the consideration is made to obtain goods or services that can be clearly distinguished, the Company offsets the transaction price with this consideration payable, and offsets the current revenue at the later point when the relevant revenue is recognized or the customer consideration is paid (or promised to pay), whichever is later.

5. Allocation of the transaction price to each individual performance obligation

For contracts with multiple performance obligations, the Company will allocate the transaction price to each individual performance obligation based on the relative proportion of the standalone selling price of the goods or services promised by each individual performance obligation on the commencement date of the contract. However, if there is a conclusive evidence shows that the contract discount or variable consideration is only related to one or more (but not all) performance obligations in the contract, the Company will allocate the contract discount or variable consideration to one or more relevant performance obligations.

Standalone selling price refers to the price at which the Company sells goods or services to customers

separately. If the standalone selling price cannot be directly observed, the Company comprehensively considers all relevant information that can be reasonably obtained, and uses observable input values to estimate the standalone selling price to the greatest extent.

6. Main principals/agents

When engaging in transactions, the Company determines whether it is the principal or agent based on whether it has control over the goods or services before transferring them to customers. If the Company can control the goods or services before transferring them to customers, the Company is the main principal and recognizes the income according to the total amount of consideration received or receivable; Otherwise, it is an agent and recognizes the income according to the amount of commission or handling fee expected to be entitled to receive, which shall be determined according to the net amount of the total consideration received or receivable after deducting the price payable to other relevant parties, or according to the established commission amount or proportion.

7. Change of contract

When the construction contract between the Company and the customer is changed:

(1) If construction services and contract price that can be clearly distinguished are added to the changed contract, and the new contract price reflects the standalone selling price of the new construction services, the Company will treat the change of contract as a separate contract for accounting;

(2) If the change of contract does not belong to the above situation (1), and there is a clear distinction between the transferred construction services and the non-transferred construction services on the date of contract change, the Company will treat it as the termination of the original contract, and combine the non-performance part of the original contract and the change of the contract as a new contract for accounting treatment;

(3) If the change of contract does not belong to the above situation (1), and there is no clear distinction between the transferred construction services and the non-transferred construction services on the date of contract change, the Company will take the part of the contract change as an integral part of the original contract for accounting treatment, and the resulting impact on the recognized income will be adjusted to the current income on the date of contract change.

(XXVIII) Contract cost

1. Contract performance cost

For cost incurred by the Company for performing the contract, if it does not fall within the scope of other Accounting Standards for Business Enterprises except the income standards, it shall be recognized as an asset as contract performance cost under the following conditions:

(1) The cost is directly related to a current or expected contract, including direct labor, direct material and manufacturing expenses (or similar expenses), the cost borne by the customer, and other cost incurred only due to this contract;

(2) The cost increases the resources of the enterprise for fulfilling its performance obligations in the future.

(3) It’s expected that the cost can be recovered.

The asset will be presented under inventory or other non-current assets according to whether the amortization period at the initial recognition exceeds a normal operating cycle.

2. Contract acquisition cost

The incremental cost incurred by the Company for acquiring a contract, if expected to be recovered, shall be recognized as an asset as the contract acquisition cost. Incremental cost refers to the cost that the Company will not incur without acquiring a contract, such as sales commission, etc. If the amortization period is shorter than one year, it will be included in the current profits and losses upon incurred.

3. Amortization of contract cost

The above assets related to contract cost shall be amortized on the same basis as the recognition of income from goods or services related to the assets and according to the fulfillment time point or progress of performance obligations, and be included in the current profits and losses.

4. Impairment of contract cost

For an asset related to contract cost, if its book value is higher than the difference between the following two items, the Company will accrue the provision for impairment of the excess part and recognize it as asset impairment loss:

(1) Remaining consideration expected to be acquired by the enterprise due to the transfer of goods or services related to the asset;

(2) Estimated cost to be incurred for transferring the related goods or services.

If the difference between the above (1) and (2) is higher than the book value of the asset due to any change in impairment factors in the previous period, the provision for impairment of assets already accrued shall be reversed and included in the current profits and losses, but the book value of the asset after reversal shall not exceed its book value on the reversal date under the condition of assuming that the provision for impairment is not accrued.

(XXIX) Government subsidy

Governmental subsidies are monetary assets or non-monetary assets obtained by the company from government. They include assets related governmental subsidies and income related governmental subsidies.

1. Judgment basis and accounting treatment method of assets-related government subsidy

Assets-related government subsidy refers to the government subsidy obtained by the Company for acquiring, constructing or otherwise forming the long-term assets.

Government subsidies related to assets are recognized as deferred income, and are included into profits and losses by stages within the service life of related assets according to reasonable and systematic methods .The government subsidy measured at nominal amount will be directly included in the current profits and losses.

If related assets are sold, transferred, scrapped or damaged before the end of the service life, the undistributed balance of related deferred income will be transferred into the profits and losses in the period of assets disposal.

2. Judgment basis and accounting treatment method of income-related government subsidy

Other government subsidies acquired by the Company beyond those related assets are income-related government subsidies. The income-related government subsidy shall be treated according to the following different situations:

(1) The income-related government subsidy for compensating related cost expenses or losses in the future periods shall be recognized as deferred income, and included in the current profits and losses in the period when related cost expenses or losses are recognized.

(2) The income-related government subsidy for compensating related cost expenses or losses already incurred shall be directly offset by current profits and losses.

For the government subsidy that includes both the part related to assets and the part related to income, accounting treatment shall be conducted for different parts separately. If it’s difficult to distinguish the different parts, it shall be classified as income-related government subsidy as a whole.

The government subsidy related to daily activities of the Company shall be included in other income according to the essence of economic business. The government subsidy unrelated to daily activities of the Company shall be included in non-operating income and expense.

(3) The finance department will directly allocate the discount interest funds to the Company, and the Company will offset relevant borrowing costs with the corresponding discount interest funds.

The government subsidy shall be recognized and measured according to the actual amount received when it's actually received. Only when there is unambiguous evidence indicating that the subsidy is appropriated according to the fixed quota standard, and that it can satisfy relevant conditions stipulated in financial support policies and it is expected to receive the financial support funds, it can be recognized and measured according to the amount receivable.

(XXX) Deferred income tax assets and deferred income tax liabilities

For temporary differences arising from the difference between the book value of certain assets and liabilities and their tax basis, and the difference between the book value of the items that are not recognized as assets and liabilities but whose tax basis can be determined according to the tax law and their tax basis, the deferred income tax assets and deferred income tax liabilities shall be recognized by balance sheet liability method.

Generally, all temporary differences shall be recognized as related deferred income taxes. However, for deductible temporary differences, related deferred income tax assets shall be recognized to the extent of the taxable income that is likely to be acquired to offset the deductible temporary differences. In addition, for temporary differences related to the initial recognition of goodwill and the initial recognition of assets or liabilities arising from the transactions that are not business combination and will not affect the accounting profit and taxable income (or deductible losses), related deferred income tax assets and liabilities will not be recognized.

For deductible losses and tax credits that can be carried forward to the following years, the corresponding deferred income tax assets shall be recognized to the extent of the taxable income that is likely to be acquired to offset the deductible losses and tax credits.

Deferred income tax liabilities arising from the taxable temporary differences related to investments in subsidiaries, associated enterprises and cooperative enterprises shall be recognized, unless the Company can control the reversal time of the temporary differences and the temporary differences will probably not be reversed in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associated enterprises and cooperative enterprises, the deferred income tax assets can be recognized only when the temporary differences are likely to be reversed in the foreseeable future and the taxable income that can be used to offset the deductible temporary differences is likely to be acquired in the future. On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured according to the tax law and the applicable tax rate in the period when it's expected to recover related assets or pay off related liabilities.

Except that the current income tax and deferred income tax related to the transactions and events directly included in other comprehensive income or shareholder's equity are included in other comprehensive income or shareholder's equity, and the book value of goodwill is adjusted according to the deferred income tax arising from business combination, other current income tax and deferred income tax expense or income shall be included in current profits and losses.

On the balance sheet date, the company will recheck the book value of deferred income tax assets. If it is unlikely to obtain sufficient taxable income in the future periods to offset the benefits of deferred income tax assets, the book value of deferred income tax assets shall be written down. When sufficient taxable income is likely to be obtained, the written-down amount shall be reversed.

When the company has the legal right to make net settlement and intends to do so or acquires assets and pays off liabilities simultaneously, the current income tax assets and current income tax liabilities of the company shall be presented by net amount after offset.

When having the legal right to settle the current income tax assets and current income tax liabilities on a net basis, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection and management department on the same taxpayer or different taxpayers, but within the reversal period of every significant deferred income tax asset and liability in the future, the taxpayers involved intend to make net settlement of the current income tax

assets and liabilities or acquire assets and pay off liabilities at the same time.Thus deferred income tax assets and deferred income tax liabilities are reported on a net basis after offsetting.

(XXXI) Lease

Lease refers to a contract under which the Company transfers or acquires the right to control the use of one or more identified assets within a certain period in exchange for or with payment of consideration. On the start date of the contract, the Company will evaluate whether the contract is a lease or includes a lease.

(1) The Company being the lessee

(1) Initial measurement

At the commencement of the lease term, the Company will recognize the right to use the leased assets during the lease term as a right-of-use asset, and recognize the present value of the unpaid lease payment as a lease liability (except for short-term lease and low-value asset lease). When calculating the present value of the lease payment, the Company will adopt the interest rate implicit in lease as the discount rate. If the interest rate implicit in lease cannot be determined, the lessee's incremental borrowing rate will be employed as the discount rate.

(2) Subsequent measurement

According to relevant regulations of the *Accounting Standards for Business Enterprises No.4—Fixed Assets* on depreciation, the Company will accrue depreciation for right-of-use assets (please refer to this Notes III. (XVII) for details). If it can be reasonably determined that the ownership of a leased asset can be acquired upon expiration of the lease term, the Company will accrue depreciation within the residual service life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be acquired upon expiration of the lease term, the Company will accrue depreciation in the lease term or the residual service life of the leased asset, whichever is shorter.

For a lease liability, the Company will calculate its interest expense in each period of the lease term according to the fixed periodic rate, and include it in the current profits and losses or related assets cost. The variable lease payments not included in the measurement of lease liabilities shall be included in the current profits and losses or related assets cost when they're actually incurred.

After the commencement of the lease term, in case of any change in the substantive fixed payment, the estimated amount payable for guaranteed residual value, the index or ratio used to determine the lease payments, or the evaluation result or actual exercise situation of the purchase option, renewal option or termination option, the Company will re-measure the lease liabilities according to the present value of the lease payments after change, and adjust the book value of right-of-use assets accordingly. If the book value of right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Company will include the remaining amount in the current profits and losses.

(3) Short-term lease and low-value asset lease

For short-term lease (the lease with a lease term of less than 12 months from the commencement of the lease) and low-value asset lease, the Company will adopt a simplified treatment method, and not recognize the right-of-use assets and lease liabilities. Instead, during each period of the lease term, the lease payments will be included in related assets cost or the current profits and losses by straight-line method or other systematic and reasonable methods.

2.The Company being the lessor

At the commencement of the lease, based on the essence of transactions, the Company divides the lease into financial lease and operating lease. Financial lease refers to the lease that substantially transfers almost all risks and rewards related to the ownership of the leased assets. Operating lease refers to other lease except the financial lease.

(1) Operating lease

The Company recognizes the lease receipts of operating lease as the rental income in each period of the

lease term by straight-line method. The variable lease payments related to operating lease, which is not included in lease receipts, will be included in the current profits and losses upon they're actually incurred.

(2) Financial lease

At the commencement of the lease term, the Company will recognize the financial lease payments receivable and derecognize the financial leasing assets. The financial lease payments receivable will be initially measured according to the net lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts not received at the commencement of the lease term and discounted according to the interest rate implicit in lease). The interest income during the lease term will be calculated and recognized according to the fixed periodic rate. In addition, the variable lease payments acquired by the Company and not included in the measurement of net lease investment will be included in the current profits and losses when they're actually incurred.

(XXXII) Affiliated parties

When one party controls or commonly controls another party or imposes significant impacts on another party, and two or more parties are controlled by the same party or controlled commonly, it will constitute a related party. The related party can be an individual or an enterprise. An enterprise that is only controlled by the state but has no other related party relationship will not constitute a related party.

Related parties of the Company include, but are not limited to:

1. Parent company;

2. Subsidiaries;

3. Other enterprises controlled by the same parent company;

4. Investors implementing common control;

5. Investors imposing significant impacts;

6. Cooperative enterprises, including subsidiaries of the cooperative enterprises;

7. Associated enterprises, including subsidiaries of the associated enterprises;

8. Main individual investors and family members closely associated with them;

9. Key managers of the Company or its parent company, and family members closely associated with them;

10. Other enterprises controlled or commonly controlled by main individual investors, key managers or family members closely associated with them.

(XXXIII) Change in main accounting policies and accounting estimate

1. Changes in accounting policies resulted from the implementation of new income standards

None.

2. Changes in accounting policies resulted from the implementation of new standards for financial instruments

None.

3. Correction of major earlier errors

None.

IV. Taxation

Main taxation types and tax rates

Taxation Type	Taxation Basis	Tax Rate (%)
VAT	The output tax is calculated based on the income from the sale of goods and taxable services calculated in accordance with the tax law. The value-added tax payable is the balance after deducting the input tax allowed to be deducted in the current period.	3,6,9,13
Corporate income tax	Calculated and levied on the basis of taxable income	15,25
Urban maintenance and construction tax	Calculated and levied on the basis of the actually paid value-added tax	7
Educational surtax	Calculated and levied on the basis of the actually paid value-added tax	3
Local educational surtax	Calculated and levied on the basis of the actually paid value-added tax	2

According to the *Notice on Announcing the List of the First Batch of High-tech Enterprises in Sichuan Province in 2020* issued by the Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department and Sichuan Provincial Tax Service, State Taxation Administration, Yibin Cowin Automobile Co., Ltd. , a subsidiary of the Company, was identified as the first batch of high-tech enterprises in Sichuan Province in 2020, and was awarded the *Certificate of High & New Technological Enterprise* (Certificate No.: GR202051001060, valid for 3 years). According to the *Enterprise Income Tax Law* and other relevant regulations, the Company is entitled to 15% of preferential corporate income tax rate for national high-tech enterprises from September 11, 2020 to September 11, 2023.

V. Notes to Items in the Consolidated Financial Statements

For the data in the financial statements as disclosed below, unless otherwise stipulated, “the end of last year” refers to December 31, 2021, “term-ending” refers to December 31, 2022, “the current period” refers to the year from January 1, 2021 to December 31, 2021, “the previous period” refers to the year from January 1, 2022 to December 31, 2022.

(I) Monetary capital

Items	Term-ending Balance	Balance at the End of Last Year
Cash		2,870.00
Bank deposit	1,211,795,660.08	1,382,281,468.63
Other monetary capital	233,036,271.01	646,916,257.45
Total	**1,444,831,931.09**	**2,029,200,596.08**

Details of restricted monetary funds are as follows:

Items	Term-ending Balance	Reason of Being Restricted
Other monetary capital	207,331,278.22	Deposit
Other monetary capital	25,300,723.97	Special purpose account
Other monetary capital	276,432.78	Dormant account
Other monetary capital	127,836.04	Funds supervision account
Total	**233,036,271.01**	

(II) Trading financial assets

Items	Term-ending Balance	Balance at the End of Last Year
Financial assets at fair value through profit or loss for the current period	499,817,904.02	419,044,861.77
Including: equity instrument investment	499,817,904.02	219,044,819.04
Others		200,000,042.73
Total	**499,817,904.02**	**419,044,861.77**

(III) Notes receivable

Items	Term-ending Balance	Balance at the End of Last Year
Bank acceptance bill	23,876,263.80	128,878,170.25
Commercial acceptance bill	187,953,598.60	67,638,759.06
Total	**211,829,862.40**	**196,516,929.31**

(IV) Account receivable

1. Disclosure by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	1,922,164,046.75	1,365,750,170.84
1-2 years	5,569,730.68	
2-3 years		
3 years above	71,300.00	71,300.00
Subtotal	**1,927,805,077.43**	**1,365,821,470.84**
Less: bad debts provision	71,300.00	71,300.00
Total	**1,927,733,777.43**	**1,365,750,170.84**

2. Classified presentation by accrual method of bad debts provision

Category	Term-ending Balance				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with individual accrual of bad debts provision					
Account receivable of bad debts provision provided in portfolio	1,927,805,077.43	100.00	71,300.00		1,927,733,777.43
Including: riskless portfolio	983,878,690.08	51.04			983,878,690.08
Combination of aging analysis method	943,926,387.35	48.96	71,300.00	0.01	943,855,087.35
Total	**1,927,805,077.43**	**100.00**	**71,300.00**		**1,927,733,777.43**

(Continued)

Category	Balance at the End of Last Year				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with individual accrual of bad debts provision					
Account receivable of bad debts provision provided in portfolio	1,365,821,470.84	100.00	71,300.00		1,365,750,170.84
Including: riskless portfolio	127,366,661.26	9.33			127,366,661.26
Combination of aging analysis method	1,238,454,809.58	90.67	71,300.00	0.01	1,238,383,509.58
Total	**1,365,821,470.84**	**100.00**	**71,300.00**	**0.01**	**1,365,750,170.84**

(1) Accounts receivable with individual accrual of bad debts provision at the term-ending: None

(2) In the combination, accounts receivable accrued by combination of aging analysis method:

Aging	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Bad Debts Provision	Accrual Percentage (%)	Book Balance	Bad Debts Provision	Accrual Percentage (%)
Within 1 year	943,855,087.35		0.00	1,238,383,509.58		0.00
1-2 years			10.00			10.00
2-3 years			50.00			50.00
3 years above	71,300.00	71,300.00	100.00	71,300.00	71,300.00	100.00
Total	**943,926,387.35**	**71,300.00**		**1,238,454,809.58**	**71,300.00**	

3. Situation of the bad debts provision

Category	Balance at the End of Last Year	Amount of Changes in the Current Period			Term-ending Balance
		Accrual	Recovery or Reversal	Write off or Cancel After Verification	
Accounts receivable with a single significant amount and individual accrual of bad debts provision					
Account receivable of bad debts provision provided in portfolio	71,300.00				71,300.00
Including: riskless portfolio					
Combination of aging analysis method	71,300.00				71,300.00
Total	**71,300.00**				**71,300.00**

4. Accounts receivable actually written off in the current period: None

5. Details of accounts receivable with larger term-ending balance collected by the indebted party

Company Name	Term-ending Balance	Proportion to Total Term-ending Balance of Account Receivable (%)	Amount of Bad Debts Provision Withdrawn
Far East Cable (Yibin) Co., Ltd.	883,116,300.90	45.81	
Yibin Yirui Automobile Co., Ltd.	368,837,000.00	19.13	
Yibin Flex International Trade Co., Ltd.	157,651,854.00	8.18	
Sichuan Zhenmao International Trade Co., Ltd.	147,013,517.06	7.63	
ELLADA INTERTREYD Ltd	125,930,138.96	6.53	
Total	**1,682,548,810.92**	**87.28**	

(V) Prepayments

1. Prepayments listed by aging

Aging	Term-ending Balance		Balance at the End of Last Year	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	814,941,986.43	95.70	387,574,149.13	91.55
1-2 years	5,507,365.42	0.65	1,188,703.21	0.28
2-3 years	175,832.86	0.02	3,910,004.16	0.92
3 years above	30,910,047.23	3.63	30,707,324.08	7.25
Total	**851,535,231.94**	**100.00**	**423,380,180.58**	**100.00**

2. Details of prepayments with larger term-ending balance collected by prepayments

Company Name	Relationship with the Company	Term-ending Balance	Proportion to Total Term-ending Balance of Prepayments (%)
Yixing Wanma Benteng Material Technology Co., Ltd.	Supplier	397,210,294.86	46.65
Chengdu Baosteel Automobile Steel Parts Processing & Distribution Co., Ltd.	Supplier	133,461,643.79	15.67
Yibin Weida Optoelectronics Co., Ltd.	Supplier	60,781,768.76	7.14
Umicore Automotive Catalyst (Suzhou) Co., Ltd.	Supplier	31,945,604.29	3.75
Chery New Energy Vehicle Technology Co., Ltd.	Supplier	30,000,000.00	3.52
Total		**653,399,311.70**	**76.73**

(VI) Other receivables

Items	Term-ending Balance	Balance at the End of Last Year
Interest receivable	3,009,284.63	

Items	Term-ending Balance	Balance at the End of Last Year
Other receivables	1,430,008,464.95	1,203,760,746.68
Total	**1,433,017,749.58**	**1,203,760,746.68**

1. Interest receivable

Items	Term-ending Balance	Balance at the End of Last Year
Entrusted loan	3,009,284.63	
Total	**3,009,284.63**	

2. Other receivables

(1) Disclosure by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	1,410,619,886.30	1,173,316,466.68
1-2 years	1,614,298.65	5,428,200.00
2-3 years	228,200.00	7,470,000.00
3 years above	17,849,543.38	17,849,543.38
Subtotal	**1,430,311,928.33**	**1,204,064,210.06**
Less: bad debts provision	303,463.38	303,463.38
Total	**1,430,008,464.95**	**1,203,760,746.68**

(2) Classified presentation by accrual method of bad debts provision

Category	Term-ending Balance				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	1,430,311,928.33	100.00	303,463.38	0.02	1,430,008,464.95
Including: riskless portfolio	1,409,765,079.89	98.56			1,409,765,079.89
Combination of aging analysis method	20,546,848.44	1.44	303,463.38	1.48	20,243,385.06
Total	**1,430,311,928.33**	**100.00**	**303,463.38**	**0.02**	**1,430,008,464.95**

(Continued)

Category	Balance at the End of Last Year

	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	1,204,064,210.06	100.00	303,463.38	0.03	1,203,760,746.68
Including: riskless portfolio	1,200,145,761.68	99.67			1,200,145,761.68
Combination of aging analysis method	3,918,448.38	0.33	303,463.38	7.74	3,614,985.00
Total	**1,204,064,210.06**	**100.00**	**303,463.38**	**0.03**	**1,203,760,746.68**

A. Other receivables for which bad debts provision are individually withdrawn at the term-ending: None

B. In the combination, other receivables accrued by combination of aging analysis method

Aging	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Bad Debts Provision	Accrual Percentage (%)	Book Balance	Bad Debts Provision	Accrual Percentage (%)
Within 1 year	20,243,385.06		0.00	3,614,985.00		0.00
1-2 years			10.00			10.00
2-3 years			50.00			50.00
3 years above	303,463.38	303,463.38	100.00	303,463.38	303,463.38	100.00
Total	**20,546,848.44**	**303,463.38**		**3,918,448.38**	**303,463.38**	

(3) Situation of the bad debts provision

Category	Balance at the End of Last Year	Amount of Changes in the Current Period			Term-ending Balance
		Accrual	Recovery or Reversal	Write off or Cancel After Verification	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	303,463.38				303,463.38
Including: riskless portfolio					
Combination of aging analysis method	303,463.38				303,463.38
Total	**303,463.38**				**303,463.38**

(4) Other receivables actually written off in the current period: None

(5) Top five other receivables at the term-ending balances aggregated by arrears

Company Name	Term-ending Balance	Proportion to Total Term-ending Balance of Other Receivables (%)	Amount of Bad Debts Provision Withdrawn
Yibin Sanjiang New Area Industry and Service Bureau	1,193,610,704.90	83.45	
China Foreign Trade Financial Leasing Co., Ltd.	17,500,000.00	1.22	
CITIC Trust Co., Ltd.	9,800,000.00	0.69	
Bridge Trust Co., Ltd.	5,200,000.00	0.36	
Xiamen International Trust Co., Ltd.	5,000,000.00	0.35	
Total	**1,231,110,704.90**	**86.07**	

(VII) Inventory

Items	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Falling Price Reserves	Book Value	Book Balance	Falling Price Reserves	Book Value
Raw materials	296,457,032.87		296,457,032.87	226,011,056.20		226,011,056.20
Merchandise inventory	149,595,452.71		149,595,452.71	93,015,352.84		93,015,352.84
Revolving materials	832,228.33		832,228.33	14,889,458.93		14,889,458.93
Goods shipped in transit				60,861,416.55		60,861,416.55
Semi-finished product				12,347,033.09		12,347,033.09
Total	**446,884,713.91**		**446,884,713.91**	**407,124,317.61**		**407,124,317.61**

(VIII) Non-current assets due within one year

Items	Term-ending Balance	Balance at the End of Last Year
Debt investment due within one year	3,510,036,715.00	68,073,000.00
Interest receivable on debt investment	8,898,083.32	20,445,041.65
Interest receivable on other borrowings	3,048,049.16	
Total	**3,521,982,847.48**	**88,518,041.65**

Details of debt investment due within one year

Debt Unit	Term-ending Balance	Loan Maturity Date
Yibin Lingang Jinyuan Industry Investment Promotion Service Co., Ltd.	2,000,000,000.00	2023/9/2
Yibin Yanjiang Construction Investment Development Co., Ltd.	370,000,000.00	2023/12/29
XITC- Working capital loan sheet of Yanjiang Construction No. 2 Project	300,000,000.00	2023/3/30

Debt Unit	Term-ending Balance	Loan Maturity Date
Yibin Luolong Industrial Cluster Zone Investment Development Co., Ltd.	200,000,000.00	2023/4/29
Yibin Yanjiang Construction Investment Development Co., Ltd.	185,000,000.00	2023/5/27
Yibin Yanjiang Construction Investment Development Co., Ltd.	150,000,000.00	2023/12/19
XITC- Working capital loan sheet of Yanjiang Construction	86,110,715.00	2023/6/24
Yibin Yanjiang Construction Investment Development Co., Ltd.	65,000,000.00	2023/12/29
Yibin Yanjiang Construction Investment Development Co., Ltd.	53,926,000.00	2023/11/27
Yibin Luolong Industrial Cluster Zone Investment Development Co., Ltd.	50,000,000.00	2023/4/29
Yibin Grace Textile Co., Ltd.	50,000,000.00	2023/6/30
Total	**3,510,036,715.00**	

(IX) Other current assets

Items	Term-ending Balance	Balance at the End of Last Year
Entrusted loan	650,000,000.00	650,000,000.00
Interest receivable on entrusted loan	7,434,027.82	634,027.78
Taxes to be deducted (prepaid)	39,301,933.38	316,614,567.63
Total	**696,735,961.20**	**967,248,595.41**

Details of entrusted loan at the end of the period

Debt Unit	Term-ending Balance	Loan Term
Yibin Yanjiang Construction Investment Development Co., Ltd.	400,000,000.00	2022/08/05 to 2023/08/04
Yibin Nanxi Caiyuan State-owned Assets Management Co., Ltd.	250,000,000.00	2022/04/29 to 2023/04/29
Total	**650,000,000.00**	

(X) Debt investments

Items	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
XITC- single-fund trust contract for working capital loan of Yanjiang Construction	898,610,715.00		898,610,715.00	898,610,715.00		898,610,715.00
XITC- single-fund trust loan contract for working capital loan of Cuiping State-owned Assets	490,000,000.00		490,000,000.00	490,000,000.00		490,000,000.00
XITC- single-fund trust loan contract for working capital loan of Yanjiang Construction No. 2 Project	300,000,000.00		300,000,000.00	300,000,000.00		300,000,000.00
XITC- single-fund trust contract for Yibin Xinye No.2 Project loan	221,332,414.07		221,332,414.07	549,288,710.54		549,288,710.54
XITC- single-fund trust contract for share investment of Yibin Emerging Industry Limited Partnership	122,500,000.00		122,500,000.00	122,500,000.00		122,500,000.00
XITC- single-fund trust contract for working capital loan of Zhiwei Technology	50,000,000.00		50,000,000.00	50,000,000.00		50,000,000.00
Yibin Lingang Jinyuan Industry Investment Promotion Service Co., Ltd.	2,000,000,000.00		2,000,000,000.00	2,000,000,000.00		2,000,000,000.00
Shenzhen Tinno Mobile Technology Corp.	1,000,000,000.00		1,000,000,000.00	700,000,000.00		700,000,000.00
Yibin Yanjiang Construction Investment Development Co., Ltd.	823,926,000.00		823,926,000.00	884,999,000.00		884,999,000.00
Yibin Luolong Industrial Cluster Zone Investment Development Co., Ltd.	250,000,000.00		250,000,000.00	250,000,000.00		250,000,000.00
Yibin Grace Textile Co., Ltd.	50,000,000.00		50,000,000.00	50,000,000.00		50,000,000.00
Less: debt investment due within one year	3,510,036,715.00		3,510,036,715.00	68,073,000.00		68,073,000.00
Total	**2,696,332,414.07**		**2,696,332,414.07**	**6,227,325,425.54**		**6,227,325,425.54**

(XI) Long-term equity investment

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Sichuan Aee Aviation Technology Co., Ltd.	219,619,605.61	10,000,000.00		-22,097,225.88						207,522,379.73	
Yibin Libao New Material Co., Ltd.	106,485,665.34	199,999,997.48		9,199,923.60			4,675,000.00			311,010,586.42	
Yibin High-end Growth Industry Investment Guidance Fund	28,418,226.47		20,000,000.00	3,096,258.87			1,903,000.00			9,611,485.34	
Yibin Langtai Emerging Industry Investment Fund (Limited Partnership)	3,664,014.31			-16,572.50						3,647,441.81	
Sichuan Wedone Intelligent Technology Co., Ltd.	25,117,124.94			-1,911,478.57						23,205,646.37	
Beijing Key Power Technologies Co., Ltd.	218,574,525.39			45,626,455.47			10,090,000.01			254,110,980.85	
Sichuan Changjiang Private Economic Financing Guarantee Co., Ltd.	361,288,065.95			5,702,814.59						366,990,880.54	
Yibin New Generation Information Industry Investment Fund (Limited Partnership)	238,629,024.65	59,746,500.00		61,836,350.91						360,211,875.56	
Yibin Tianyi New Material Technology Co., Ltd.	219,714,427.86			-15,761,074.08						203,953,353.78	
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	174,668,119.20		63,000,000.00	-9,570,293.05						102,097,826.15	
Guoqi (Beijing) Intelligent Network United Automobile Industry Investment Center (Limited Partnership)	38,072,218.15			-3,568,241.89						34,503,976.26	
Yibin Talent Innovation and Entrepreneurship Equity Investment Partnership (Limited Partnership)	202,710,138.38			-679,183.59						202,030,954.79	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Yibin Chendao New Energy Industry Equity Investment Partnership (Limited Partnership)	1,495,202,762.92			16,226,368.22						1,511,429,131.14	
Sichuan Sanjiang Kunpeng Technology Co., Ltd.	11,713,393.85			184,957.62						11,898,351.47	
Sichuan Yibin Pushi Automobile Integrated Industry Development Co., Ltd.	165,052,122.99						49,600.00			165,002,522.99	
Yibin Changyi Auto Parts Co., Ltd.	14,056,505.61									14,056,505.61	
Yibin Yixing Automobile Technology Co., Ltd.	66,002,190.22		66,002,190.22								
Sichuan Yunbu Technology Co., Ltd.	9,420,000.00		4,066,295.36							5,353,704.64	
Yibin Shengtuo Industrial Investment Promotion Service Partnership (Limited Partnership)		1,000,000,000.00		-129.38						999,999,870.62	
Yibin Yingfa Ruineng Equity Investment Partnership (Limited Partnership)		656,500,000.00		-1,455,579.40						655,044,420.60	
Sichuan Sanjiang Huihai Commercial Factoring Co., Ltd.		50,000,000.00		1,457,551.16						51,457,551.16	
Jiashan Dingfeng Venture Capital Partnership (Limited Partnership)		30,000,000.00		-2,574,042.06						27,425,957.94	
Sichuan Hongshan New Energy Technology Co., Ltd.		25,000,000.00		113,958.18						25,113,958.18	
Yibin SECCO Phase I New Energy Venture Capital Partnership (Limited Partnership)		10,000,000.00		-3,080.40						9,996,919.60	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
North Emerging (Yibin) Venture Capital Partnership (Limited Partnership)		145,000,000.00		-3,603,420.24						141,396,579.76	
Guangzhou Lihe Kecheng Venture Capital Partnership (Limited Partnership)		132,000,000.00		106,117.95						132,106,117.95	
Zibo CICV DATA No.2 Investment Center (Limited Partnership)		10,000,000.00								10,000,000.00	
Ruiqing Automobile Engine Technology Co., Ltd.									1,038,011,335.86	1,038,011,335.86	
Yibin Shidai Kaiyi New Energy Technology Co., Ltd.		294,000.00								294,000.00	
Yibin Nanmu Nanotechnology Co., Ltd.		100,000,000.00		-1,372,239.77						98,627,760.23	
Total	**3,598,408,131.84**	**2,428,540,497.48**	**153,068,485.58**	**80,938,195.76**			**16,717,600.01**		**1,038,011,335.86**	**6,976,112,075.35**	

(XII) Investment real estate

Investment real estate with measured with fair value

Items	Buildings and Structures	Total
I. Balance at the end of last year	416,947,300.00	416,947,300.00
II. Changes in the current period	457,053,108.21	457,053,108.21
Plus: outsourcing		
Intangible assets\Fixed asset\Transfer in from construction in progress	445,865,136.27	445,865,136.27
Changes in fair value	11,187,971.94	11,187,971.94
Less: disposal		
Other transfer-in		
III. Term-ending Balance	874,000,408.21	874,000,408.21

(XIII) Fixed asset

1. Situation of summary statement

Items	Term-ending Balance	Balance at the End of Last Year
Fixed asset	2,656,908,072.13	2,932,699,499.52
Clearance of fixed assets	21,870,746.95	
Total	**2,678,778,819.08**	**2,932,699,499.52**

2. Fixed asset

Items	House and Buildings	Mechanical Equipment	Transportation Equipment	Office and Electronic Equipment	Total
I. Original book value					
1. Balance at the end of last year	2,250,864,654.99	1,504,632,838.11	94,519,348.45	37,949,892.39	3,887,966,733.94
2. Increase in this year	113,594,987.36	220,306,379.75	844,252.70	5,649,272.30	340,394,892.11
(1) Acquisition		1,517,199.98	844,252.70	341,899.60	2,703,352.28
(2) Transfer in from construction in progress	113,594,987.36	218,789,179.77		5,307,372.70	337,691,539.83
3. Decrease in this year	342,270,934.10	591,941,179.29	87,795,824.99	629,740.44	1,022,637,678.82
(1) Disposal or scrapping	96,548,054.08	102,000,067.40	86,199,914.84	629,740.44	285,377,776.76
(2) Other decreases	245,722,880.02	489,941,111.89	1,595,910.15		737,259,902.06
4. Term-ending balance	2,022,188,708.25	1,132,998,038.57	7,567,776.16	42,969,424.25	3,205,723,947.23
II. Accumulated depreciation					
1. Balance at the end of last year	132,554,859.65	765,437,831.28	43,747,507.63	13,527,035.86	955,267,234.42
2. Increase in this year	45,918,282.05	92,320,935.27	9,178,785.59	7,951,469.82	155,369,472.73

Items	House and Buildings	Mechanical Equipment	Transportation Equipment	Office and Electronic Equipment	Total
(1) Accrual	45,918,282.05	92,320,935.27	9,178,785.59	7,951,469.82	155,369,472.73
3. Decrease in this year	90,506,570.22	421,346,593.95	49,445,431.78	522,236.10	561,820,832.05
(1) Disposal or scrapping	56,681,897.23	54,045,357.99	48,222,252.14	522,236.10	159,471,743.46
(2) Other decreases	33,824,672.99	367,301,235.96	1,223,179.64		402,349,088.59
4. Term-ending balance	87,966,571.48	436,412,172.60	3,480,861.44	20,956,269.58	548,815,875.10
III. Provision for impairment					
1. Balance at the end of last year					
2. Increase in this year					
(1) Accrual					
3. Decrease in this year					
(1) Disposal or scrapping					
4. Term-ending balance					
IV. Book value					
1. Term-ending book value	1,934,222,136.77	696,585,865.97	4,086,914.72	22,013,154.67	2,656,908,072.13
2. Term-beginning book value	2,118,309,795.34	739,195,006.83	50,771,840.82	24,422,856.53	2,932,699,499.52

(XIV) Construction-in-process

1. Balance the amount of construction in progress at the end of the period

Project Category	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
Equipment installation engineering	1,317,271,467.70		1,317,271,467.70	1,265,290,225.09		1,265,290,225.09
Building decoration engineering	409,538,406.51		409,538,406.51	453,638,398.17		453,638,398.17
Total	**1,726,809,874.21**		**1,726,809,874.21**	**1,718,928,623.26**		**1,718,928,623.26**

2. Changes in projects under construction in the current period

Project Name	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term		Term-ending Balance
			Transferred to Fixed Assets	Other Decreases	
Equipment installation engineering	1,265,290,225.09	302,385,697.92	224,096,552.47	26,307,902.84	1,317,271,467.70
Yibin Big Data Industrial Park Project (Phase II)	33,714,566.05	180,735,027.90			214,449,593.95
Phase I Infrastructure Project of Yibin New Energy Automobile and Parts Industrial Park	99,707,231.10	54,395,867.31			154,103,098.41
Cowin Exhibition Center	40,845,776.79	139,937.36			40,985,714.15
Yibin Big Data Industrial Park Project (Phase I)	167,808,082.82	278,057,053.45		445,865,136.27	
Supporting Shift Dormitory of Yibin Automobile Industrial Park	111,562,741.41	2,032,245.95	113,594,987.36		
Total	**1,718,928,623.26**	**817,745,829.89**	**337,691,539.83**	**472,173,039.11**	**1,726,809,874.21**

(XV) Intangible assets

Items	Land Use Rights	Software System	Technology	Total
I. Original book value				
1. Balance at the end of last year	245,548,459.05	68,438,327.91	1,338,355,229.21	1,652,342,016.17
2. Increase in the current period		510,679.61	281,934,621.47	282,445,301.08
(1) Acquisition		510,679.61	10,312,206.37	10,822,885.98
(2) Internal R&D			271,622,415.10	271,622,415.10
(3) Business combination and increase				
3. Decrease in the current period	104,372,505.00	102,606.84	24,127,663.35	128,602,775.19
(1) Disposal	47,840,419.00			47,840,419.00
(2) Other decreases	56,532,086.00	102,606.84	24,127,663.35	80,762,356.19
4. Term-ending balance	141,175,954.05	68,846,400.68	1,596,162,187.33	1,806,184,542.06
II. Accumulated amortization				
1. Balance at the end of last year	38,025,772.65	58,355,795.53	366,596,840.35	462,978,408.53
2. Increase in the current period	6,170,524.19	8,061,225.16	143,101,780.99	157,333,530.34
(1) Accrual	6,170,524.19	8,061,225.16	143,101,780.99	157,333,530.34
(2) Business combination and increase				
3. Decrease in the current period	23,314,418.30			23,314,418.30
(1) Disposal or scrapping	12,956,780.13			12,956,780.13
(2) Other decreases	10,357,638.17			10,357,638.17
4. Term-ending balance	20,881,878.54	66,417,020.69	509,698,621.34	596,997,520.57
III. Provision for Impairment				
1. Balance at the end of last year				
2. Increase in this year				
(1) Accrual				
(2) Merge and increase				
3. Decrease in this year				
(1) Disposal				
4. Term-ending balance				
IV. Book value				
1. Term-ending book value	120,294,075.51	2,429,379.99	1,086,463,565.99	1,209,187,021.49
2. Term-beginning book value	207,522,686.40	10,082,532.38	971,758,388.86	1,189,363,607.64

(XVI) Development expenditure

Items	Balance at the End of Last Year	Increase in the Current Period		Decrease in the Current Period		Term-ending Balance
		Merge and Increase	Increase in Investment	Conversion into Intangible Assets	Other Decreases	
FX12 finished automobile project	141,172,707.62		160,165,254.91			301,337,962.53
GS11 finished automobile project	422,936,764.01		58,240,009.11	237,008,130.77		244,168,642.35
M11 project	127,738,372.94		2,348,515.98		31,672.48	130,055,216.44
FX11EV finished automobile project	84,545,726.06		4,770,576.78			89,316,302.84
XD41 project	88,314,323.46					88,314,323.46
T21FL 2017 Car of the Year	74,879,835.42		20,300.00			74,900,135.42
FX11 model modification M01 project	57,433,035.55		3,611,432.52			61,044,468.07
A19FL	38,649,515.32				1,564,561.18	37,084,954.14
Ruihong finished automobile project	30,806,694.13					30,806,694.13
Other development projects	47,500,544.19		1,257.36	231,922.00	27,562,238.53	19,707,641.02
GS11 CBU project	6,057,955.87		12,062,888.95			18,120,844.82
FX11 CBU project	9,226,588.16		7,924,485.85			17,151,074.01
FX11-M01 CBU project	9,269,710.47		5,849,352.71			15,119,063.18
GS11 2022 Car of the Year	850,894.77		13,901,736.54			14,752,631.31
FX11 M01 RDE regulation upgrade project	2,942,372.71		10,013,594.27			12,955,966.98
MC23 project	12,551,211.60					12,551,211.60
GS11 RDE regulation upgrade project	1,645,408.94		8,758,699.48			10,404,108.42

Items	Balance at the End of Last Year	Increase in the Current Period		Decrease in the Current Period		Term-ending Balance
		Merge and Increase	Increase in Investment	Conversion into Intangible Assets	Other Decreases	
A00-BEV project	594,641.39		9,707,799.92			10,302,441.31
FX11 2022 Car of the Year project	4,946,713.56		4,027,353.68			8,974,067.24
GS11 CKD project	1,279,826.39		6,961,707.91			8,241,534.30
XD21 project	7,308,353.16					7,308,353.16
N212 public project			5,792,774.46			5,792,774.46
GS11 BEV foreign-related cooperative BEV/battery replacement project			5,703,788.86			5,703,788.86
Q22 series national-V standard	5,329,526.57					5,329,526.57
FX12 CBU project			4,573,136.53			4,573,136.53
M22 project	4,493,868.47					4,493,868.47
FX12 RDE project			4,476,990.21			4,476,990.21
Q26 project	3,582,200.62					3,582,200.62
FX11 RDE regulation upgrade project			3,262,411.44			3,262,411.44
FX11 M01 KD Central Asian export project			2,668,192.27			2,668,192.27
FX11 in-production maintenance project in 2022			2,275,188.42			2,275,188.42
FX11-M01 CBU2 Italian export project			2,232,185.33			2,232,185.33
FX11 M01 EV CBU international general project			1,948,232.41			1,948,232.41
GS11 KD Russian project			1,815,631.00			1,815,631.00
FX11/FX11-M01 KD-Russian project			1,751,841.67			1,751,841.67

Items	Balance at the End of Last Year	Increase in the Current Period		Decrease in the Current Period		Term-ending Balance
		Merge and Increase	Increase in Investment	Conversion into Intangible Assets	Other Decreases	
GS11 in-production maintenance project in 2022			770,502.52			770,502.52
New energy qualification upgrading project of Cowin PHEV			711,611.88			711,611.88
FX12-PHEV project			444,023.07			444,023.07
Optimization project of FX11 conversion and cost reduction model	12,560,895.21		2,993,233.91	15,451,041.12		103,088.00
FX11 in-production maintenance project in 2021	380,845.99		1,193,639.32	1,564,561.18		9,924.13
FX11 M01 EV taxi project			1,939,633.71	1,938,087.00		1,546.71
0M11 Jintong Village commuter bus project			9,948,830.66	9,948,790.09		40.57
FY11 project	69,999.34		218,479.99		288,479.00	0.33
MC22+D4G15+MT(7 seats)	9,055,867.33				9,055,867.33	
Public project order	21,584,689.85				21,584,689.85	
Cowin concept car	3,423,792.73				3,423,792.73	
S31/S32EV project	11,495,704.96				11,495,704.96	
XC41 project	38,362,461.19				38,362,461.19	
XC51 hybrid car project						
ISS-XC51 project						
Cowin new energy qualification upgrading project	4,411,227.23				4,411,227.23	
EX11 finished automobile project	3,405,731.18			3,405,731.18		
E3T10	414.16				414.16	

Items	Balance at the End of Last Year	Increase in the Current Period		Decrease in the Current Period		Term-ending Balance
		Merge and Increase	Increase in Investment	Conversion into Intangible Assets	Other Decreases	
A13T/T19C-E3T10 project	2,525,245.27				2,525,245.27	
E3T10 Engine VAVE project	108,565.02				108,565.02	
XC51 Car of the Year project	1,971,792.45		315,200.00	1,971,792.45	315,200.00	
FX11 non-new platform finished automobile project			102,359.31	102,359.31		
Total	**1,293,414,023.29**		**363,502,852.94**	**271,622,415.10**	**120,730,118.93**	**1,264,564,342.20**

(XVII) Goodwill

Name of Investee	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
		Formed by Business Combination	Disposal	
Yibin Cowin Automobile Co., Ltd.	1,206,564,390.94			1,206,564,390.94
Total	**1,206,564,390.94**			**1,206,564,390.94**

(XVIII) Long-term unamortized expenses

Items Name	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
Loan guarantee fee	34,969,492.73	107,845,765.35	99,782,482.31	43,032,775.77
Decoration fee, etc.	33,691,991.04	24,040,959.57	419,603.73	57,313,346.88
Administrative expenses	9,809,738.38		2,035,284.44	7,774,453.94
Office rent	432,459.01	1,820,088.57	1,441,529.80	811,017.78
Total	**78,903,681.16**	**133,706,813.49**	**103,678,900.28**	**108,931,594.37**

(XIX) Deferred income tax assets/Deferred income tax liabilities

1. Deferred income tax assets without offset

Items	Term-ending Balance		Balance at the End of Last Year	
	Deductible Temporary Differences	Deferred Income Tax Assets	Deductible Temporary Differences	Deferred Income Tax Assets
Bad Debts Provision	374,763.38	93,690.85	374,763.38	93,690.85
Impact of uncovered losses	990,480,954.99	212,240,219.94	700,351,516.96	175,087,879.25
Total	**990,855,718.37**	**212,333,910.79**	**700,726,280.34**	**175,181,570.10**

2. Deferred income tax liabilities without offset

Items	Term-ending Balance		Balance at the End of Last Year	
	Taxable Temporary Differences	Deferred Income Tax Liabilities	Taxable Temporary Differences	Deferred Income Tax Liabilities
Changes in fair value of investment real estate	28,193,212.00	7,048,303.01	6,137,967.60	1,534,491.90
Total	**28,193,212.00**	**7,048,303.01**	**6,137,967.60**	**1,534,491.90**

(XX) Other non-current assets

Items	Term-ending Balance	Balance at the End of Last Year

Items	Term-ending Balance	Balance at the End of Last Year
Project investment funds	350,000,000.00	350,000,000.00
Total	**350,000,000.00**	**350,000,000.00**

(XXI) Short-term borrowing

1. Classification of short-term borrowings

Items	Term-ending Balance	Balance at the End of Last Year
Credit borrowing	389,000,000.00	
Guaranteed borrowing	221,431,586.24	40,000,000.00
Pledge borrowing	1,033,700,000.00	549,000,000.00
Interest payable on short-term borrowings	2,561,510.04	2,041,881.11
Total	**1,646,693,096.28**	**591,041,881.11**

2. The Balance of credit borrowing as of December 31, 2022 is detailed as follows

Lender	Start Date of the Borrowing	End Date of the Borrowing	Term-ending Balance
Sichuan Branch of China Development Bank	2022/5/30	2023/5/30	320,000,000.00
Chengdu Jinniu Sub-branch of China Everbright Bank Co., Ltd.	2022/12/5	2023/12/4	69,000,000.00
Total			**389,000,000.00**

3. The Balance of guaranteed borrowing as of December 31, 2022 is detailed as follows

Lender	Start Date of the Borrowing	End Date of the Borrowing	Term-ending Balance	Guarantor
Yibin Branch of Leshan City Commercial Bank Co., Ltd.	2022/9/23	2023/9/18	50,000,000.00	Yibin Emerging Industry Investment Group Co., Ltd.
Chengdu Branch of Ping An Bank Co., Ltd.	2022/1/27	2023/1/26	38,347,400.35	Yibin Development Holding Group Co., Ltd.
Chengdu Branch of Ping An Bank Co., Ltd.	2022/4/8	2023/4/7	49,984,185.89	Yibin Development Holding Group Co., Ltd.
Chengdu Branch of Ping An Bank Co., Ltd.	2022/7/11	2023/5/21	83,000,000.00	Yibin Development Holding Group Co., Ltd.
Chengdu Branch of China Zheshang Bank Co., Ltd.	2022/10/10	2023/4/10	100,000.00	Yibin Development Holding Group Co., Ltd.
Total			**221,431,586.24**	

4. The Balance of pledge borrowings as of December 31, 2022 is detailed as follows

Lender	Start Date of the Borrowing	End Date of the Borrowing	Term-ending Balance	Pledge
Yibin Development Holding Group Co., Ltd.	2022/8/19	2023/8/17	1,000,000,000.00	Note ①

Lender	Start Date of the Borrowing	End Date of the Borrowing	Term-ending Balance	Pledge
Yibin Rural Commercial Bank Co., Ltd.	2022/12/6	2023/6/5	33,700,000.00	Note ②
Total			**1,033,700,000.00**	

Note ①: The Company provides pledge guarantee for this loan with its 41.6279% equity in Yibin Automobile Industry Development Investment Co., Ltd.

Note ②: Yibin Xinxing Supply Chain Management Co., Ltd. provides pledge guarantee for this loan with the receivables of RMB 30,922,590.95 yuan from Far East Cable (Yibin) Co., Ltd.

(XXII) Notes payable

Items	Term-ending Balance	Balance at the End of Last Year
Bank acceptance bill	754,006,178.56	431,166,825.16
Commercial acceptance bill	226,410,340.00	
Total	**980,416,518.56**	**431,166,825.16**

(XXIII) Account payable

1. Accounts payable listed by the nature of the fund

Nature of Funds	Term-ending Balance	Balance at the End of Last Year
Payment for goods	2,282,993,890.71	1,386,404,054.57
Project funds	1,042,823,726.41	1,274,471,421.95
Others	181,800.00	122,075.69
Total	**3,325,999,417.12**	**2,660,997,552.21**

2. Accounts payable listed by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	2,196,268,181.94	1,213,774,216.58
1-2 years	56,555,015.45	164,682,995.11
2-3 years	43,287,032.88	1,265,740,545.98
3 years above	1,029,889,186.85	16,799,794.54
Total	**3,325,999,417.12**	**2,660,997,552.21**

3. Significant accounts payable aged over 1 year

Name of Creditor	Term-ending Balance	Reason for Non-payment
China MCC5 Group Corp. Ltd.	902,984,506.83	Settlement period not reached
Total	**902,984,506.83**	

(XXIV) Contract liability

1. The contract liabilities listed by the nature of the fund

Items	Term-ending Balance	Balance at the End of Last Year
Payment for goods	80,275,183.33	87,478,365.96
Others	181,333.13	640,000.00
Total	**80,456,516.46**	**88,118,365.96**

2. Contract liabilities listed by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	72,368,883.08	86,983,766.33
1-2 years	7,817,174.80	399,683.56
2-3 years	89,125.45	229,219.77
3 years above	181,333.13	505,696.30
Total	**80,456,516.46**	**88,118,365.96**

(XXV) Staff remuneration payable

1. Presentation of staff remuneration payable

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
I. Short-term remuneration	49,639,635.98	546,869,096.61	520,326,316.77	76,182,415.82
II. Post-employment benefits-defined contribution plan		18,799,753.34	18,760,176.93	39,576.41
III. Dismiss welfare				
Total	**49,639,635.98**	**565,668,849.95**	**539,086,493.70**	**76,221,992.23**

2. Presentation of short-term remuneration

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
1. Salary, bonus, allowance and subsidy	46,370,723.48	479,672,460.21	455,427,622.81	70,615,560.88
2. Staff welfare expense	77,372.85	35,667,238.33	34,354,521.16	1,390,090.02
3. Social insurance charges	174.71	10,100,845.33	10,100,887.78	132.26
Including: medical insurance	152.31	8,774,172.52	8,774,214.97	109.86
Work injury insurance		1,317,915.75	1,317,915.75	
Birth insurance premium	22.40	8,757.06	8,757.06	22.40
4. Housing accumulation funds	3,036.46	14,162,936.84	14,134,951.84	31,021.46

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
5. Labor union expenditure and staff education expenditure	3,188,328.48	7,265,615.90	6,308,333.18	4,145,611.20
Total	**49,639,635.98**	**546,869,096.61**	**520,326,316.77**	**76,182,415.82**

3. Presentation of defined contribution plan

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
1. Basic old-age insurance premiums		17,882,962.30	17,882,522.86	439.44
2. Unemployment insurance expense		503,166.16	503,144.19	21.97
3. Enterprise annuity		413,624.88	374,509.88	39,115.00
Total		**18,799,753.34**	**18,760,176.93**	**39,576.41**

(XXVI) Tax payable

Items	Term-ending Balance	Balance at the End of Last Year
VAT	45,268,190.16	9,645,619.67
Corporate income tax	10,233,830.89	4,802,916.47
Land value increment tax	10,002,609.32	
Consumption tax	6,577,609.40	311,338.39
Stamp duty	1,914,016.87	769,832.29
Urban maintenance and construction tax	1,440,287.11	628,367.03
Personal income tax	994,473.17	1,277,378.64
Educational surtax	617,265.89	269,300.15
Local educational surtax	411,510.61	179,533.44
Land use tax	369,157.03	773,900.53
House property tax	248,134.40	878,271.70
Water conservancy fund	20,111.46	20,111.46
Environmental protection tax	9,699.68	12.12
Total	**78,106,895.99**	**19,556,581.89**

(XXVII) Other payables

1. Situation of summary statement

Items	Term-ending Balance	Balance at the End of Last Year

Items	Term-ending Balance	Balance at the End of Last Year
Interest payable	4,454,474.44	
Dividend payable		
Other payables	2,847,529,270.63	921,638,665.97
Total	**2,851,983,745.07**	**921,638,665.97**

2. Interest payable

Items	Term-ending Balance	Balance at the End of Last Year
Other interest	4,454,474.44	
Total	**4,454,474.44**	

3. Other payables

(1) Other payables presented by nature of funds

Items	Term-ending Balance	Balance at the End of Last Year
Open credit	2,104,540,021.75	796,001,450.83
Deposit	66,151,395.20	124,017,347.29
Others	676,837,853.68	1,619,867.85
Total	**2,847,529,270.63**	**921,638,665.97**

(2) Other payables listed by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	2,497,976,639.54	580,586,832.70
1-2 years	12,182,179.83	15,883,188.20
2-3 years	12,201,806.19	53,980,454.69
3 years above	325,168,645.07	271,188,190.38
Total	**2,847,529,270.63**	**921,638,665.97**

(3) Significant other payables aged over 1 year: None

(XXVIII) Non-current liabilities due within one year

Items	Term-ending Balance	Balance at the End of Last Year
Long-term loans due within one year	108,200,000.00	1,307,000,000.00
Bonds payable due within one year	7,000,000.00	7,000,000.00
Long-term accounts payable due within one year	321,306,261.79	345,664,564.07
Interest payable due within one year	138,684,643.21	136,155,714.17

Items	Term-ending Balance	Balance at the End of Last Year
Total	**575,190,905.00**	**1,795,820,278.24**

1. Details of long-term loans due within one year are as follows

Lender	End Date of the Borrowing	Term-ending Balance
Yibin Branch of Leshan City Commercial Bank Co., Ltd.	2023/6/29	100,000,000.00
Yibin Rural Commercial Bank Co., Ltd.	2027/1/27	6,000,000.00
Yibin Branch of Bank of Chongqing Co., Ltd.	2024/6/10	2,000,000.00
Bridge Trust Co., Ltd.	2025/6/17	100,000.00
Chengdu Qingyang Sub-branch of China Zheshang Bank Co., Ltd.	2024/2/9	100,000.00
Total		**108,200,000.00**

2. Details of bonds payable due within one year are as follows

Bond Name	End Date of the Borrowing	Term-ending Balance
Phase I Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	2024/3/24	7,000,000.00
Total		**7,000,000.00**

3. Details of long-term accounts payable due within one year are as follows

Lender	End Date of the Borrowing	Term-ending Balance
China Development Bank FInancial Leasing Co., Ltd.	2026/6/23	240,000,000.00
China Foreign Trade Financial Leasing Co., Ltd.	2023/11/1	47,041,494.68
Sichuan Sanjiang Huihai Finance Leasing Co., Ltd.	2026/9/2	13,224,533.82
Sichuan Sanjiang Huihai Finance Leasing Co., Ltd.	2026/8/2	11,335,314.70
Sichuan Sanjiang Huihai Finance Leasing Co., Ltd.	2026/6/22	9,704,918.59
Total		**321,306,261.79**

(XXIX) Other current liabilities

Items	Term-ending Balance	Balance at the End of Last Year
Accrued business publicity fee	54,820,957.89	51,494,007.88
Accrued transportation fee	51,851,722.42	25,816,312.88
Accrued rebate	48,437,986.92	51,102,760.68
Accrued pick-up and packing fee	27,117,775.95	27,468,917.02
Accrued other fees	24,067,660.24	3,092,915.00
International after-sales service fee	16,365,402.00	

Items	Term-ending Balance	Balance at the End of Last Year
Accrued advertising fee	6,955,538.61	21,678,841.76
Export expenses	5,523,780.00	
Accrued cleaning fee	3,322,767.98	844,268.44
Accrued transportation premium	3,036,574.48	125,810.10
Unamortized tax	2,207,728.33	11,455,387.57
Accrued lease fee	1,815,465.61	1,579,070.72
Accrued consulting fee	1,696,889.70	3,760,463.17
Accrued kinetic energy	1,396,038.42	1,138,596.50
Accrued market research fee	239,093.00	141,066.73
Accrued internal logistic fee	84,260.29	3,787,453.49
Total	**248,939,641.84**	**203,485,871.94**

(XXX) Long-term loans

1. Classification of long-term loans

Items	Term-ending Balance	Balance at the End of Last Year
Guaranteed borrowing	1,910,000,000.00	2,043,000,000.00
Pledge borrowing	2,080,000,000.00	1,850,000,000.00
Credit borrowing	1,404,228,266.85	180,000,000.00
Subtotal	**5,394,228,266.85**	**4,073,000,000.00**
Less: long-term loans due within one year	108,200,000.00	1,307,000,000.00
Total	**5,286,028,266.85**	**2,766,000,000.00**

2. The Balance of guaranteed borrowing as of December 31, 2022 is detailed as follows

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing	Guarantor
Yibin Branch of Chengdu Rural Commercial Bank Co., Ltd.	495,000,000.00	2022/3/14	2025/3/13	Yibin Cuiping District State-owned Assets Management Co., Ltd., Yibin Big Data Co., Ltd., Yibin Automobile Industry Development Investment Co., Ltd.
PICC Asset- Real Estate Debt Investment Plan of Automobile Industrial Park	686,000,000.00	2018/12/27	2026/12/26	Yibin Development Holding Group Co., Ltd.

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing	Guarantor
Xiamen International Trust Co., Ltd.	400,000,000.00	2022/3/31	2024/3/31	Yibin Sanjiang Investment & Construction Group Co., Ltd., Yibin Emerging Industry Investment Group Co., Ltd.
Xiamen International Trust Co., Ltd.	96,930,000.00	2022/4/29	2024/4/29	Yibin Sanjiang Investment & Construction Group Co., Ltd., Yibin Emerging Industry Investment Group Co., Ltd.
Xiamen International Trust Co., Ltd.	3,070,000.00	2022/5/5	2024/5/5	Yibin Sanjiang Investment & Construction Group Co., Ltd., Yibin Emerging Industry Investment Group Co., Ltd.
Yibin Rural Commercial Bank Co., Ltd.	49,000,000.00	2022/1/28	2027/1/27	Yibin Emerging Industry Investment Group Co., Ltd.
Yibin Branch of Bank of Chongqing Co., Ltd.	10,000,000.00	2022/9/27	2024/6/10	Yibin Emerging Industry Investment Group Co., Ltd.
Yibin Branch of Leshan City Commercial Bank Co., Ltd.	100,000,000.00	2021/6/30	2023/6/29	Guarantor/pledgor: Yibin Cowin Automobile Co., Ltd., Cowin Automobile Sales Co., Ltd./deposit pledge: RMB 42,857,142 yuan/45% equity of Shunqing Automotive Engine Technology Co., Ltd.
Chengdu Guanghua Sub-branch of China Everbright Bank Co., Ltd.	70,000,000.00	2022/12/29	2024/6/28	Yibin Development Holding Group Co., Ltd.
Total	**1,910,000,000.00**			

3. The Balance of pledge borrowings as of December 31, 2022 is detailed as follows

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing	Pledge
CITIC Trust Co., Ltd.	672,000,000.00	2022/2/25	2025/2/25	Note ①
CITIC Trust Co., Ltd.	150,000,000.00	2022/3/23	2025/3/23	
CITIC Trust Co., Ltd.	158,000,000.00	2022/4/25	2025/4/25	
Bridge Trust Co., Ltd.	500,000,000.00	2022/6/23	2025/6/17	Note ②
Yibin Development Holding Group Co., Ltd.	600,000,000.00	2021/12/31	2026/12/14	Note ③
Total	**2,080,000,000.00**			

Note ①: The Company provides pledge guarantee for this loan with the receivables of RMB 250 million yuan from Yibin Luolong Industrial Cluster Zone Investment Development Co., Ltd., RMB 250 million yuan from Yibin Nanxi District Caiyuan State-owned Assets Management Co., Ltd., RMB 215 million yuan from Yibin Yanjiang Construction Investment Development Co., Ltd. and RMB 686 million yuan from Shenzhen Tinno Mobile Technology Corp.; and Yibin Development Holding Group Co., Ltd. provides guarantee for this loan.

Note ②:Yibin Automobile Industry Development Investment Co., Ltd. provides pledge guarantee for this loan with its 31% equity in Sichuan Yibin Pushi Automobile Integrated Industry Development Co.,

Ltd., and the Company also provides pledge guarantee for this loan with the receivables of RMB 146.5 million yuan from Yibin Yanjiang Construction Investment Development Co., Ltd., RMB 314 million yuan from Shenzhen Tinno Mobile Technology Corp. and RMB 50 million yuan from Yibin Zhiwei Technology Co., Ltd.

Note ③: The Company provides pledge guarantee for this loan with the receivables of RMB 858 million from Yibin Yanjiang Construction Investment Development Co., Ltd.

4. The Balance of credit borrowing as of December 31, 2022 is detailed as follows

Lender	Term-ending Balance	Start Date of the Borrowing	End Date of the Borrowing
Yibin Branch of Postal Savings Bank of China Co., Ltd.	650,000,000.00	2022/4/3	2025/3/18
Yibin Branch of Bank of China Limited	600,000,000.00	2020/4/3	2025/3/18
Yibin Branch of China Minsheng Banking Corporation Limited	100,000,000.00	2021/1/1	2026/1/1
Wuhu Wanjiang Urban Construction Investment Co., Ltd.	40,000,000.00	2015/11/27	2025/11/27
Chengdu Qingyang Sub-branch of China Zheshang Bank Co., Ltd.	14,228,266.85	2022/10/28	2024/4/9
Total	**1,404,228,266.85**		

(XXXI) Bond payable

1. Bond payable

Items	Term-ending Balance	Balance at the End of Last Year
20 YX 01	1,998,168,396.29	1,990,768,396.29
20 YX 02	997,070,367.83	993,370,367.83
Phase I Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	496,079,310.38	493,249,310.42
Phase II Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	336,853,684.83	340,678,813.24
Phase III Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	647,971,474.31	644,814,740.99
Phase IV Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	498,889,666.33	496,436,666.29
Dollar bonds (U.S.$195,000,000 2.20 per cent. bonds due 2024)	1,235,213,678.93	1,230,378,199.86
Dollar bonds (U.S.$97,000,000 2.60 per cent. credit enhanced Bonds due 2024)	613,904,718.04	611,252,282.35
Subtotal	**6,824,151,296.94**	**6,800,948,777.27**
Less: bonds payable due within one year	7,000,000.00	7,000,000.00
Total	**6,817,151,296.94**	**6,793,948,777.27**

2. The details of bonds payable are as follows

Bond Name	Face Value	Issuing Date	Bond Term	Issuance Amount

Bond Name	Face Value	Issuing Date	Bond Term	Issuance Amount
20 YX 01	2,000,000,000.00	2020/3/31	5 years	2,000,000,000.00
20 YX 02	1,000,000,000.00	2020/10/16	5 years	1,000,000,000.00
Phase I Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	500,000,000.00	2021/2/26	707 days+ 388 days	500,000,000.00
Phase II Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	350,000,000.00	2021/3/24	3 years	350,000,000.00
Phase III Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	650,000,000.00	2021/3/25	3 years	650,000,000.00
Phase IV Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	500,000,000.00	2021/7/7	23 months +13 months	500,000,000.00
Dollar bonds (U.S.$195,000,000 2.20 per cent. bonds due 2024)	1,243,261,500.00	2021/8/17	35 months	1,243,261,500.00
Dollar bonds (U.S.$97,000,000 2.60 per cent. credit enhanced Bonds due 2024)	618,442,900.00	2021/10/15	35 months	618,442,900.00
Total	**6,861,704,400.00**			**6,861,704,400.00**

(Continued)

Bond Name	Balance at the End of Last Year	Issuance in the Current Period	Interest Accrued According to Par Value	Amortization of Premium or Discount	Repayment in the Current Period	Less: Bonds Payable due Within one Year	Term-ending Balance
20 YX 01	1,990,768,396.29		84,000,000.00	7,400,000.00			1,998,168,396.29
20 YX 02	993,370,367.83		45,000,000.00	3,700,000.00			997,070,367.83
Phase I Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	493,249,310.42		28,500,000.00	2,829,999.96			496,079,310.38
Phase II Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	340,678,813.24		24,878,541.65	3,174,871.59	7,000,000.00	7,000,000.00	329,853,684.83
Phase III Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	644,814,740.99		31,350,000.00	3,156,733.32			647,971,474.31
Phase IV Debt Financing Plan of Yibin Emerging Industry Investment Group Co., Ltd. in 2021	496,436,666.29		28,749,999.96	2,453,000.04			498,889,666.33
Dollar bonds (U.S.$195,000,000 2.20 per cent. bonds due 2024)	1,230,378,199.86		27,712,544.45	4,835,479.07			1,235,213,678.93
Dollar bonds (U.S.$97,000,000 2.60 per cent. credit enhanced Bonds due 2024)	611,252,282.35		16,177,181.68	2,652,435.69			613,904,718.04
Total	**6,800,948,777.27**		**286,368,267.74**	**30,202,519.67**	**7,000,000.00**	**7,000,000.00**	**6,817,151,296.94**

(XXXII) Long-term accounts payable

1. Classification details of long-term accounts payable

Items	Term-ending Balance	Balance at the End of Last Year
Fund from financing lease	1,031,755,974.21	1,367,080,538.28
Subtotal	**1,031,755,974.21**	**1,367,080,538.28**
Less: long-term accounts payable due within one year	321,306,261.79	345,664,564.07
Total	**710,449,712.42**	**1,021,415,974.21**

2. The details of financing leasing as of December 31, 2022 are as follows:

Shareholder's Name	Book Balance	Less: Non-current Liabilities due within One Year	Term-ending Balance
Sichuan Sanjiang Huihai Finance Leasing Co., Ltd.	54,671,437.36	13,224,533.82	41,446,903.54
Sichuan Sanjiang Huihai Finance Leasing Co., Ltd.	46,861,232.02	11,335,314.70	35,525,917.32
Sichuan Sanjiang Huihai Finance Leasing Co., Ltd.	34,641,810.15	9,704,918.59	24,936,891.56
China Foreign Trade Financial Leasing Co., Ltd.	50,541,494.68	47,041,494.68	3,500,000.00
China Development Bank FInancial Leasing Co., Ltd.	845,040,000.00	240,000,000.00	605,040,000.00
Total	**1,031,755,974.21**	**321,306,261.79**	**710,449,712.42**

(XXXIII) Estimated liabilities

Items	Term-ending Balance	Balance at the End of Last Year
After-sales service fee	6,079,657.28	6,615,867.14
Total	**6,079,657.28**	**6,615,867.14**

(XXXIV) Deferred income

Items	Term-ending Balance	Balance at the End of Last Year
Special funds for industrial development	5,262,449.37	3,162,449.37
Total	**5,262,449.37**	**3,162,449.37**

(XXXV) Paid-up capital

Shareholder's Name	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
Yibin Sanjiang Investment & Construction Group Co., Ltd.	4,650,000,000.00			4,650,000,000.00
Total	**4,650,000,000.00**			**4,650,000,000.00**

(XXXVI) Other equity instruments

Items	Balance at the End of Last Year	Increase in This Year	Decrease in This Year	Term-ending
China Fortune International Trust Co., Ltd.		520,000,000.00		520,000,000.00
Total		**520,000,000.00**		**520,000,000.00**

(XXXVII) Capital reserves

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
Other capital reserve	96,945,312.33		96,945,312.33	
Total	**96,945,312.33**		**96,945,312.33**	

(XXXVIII) Other comprehensive income

Items	Balance at the End of Last Year	Amount of the Current Period					Term-ending Balance
		Amount Incurred Before Income Tax in the Current Period	Less: Profits and Losses Converted in the Current Period Included in Other Comprehensive Income in the Prior Period	Less: Income tax expense	Attributed to Parent Company After Tax	Attributed to Minority Shareholders After Tax	
I. Other comprehensive incomes which will be reclassified subsequently to profit and loss		10,522,341.73		2,630,585.44			7,891,756.29
Including: the part that the fair value is greater than the book value when the self-use real estate or the real estate as inventory is converted into the investment real estate measured by the fair value model on the version day		10,522,341.73		2,630,585.44			7,891,756.29
Total other comprehensive income		**10,522,341.73**		**2,630,585.44**			**7,891,756.29**

(XXXIX) Surplus reserves

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
Statutory surplus reserves	36,771,238.85		36,771,238.85	

Items	Balance at the End of Last Year	Increase at Current Term	Decrease at Current Term	Term-ending Balance
Total	**36,771,238.85**		**36,771,238.85**	

(XL) Undistributed profit

Items	Current Period	Prior Period
Undistributed profit at the end of prior period before adjustment	-173,312,443.76	-171,297,031.13
Undistributed profit at the term-beginning after adjustment	-517,831,650.16	-182,696,575.75
Plus: net profits belongs to owner of the parent company at current term	-49,543,778.81	21,570,893.81
Less: withdrawal of statutory surplus reserve	12,871,367.14	12,186,761.82
Distribution of profits to shareholders		
Others		
Undistributed profit at the end of the current period	**-580,246,796.11**	**-173,312,443.76**

(XLI) Operating income and operating cost

Items	Amount of the Current Period		Amount of the Last Period	
	Income	Cost	Income	Cost
Prime operating	4,857,113,439.60	4,862,792,455.99	3,362,487,937.40	3,605,462,788.87
Other operating	438,604,921.99	97,143,736.21	52,648,719.01	10,599,763.57
Total	**5,295,718,361.59**	**4,959,936,192.20**	**3,415,136,656.41**	**3,616,062,552.44**

Details of operating income and operating costs

Items	Amount of the Current Period		Amount of the Last Period	
	Income	Cost	Income	Cost
Prime operating				
Automobile and related business	2,456,681,659.36	2,510,760,230.27	1,911,893,538.52	2,136,259,876.89
Trade income	2,380,967,233.82	2,306,657,959.25	1,442,979,028.03	1,419,907,966.20
Proceeds from financial advisory fees	12,842,160.19		3,190,591.85	
Rental income	6,622,386.23	45,374,266.47	4,424,779.00	49,294,945.78
Subtotal	**4,857,113,439.60**	**4,862,792,455.99**	**3,362,487,937.40**	**3,605,462,788.87**
Other operating				
Technical service	34,807,476.99	33,971,734.23	8,117,216.91	6,501,457.59
Other revenues	403,797,445.00	63,172,001.98	44,531,502.10	4,098,305.98
Subtotal	**438,604,921.99**	**97,143,736.21**	**52,648,719.01**	**10,599,763.57**
Total	**5,295,718,361.59**	**4,959,936,192.20**	**3,415,136,656.41**	**3,616,062,552.44**

(XLII) Taxes and surcharges

Items	Amount of the Current Period	Amount of the Last Period
Consumption tax	24,755,845.81	21,028,784.05
House property tax	17,286,005.04	19,658,562.32
Land use tax	13,254,718.28	14,064,205.28
Land value increment tax	10,002,609.32	
Stamp duty	4,369,164.55	3,619,775.57
Urban maintenance and construction tax	5,297,174.42	3,673,945.95
Educational surtax	2,270,217.61	1,544,519.09
Local educational surtax	1,513,478.41	1,079,543.28
Vehicle and vessel tax	1,200.00	1,200.00
Special fund for water conservancy construction	1,101.46	
Environmental protection tax	24.24	88.07
Total	**78,751,539.14**	**64,670,623.61**

(XLIII) Sales expenses

Items	Amount of the Current Period	Amount of the Last Period
Staff remuneration	52,526,346.56	43,604,500.18
Traffic and transportation fees	40,908,143.30	29,695,648.66
Business publicity expense	37,713,228.64	89,639,712.32
Sales service fee	35,450,293.49	41,588,408.64
Travel expenses and business entertainment	10,999,019.83	10,939,824.98
Office rent	10,131,837.05	4,233,074.24
Intermediary fee	3,141,968.40	14,536,074.13
Depreciation and amortization expense	400,235.72	2,065,182.17
Material expense	191,903.27	43,300.88
Others	13,875,979.97	4,199,217.74
Total	**205,338,956.23**	**240,544,943.94**

(XLIV) Administrative expenses

Items	Amount of the Current Period	Amount of the Last Period
Depreciation and amortization expense	231,229,200.24	166,191,221.23
Staff remuneration	130,027,526.93	97,876,644.47
Fund management fee	12,107,318.06	9,368,525.77

Items	Amount of the Current Period	Amount of the Last Period
Office allowance	7,951,160.68	3,711,733.23
Intermediary fee	7,641,038.22	14,767,852.91
Operation and maintenance fees	6,056,055.36	
Rental and property fees	4,153,812.85	5,406,744.39
Business entertainment expenses	2,275,321.31	723,269.28
Traffic and transportation fees	1,987,407.99	1,389,828.89
Travel expense	1,986,653.77	2,336,053.23
Others	19,432,890.54	23,078,339.44
Total	**424,848,385.95**	**324,850,212.84**

(XLV) R & D expenses

Items Name	Amount of the Current Period	Amount of the Last Period
Material expense	42,938,405.00	151,110.70
Staff remuneration	33,940,459.64	1,635,888.09
Depreciation charge	14,760,906.12	
Outsourced testing fee	14,750,120.00	48,033.01
Travel expense	4,758,994.00	
Office allowance	2,938,404.00	129,559.36
Business entertainment expenses	329,401.00	552.00
Total	**114,416,689.76**	**1,965,143.16**

(XLVI) Finance charge

Items	Amount of the Current Period	Amount of the Last Period
Interest expense	825,699,103.59	608,032,328.05
Less: interest income	86,001,293.76	57,290,993.07
Less: exchange earning	-641,996.35	22,240,631.19
Commission expense	65,475,254.31	14,661,302.19
Total	**805,815,060.49**	**543,162,005.98**

(XLVII) Other incomes

1. Other income sources

Items	Amount of the Current Period	Amount of the Last Period
Government subsidy	15,067,633.27	884,495,051.22

Items	Amount of the Current Period	Amount of the Last Period
Total	**15,067,633.27**	**884,495,051.22**

2. List of governmental subsidies

Items	Amount of the Current Period	Amount of the Last Period	Asset-related/ Income-related
Operation subsidy	15,003,745.77	884,494,283.69	Income-related
Others	63,887.50	767.53	Income-related
Total	**15,067,633.27**	**884,495,051.22**	

(XLVIII) Investment income

Items	Amount of the Current Period	Amount of the Last Period
Investment income from disposal of subsidiaries	527,372,536.75	
Investment income from disposal of long-term equity investment	483,764,114.88	-375,081.33
Proceeds from debt investment	182,166,861.03	516,623,883.42
Long-term equity investment income calculated by equity method	80,938,195.76	121,325,567.24
Total	**1,274,241,708.42**	**637,574,369.33**

(XLIX) Income form changes in fair value

Sources of Income from Changes in Fair Value	Amount of the Current Period	Amount of the Last Period
Trading financial assets	115,237,077.58	28,494,819.04
Investment real estate measured at fair value	665,630.21	6,137,967.60
Total	**115,902,707.79**	**34,632,786.64**

(L) Earnings from disposal of assets

Items	Amount of the Current Period	Amount of the Last Period
Disposal gains on fixed assets	-8,821,322.16	-1,884.31
Total	**-8,821,322.16**	**-1,884.31**

(LI) Non-operating income

Items	Amount of the Current Period	Amount of the Last Period
Government subsidy	300,000.00	3,234,000.00
Income from quality compensation and fines	193,656.57	562,508.91
Return of service charges of personal income tax		48,209.09
Others	850,985.05	311,729.15

Items	Amount of the Current Period	Amount of the Last Period
Total	**1,344,641.62**	**4,156,447.15**

(LII) Non-operating expenses

Items	Amount of the Current Period	Amount of the Last Period
Sponsorship fee	30,000.00	10,000.00
Poverty alleviation guarantee funds	29,300.00	
External donations	10,000.00	31,556.54
Others	1,514,945.17	390,700.68
Total	**1,584,245.17**	**432,257.22**

(LIII) Income tax expense

Items	Amount of the Current Period	Amount of the Last Period
Income tax expense of current period	16,835,933.73	10,190,879.32
Deferred income tax expense	-34,251,284.26	34,741,915.49
Total	**-17,415,350.53**	**44,932,794.81**

(LIV) Supplementary information of cash flow statement

1. Supplementary information of cash flow statement

Supplementary Information	Amount of the Current Period	Amount of the Last Period
1. Reconciliation of net profit into cash flows from operating activities:		
Net profit	120,178,012.12	139,372,892.44
Plus: assets depreciation reserves		
Plus: credit impairment loss		
Depreciation of fixed assets, oil and gas asset depletion, productive biological assets depreciation	155,369,472.73	182,797,060.62
Amortization of intangible assets	157,333,530.34	93,131,745.64
Amortization of long-term unamortized expenses	103,678,900.28	37,727,181.36
Loss on disposal of fixed assets, intangible assets and other long-term assets (income expressed with "-")	8,821,322.16	1,884.31
Loss on the changes in fair value (income expressed with "-")		
Finance charge (income expressed with "-")	825,699,103.59	607,993,178.05
Investment loss (income expressed with "-")		
Decrease in deferred income tax assets (increase expressed with "-")	-37,152,340.69	30,855,391.92
Increase in deferred income tax liabilities (decrease expressed with "-")	5,513,811.11	

Supplementary Information	Amount of the Current Period	Amount of the Last Period
Decrease in inventories (increase expressed with "-")	-39,760,396.30	-228,130,406.40
Decrease in operating receivables (increase expressed with "-")	-1,237,717,878.57	-2,071,924,840.10
Increase in operating receivables (decrease expressed with "-")	1,573,372,088.08	1,358,665,297.85
Others		
Net cash flows from operating activities	1,635,335,624.85	150,489,385.69
2. Investing and financing activities that do not involve cash receipts and payments:		
3. Conditions for net change of cash and cash equivalents:		
Cash at the end of the period	1,095,574,334.08	1,382,284,338.63
Less: cash balance at the end of the last year	1,382,284,338.63	2,116,413,285.49
Plus: cash equivalents at the end of the period		
Influence of fluctuation in exchange rate on cash and cash equivalents		
Less: cash equivalents at the end of the last year		
Net increase in cash and cash equivalents	-170.488 678.55	-734,128,946.86

2. Composition of cash and cash equivalents

Items	Term-ending Balance	Balance at the End of Last Year
I. Cash	1,211,795,660.08	1,382,284,338.63
Including: cash in hand		2,870.00
Bank deposits available for payment at any time	1,211,795,660.08	1,382,281,468.63
Other monetary capitals available for payment at any time		
II. Cash equivalents		
Exchange loss		
III. Balance of cash and cash equivalents at the end of the term	1,211,795,660.08	1,382,284,338.63
Including: use of restricted cash and cash equivalents by the parent company or subsidiaries within the Group	233.036.271.01	646,916,257.45

(LV) Assets with restricted ownership or right of use

1. Restriction details of monetary funds

Items	Term-ending Balance	Reason of Being Restricted
Other monetary capital	207,331,278.22	Deposit
Other monetary capital	25,300,723.97	Special purpose account
Other monetary capital	276,432.78	Dormant account

Items	Term-ending Balance	Reason of Being Restricted
Other monetary capital	127,836.04	Funds supervision account
Total	**233,036,271.01**	

2. Restriction details of equity

Items	Restriction Proportion	Reason of Being Restricted
Cowin Automobile Sales Co., Ltd.	100.00%	Loan pledge
Yibin Automobile Industry Development Investment Co., Ltd.	41.63%	
Yibin Cowin Automobile Co., Ltd.	34.00%	Provide counter collateral
Yibin Yizhi New Energy Automobile Technology Co., Ltd.	96.39%	
Yibin Big Data Co., Ltd.	56.43%	
Yibin Xinxing Supply Chain Management Co., Ltd.	100.00%	

3. Restriction details of long-term equity investment

Items	Restriction Proportion	Book Value	Reason of Being Restricted
Sichuan Aee Aviation Technology Co., Ltd.	40.00%	655,044,420.60	Provide counter collateral
Beijing Key Power Technologies Co., Ltd.	33.63%	262,647,441.38	
Yibin Libao New Material Co., Ltd.	8.33%	311,010,586.42	
Yibin Tianyi New Material Technology Co., Ltd.	35.84%	203,953,353.78	
Sichuan Wedone Intelligent Technology Co., Ltd.	13.97%	23,205,646.37	
Sichuan Yibin Pushi Automobile Integrated Industry Development Co., Ltd.	31.00%	165,002,522.99	
Yibin Changyi Auto Parts Co., Ltd.	35.00%	14,056,505.61	
Ruiqing Engine Technology Co., Ltd.	52.89%	1,038,011,335.86	Loan pledge
Total		**2,672,931,813.01**	

4. Restriction details of debt investments

Items	Pledge Value	Reason of Being Restricted
Yibin Lingang Jinyuan Industry Investment Promotion Service Co., Ltd.	2,000,000,000.00	Provide counter collateral
Yibin Yanjiang Construction Investment Development Co., Ltd.	823,926,000.00	Loan pledge/Counter guarantee
Shenzhen Tinno Mobile Technology Corp.	1,000,000,000.00	Loan pledge
Yibin Luolong Industrial Cluster Zone Investment Development Co., Ltd.	250,000,000.00	
Total	**4,073,926,000.00**	

5. Restriction details of other current assets

Items	Pledge Value	Reason of Being Restricted
Yibin Nanxi Caiyuan State-owned Assets Management Co., Ltd.	250,000,000.00	Loan pledge
Total	**250,000,000.00**	

6. Restriction details of fixed assets

Real Estate Ownership Certificate	Purpose	Area (m^2)	Book Value	Reason of Being Restricted
Chuan (2019) CDSBDCQ No. 0182318	Commercial	172.64		
Chuan (2019) CDSBDCQ No. 0182334	Commercial	172.95		
Chuan (2019) CDSBDCQ No. 0182328	Commercial	170.42		
Chuan (2019) CDSBDCQ No. 0182344	Commercial	765.43		
Chuan (2019) CDSBDCQ No. 0182364	Commercial	315.71		
Chuan (2019) CDSBDCQ No. 0182384	Commercial	326.59	155,024,160.47	Loan mortgage
Chuan (2019) CDSBDCQ No. 0169487	Commercial	757.92		
Chuan (2019) CDSBDCQ No. 0182371	Commercial	170.42		
Chuan (2019) CDSBDCQ No. 0184886	Commercial	172.95		
Chuan (2019) CDSBDCQ No. 0184900	Commercial	169.04		
Chuan (2020) YBSBDCQ No. 2012062	Warehousing	13,372.00		
Total		**16,566.07**	**155,024,160.47**	

7. Restriction details of construction-in-process

Items	Book Value	Reason of Being Restricted
Production line equipment and tooling of Yibin factory of Cowin Automobile Co., Ltd.	1,287,564,243.66	Provide collateral
Cowin Exhibition Center	40,985,714.15	Provide counter guarantee
Total	**1,328,549,957.81**	

8. Restriction details of investment real estate

Items	Book Value	Reason of Being Restricted
Yibin Big Data Industrial Park Project (Phase I)	874,000,408.21	Provide counter guarantee
Total	**874,000,408.21**	

9. Restriction details of intangible assets

Items	Book Value	Reason of Being Restricted

Items	Book Value	Reason of Being Restricted
Chuan (2020) YBSBDCQ No. 2012062	2,194,979.15	Provide counter guarantee
Chuan (2020) YBSBDCQ No. 2011267	23,992,401.82	Provide counter guarantee
Total	**26,187,380.97**	

10. Restriction details of account receivable

Items	Book Value	Reason of Being Restricted
Account receivable	909,252,472.53	Provide counter guarantee
Account receivable	450,000,000.00	Loan pledge
Account receivable	73,883,733.76	
Account receivable	50,000,000.00	
Total	**1,483,136,206.29**	

VI. Change of Consolidation Scope

There are 19 subsidiaries included in the consolidated financial statements of the current period, of which Yibin Xinrong Asset Operation Co., Ltd. is a new subsidiary in the current period, and Ruiqing Automobile Engine Technology Co., Ltd. is a subsidiary that has been deleted in the current period. See Note VII "Rights and Interests in Other Entities" for details.

VII. Rights and Interests in Other Entities

(I) Equity in subsidiaries

S/N	Name of Investee	Domicile	Level	Business Nature	Registered Capital (RMB 10,000 Yuan)	Shareholding Percentage at the End of the Current Period (%)	
						Direct	Indirect
1	Yibin Intelligent Terminal Industry Fund (Limited Partnership)	Yibin City	First-level	Investment and financing	62,700.00	99.68	0.32
2	Yibin Xingrong Investment Management Co., Ltd.	Yibin City	First-level	Investment and management	22,225.00	89.99	10.01
3	Yibin Emerging Industry Development Investment Fund Management Co., Ltd.	Yibin City	First-level	Investment and management	1,000.00	68.00	
4	Yibin Automobile Industry Investment Fund (Limited Partnership)	Yibin City	First-level	Equity investment	250,100.00	19.99	0.04
5	Yibin Automobile Industry Development Investment Co., Ltd.	Yibin City	First-level	Industrial investment	27,008.30	87.01	7.41

S/N	Name of Investee	Domicile	Level	Business Nature	Registered Capital (RMB 10,000 Yuan)	Shareholding Percentage at the End of the Current Period (%)	
						Direct	Indirect
6	Yibin Yuanjin Automobile Industrial Park Partnership (Limited Partnership)	Yibin City	Second-level	Investment	170,100.00		99.94
7	Yibin Yizhi New Energy Automobile Technology Co., Ltd.	Yibin City	Second-level	Engineering and technical research and test development	4,150.00		96.38
8	Yibin Big Data Co., Ltd.	Yibin City	First-level	Industrial investment	32,940.44	56.43	
9	Sichuan Shuan Wangxin Technology Co., Ltd.	Yibin City	Second-level	Software and information technology services	10,000.00		65.00
10	Yibin Xinxing Supply Chain Management Co., Ltd.	Yibin City	First-level	Commercial service industry	10,000.00	100.00	
11	Yibin Xinxing Trade Service Management Co., Ltd.	Yibin City	Second-level	Software and information technology services	4,000.00		100.00
12	Southern Sichuan Economic Zone Integrated Development Investment Fund (Limited Partnership)	Yibin City	First-level	Investment and management	50,100.00	99.80	0.20
13	Yibin Langtai Technology Innovation Equity Investment Partnership (Limited Partnership)	Yibin City	First-level	Equity investment	100,000.00	99.00	
14	Yibin Cowin Automobile Co., Ltd.	Yibin City	Second-level	Sales	472,709.75		80.67
15	Cowin Automobile Sales Co., Ltd.	Anhui Province	Third-level	Sales	100,000.00		80.67
16	Wuhu Ruiqing Investment Co., Ltd.	Anhui Province	Third-level	Consulting service	972.00		77.18
17	Anhui Ruihong Automobile Co., Ltd.	Anhui Province	Third-level	R&D, production and sales	5,434.78		80.67
18	Kaiyi Automotive Technology Co., Ltd.	Chengdu City	Third-level	R&D, production and sales	50,000.00		80.67
19	Yibin Xinrong Asset Operation Co., Ltd.	Yibin City	First-level	Commercial service industry	5,000.00	100.00	

(II) Rights and interests in associated enterprises

S/N	Name of Associated Enterprise	Domicile	Business Nature	Shareholding Percentage (%)	Accounting Treatment

				Direct	Indirect	Method for Investment in Associated Enterprise
1	Yibin High-end Growth Industry Investment Guidance Fund Partnership (Limited Partnership)	Yibin City	Equity investment	30.00		Equity method
2	Sichuan Aee Aviation Technology Co., Ltd.	Yibin City	Research and development	40.00		Equity method
3	Sichuan Wedone Intelligent Technology Co., Ltd.	Yibin City	Research and development	37.66		Equity method
4	Beijing Key Power Technologies Co., Ltd.	Beijing City	Research and development	33.63		Equity method
5	Sichuan Changjiang Private Economic Financing Guarantee Co., Ltd.	Yibin City	Financial guarantee	35.00		Equity method
6	Yibin Libao New Material Co., Ltd.	Yibin City	Research and development	9.46		Equity method
7	Yibin Langtai Emerging Industry Investment Fund (Limited Partnership)	Yibin City	Equity investment	66.57		Equity method
8	Yibin New Generation Information Industry Investment Fund (Limited Partnership)	Yibin City	Equity investment	99.00		Equity method
9	Sichuan Yibin Pushi Automobile Integrated Industry Development Co., Ltd.	Yibin City	Automobile manufacturing		33.00	Equity method
10	Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	Yibin City	Equity investment	19.96	39.92	Equity method
11	Guoqi (Beijing) Intelligent Network United Automobile Industry Investment Center (Limited Partnership)	Beijing City	Investment management	74.38		Equity method
12	Yibin Changyi Auto Parts Co., Ltd.	Yibin City	Automobile manufacturing		35.00	Equity method
13	Sichuan Yunbu Technology Co., Ltd.	Yibin City	Software development		38.05	Equity method
14	Ruiqing Automobile Engine Technology Co., Ltd.	Jiaozuo City	Engineering and technical research and test development		52.89	Equity method
15	Yibin Shidai Kaiyi New Energy Technology Co., Ltd.	Yibin City	Research and experimental development		49.00	Equity method
16	Yibin Tianyi New Material Technology Co., Ltd.	Yibin City	Manufacturing	35.84		Equity method
17	Yibin Talent Innovation and Entrepreneurship Equity Investment Partnership (Limited Partnership)	Yibin City	Capital market service	19.80		Equity method
18	Yibin Chendao New Energy Industry Equity Investment Partnership (Limited Partnership)	Yibin City	Commercial service industry	44.10		Equity method

S/N	Name of Associated Enterprise	Domicile	Business Nature	Shareholding Percentage (%)		Accounting Treatment Method for Investment in Associated Enterprise
				Direct	Indirect	
19	Sichuan Sanjiang Kunpeng Technology Co., Ltd.	Yibin City	Software and information technology services	40.00		Equity method
20	Yibin Yingfa Ruineng Equity Investment Partnership (Limited Partnership)	Yibin City	Commercial service industry	59.04	0.09	Equity method
21	North Emerging (Yibin) Venture Capital Partnership (Limited Partnership)	Yibin City	Capital market service	49.50	0.30	Equity method
22	Sichuan Power Battery Industry Innovation Center Co., Ltd.	Yibin City	Research and experimental development	46.51		Equity method
23	Guangzhou Lihe Kecheng Venture Capital Partnership (Limited Partnership)	Guangzhou City	Commercial service industry	19.80		Equity method
24	Yibin Shengtuo Industrial Investment Promotion Service Partnership (Limited Partnership)	Yibin City	Commercial service industry	15.00		Equity method
25	Sichuan Sanjiang Huihai Commercial Factoring Co., Ltd.	Yibin City	Other financial industries	10.00		Equity method
26	Sichuan Hongshan New Energy Technology Co., Ltd.	Yibin City	Research and experimental development	10.00		Equity method
27	Yibin SECCO Phase I New Energy Venture Capital Partnership (Limited Partnership)	Yibin City	Commercial service industry	99.00		Equity method
28	Yibin Nanmu Nanotechnology Co., Ltd.	Yibin City	Research and experimental development		11.11	Equity method
29	Zibo CICV DATA No.2 Investment Center (Limited Partnership)	Zibo City	Commercial service industry		31.14	Equity method
30	Jiashan Dingfeng Venture Capital Partnership (Limited Partnership)	Jiaxing City	Investment and asset management	30.00		Equity method

VIII. Situations of Related Parties

(I) Situation of the enterprise's parent company

Name of Parent Company	Domicile	Industry Involved	Registered Capital (RMB 10,000 Yuan)	Shareholding Ratio of Parent Company to This Enterprise (%)	Proportion of Voting Rights of Parent Company to This Enterprise (%)
Yibin Sanjiang Investment & Construction Group Co., Ltd.	Yibin City	Municipal road engineering construction	100,000.00	100.00	100.00

Parent company of the Company: Yibin Sanjiang Investment & Construction Group Co., Ltd. is a wholly-owned subsidiary of Yibin Development Holding Group Co., Ltd. Main business scope: licensed projects: construction of construction projects; real estate development and management; operation of bonded logistics center (for projects subject to approval according to law, their business activities can be carried out with the approval of relevant departments, and specific operational projects shall be subject to the approval documents or licenses of relevant departments). General items: investment activities with their own funds; land reclamation services; park management services; operation of electric vehicle charging infrastructure; technical services, technical development, technical consulting, technical exchange, technology transfer and technology promotion; engineering management services; project planning and public relations services; property management; supply chain management services; domestic trade agency (except for the projects subject to approval according to law, the company shall independently carry out business activities according to law with its business license).

The ultimate controller of the Company is State-owned Assets Supervision and Administration Commission of Yibin Municipal Government.

(II) Situations of subsidiaries of the enterprise

See Notes VII (I) Equity in Subsidiaries for details of subsidiaries of the enterprise.

(III) Details of joint ventures and associated enterprises of the Company

See Notes VII (II) Equity in Associated Enterprises for details of the joint ventures and associated enterprises of the enterprise.

IX. Commitments and Contingencies

(I) Important commitments

None.

(II) Contingencies

As of December 31, 2022, the external guarantees provided by the Company are detailed below

Guarantor	Guaranteed Person	Creditor	Amount of Guarantee (RMB 10,000 Yuan)	Guarantee Balance (RMB 10,000 Yuan)	Start Date
Yibin Automobile Industry Development Investment Co., Ltd.	Yibin Changyi Auto Parts Co., Ltd.	Yibin Rural Commercial Bank	350.00	285.59	2021/8/31 to 2024/8/30
Yibin Automobile Industry Development Investment Co., Ltd.	Yibin Changyi Auto Parts Co., Ltd.	Yibin Rural Commercial Bank	350.00	150.94	2022/1/19 to 2025/1/18
Total			**700.00**	**436.53**	

X. Events after the Balance Sheet Date

As of the reporting date of the financial statements, the Company has no other matters to disclose after the balance sheet date.

XI. Other Important Matters

None.

XII. Notes to Major Items in the Financial Statements of the Parent Company

(I) Other receivables

Items	Term-ending Balance	Balance at the End of Last Year
Interest receivable	31,757,340.94	
Other receivables	271,777,550.67	6,425,400.00
Total	**303,534,891.61**	**6,425,400.00**

1. Interest receivable

Items	Term-ending Balance	Balance at the End of Last Year
Entrusted loan	10,375,849.85	
Trust income	21,381,491.09	
Total	**31,757,340.94**	

2. Other receivables

(1) Disclosure by aging

Aging	Term-ending Balance	Balance at the End of Last Year
Within 1 year	270,552,150.67	1,000,400.00
1-2 years	1,000,400.00	5,425,000.00
2-3 years	225,000.00	
3 years above		
Subtotal	**271,777,550.67**	**6,425,400.00**
Less: Bad Debts Provision		
Total	**271,777,550.67**	**6,425,400.00**

(2) Classified presentation by accrual method of bad debts provision

Category	Term-ending Balance				
	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	271,777,550.67	100.00			271,777,550.67
Including: riskless portfolio	271,777,550.67	100.00			271,777,550.67
Combination of aging analysis method					
Total	**271,777,550.67**	**100.00**			**271,777,550.67**

(Continued)

Category	Balance at the End of Last Year

	Book Balance		Bad Debts Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individual accrual of bad debts provision					
Other Receivables of bad debts provision provided in portfolio	6,425,400.00	100.00			6,425,400.00
Including: riskless portfolio	6,425,400.00	100.00			6,425,400.00
Combination of aging analysis method					
Total	**6,425,400.00**	**100.00**			**6,425,400.00**

A. Other receivables for which bad debts provision are individually withdrawn at the term-ending: None

B. Other receivables for which bad debts provision is made on a combinatorial basis: None

(3) Other receivables actually written off in the current period: None

(4) Top five other receivables at the term-ending balances aggregated by arrears

Company Name	Term-ending Balance	Proportion to Total Term-ending Balance of Other Receivables (%)	Amount of Bad Debts Provision Withdrawn
Yibin Automobile Industry Development Investment Co., Ltd.	250,550,824.67	92.19	
CITIC Trust Co., Ltd.	9,800,000.00	3.61	
Bridge Trust Co., Ltd.	5,200,000.00	1.91	
China Fortune International Trust Co., Ltd.	5,000,000.00	1.84	
Xiamen International Trust Co., Ltd.	1,225,000.00	0.45	
Total	271,775,824.67	100.00	

(II) Long-term equity investment

Items	Term-ending Balance			Balance at the End of Last Year		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
Investment in subsidiaries	4,131,392,383.73		4,131,392,383.73	4,062,389,644.00		4,062,389,644.00
Investment in associated enterprises	5,576,701,028.59		5,576,701,028.59	3,227,431,900.22		3,227,431,900.22
Total	**9,708,093,412.32**		**9,708,093,412.32**	**7,289,821,544.22**		**7,289,821,544.22**

1. Investment in subsidiaries

Invested Entity	Accounting Method	Investment Costs	Balance at the End of Last Year	Change in Increase and Decrease	Term-ending Balance	Proportion of Shareholding in Invested Entity (%)
Yibin Automobile Industry Development Investment Co., Ltd.	Cost method	1,958,406,300.00	1,958,406,300.00		1,958,406,300.00	87.01
Yibin Intelligent Terminal Industry Fund	Cost method	625,000,000.00	625,000,000.00		625,000,000.00	99.68
Yibin Automobile Industry Investment Fund	Cost method	500,000,000.00	500,000,000.00		500,000,000.00	19.99
Yibin Langtai Technology Innovation Equity Investment Partnership (Limited Partnership)	Cost method	499,000,000.00	499,000,000.00		499,000,000.00	99.00
Yibin Big Data Co., Ltd.	Cost method	261,002,739.73	150,000,000.00	111,002,739.73	261,002,739.73	56.43
Southern Sichuan Economic Zone Integrated Development Investment Fund (Limited Partnership)	Cost method	167,000,000.00	210,000,000.00	-43,000,000.00	167,000,000.00	99.80
Yibin Xinxing Supply Chain Management Co., Ltd.	Cost method	100,000,000.00	100,000,000.00		100,000,000.00	100.00
Yibin Emerging Industry Development Investment Fund Management Co., Ltd.	Cost method	19,983,344.00	19,983,344.00		19,983,344.00	68.00
Yibin Xinrong Asset Operation Co., Ltd.	Cost method	1,000,000.00		1,000,000.00	1,000,000.00	100.00
Total		**4,131,392,383.73**	**4,062,389,644.00**	**69,002,739.73**	**4,131,392,383.73**	

2. Investment in associates and joint ventures

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Associated enterprises											
Sichuan Aee Aviation Technology Co., Ltd.	219,619,605.61	10,000,000.00		-22,097,225.88						207,522,379.73	
Yibin Libao New Material Co., Ltd.	106,485,665.34	199,999,997.48		9,199,923.60			4,675,000.00			311,010,586.42	
Yibin High-end Growth Industry Investment Guidance Fund	28,418,226.47		20,000,000.00	3,096,258.87			1,903,000.00			9,611,485.34	
Yibin Langtai Emerging Industry Investment Fund (Limited Partnership)	3,664,014.31			-16,572.50						3,647,441.81	
Sichuan Wedone Intelligent Technology Co., Ltd.	25,117,124.94			-1,911,478.57						23,205,646.37	
Beijing Key Power Technologies Co., Ltd.	218,574,525.39			45,626,455.47			10,090,000.01			254,110,980.85	
Sichuan Changjiang Private Economic Financing Guarantee Co., Ltd.	361,288,065.95			5,702,814.59						366,990,880.54	
Yibin New Generation Information Industry Investment Fund (Limited Partnership)	238,629,024.65	59,746,500.00		61,836,350.91						360,211,875.56	
Yibin Tianyi New Material Technology Co., Ltd.	219,714,427.86			-15,761,074.08						203,953,353.78	
Yibin Kanghui Electronic Information Industry Equity Investment Partnership (Limited Partnership)	58,222,706.40		21,000,000.00	-3,190,097.68						34,032,608.72	
Guoqi (Beijing) Intelligent Network United Automobile Industry Investment Center (Limited Partnership)	38,072,218.15			-3,568,241.89						34,503,976.26	
Yibin Talent Innovation and Entrepreneurship Equity Investment Partnership (Limited Partnership)	202,710,138.38			-679,183.59						202,030,954.79	

Invested Entity	Balance at the End of Last Year	Increase/Decrease in the Current Year								Term-ending Balance	Year-end Balance of Impairment Provision
		Additional Investment	Negative Investment	Profit and Loss on Investments Recognized by Equity Method	Adjustment of Other Comprehensive Income	Other Changes in Equity	Declared Distribution of Cash Dividends or Profit	Accrual of Provision for Impairment	Others		
Yibin Chendao New Energy Industry Equity Investment Partnership (Limited Partnership)	1,495,202,762.92			16,226,368.22						1,511,429,131.14	
Sichuan Sanjiang Kunpeng Technology Co., Ltd.	11,713,393.85			184,957.62						11,898,351.47	
Yibin Shengtuo Industrial Investment Promotion Service Partnership (Limited Partnership)		1,000,000,000.00		-129.38						999,999,870.62	
Yibin Yingfa Ruineng Equity Investment Partnership (Limited Partnership)		656,500,000.00		-1,455,579.40						655,044,420.60	
Sichuan Sanjiang Huihai Commercial Factoring Co., Ltd.		50,000,000.00		1,457,551.16						51,457,551.16	
Jiashan Dingfeng Venture Capital Partnership (Limited Partnership)		30,000,000.00		-2,574,042.06						27,425,957.94	
Sichuan Hongshan New Energy Technology Co., Ltd.		25,000,000.00		113,958.18						25,113,958.18	
Yibin SECCO Phase I New Energy Venture Capital Partnership (Limited Partnership)		10,000,000.00		-3,080.40						9,996,919.60	
North Emerging (Yibin) Venture Capital Partnership (Limited Partnership)		145,000,000.00		-3,603,420.24						141,396,579.76	
Guangzhou Lihe Kecheng Venture Capital Partnership (Limited Partnership)		132,000,000.00		106,117.95						132,106,117.95	
Total	**3,227,431,900.22**	**2,318,246,497.48**	**41,000,000.00**	**88,690,630.90**			**16,668,000.01**			**5,576,701,028.59**	

(III) Operating income and operating cost

Items	Amount of the Current Period		Amount of the Last Period	
	Income	Cost	Income	Cost
Prime operating	26,415,094.44		26,415,094.44	
Other operating	492,066,358.47			
Total	**518,481,452.91**		**26,415,094.44**	

Details of operating income and operating costs

Items	Amount of the Current Period		Amount of the Last Period	
	Income	Cost	Income	Cost
Prime operating				
Proceeds from financial advisory fees	26,415,094.44		26,415,094.44	
Subtotal	**26,415,094.44**		**26,415,094.44**	
Other operating				
Interest income	492,066,358.47			
Subtotal	**492,066,358.47**			
Total	**518,481,452.91**		**26,415,094.44**	

(IV) Investment income

Items	Amount of the Current Period	Amount of the Last Period
Proceeds from debt investment	146,987,358.07	483,054,133.67
Long-term equity investment income calculated by equity method	88,690,630.90	110,500,153.95
Proceeds from long-term equity investment calculated by cost method	15,395,539.73	1,660,000.00
Investment income from disposal of long-term equity investment		-374,158.76
Proceeds from disposal of subsidiaries		8,489.91
Total	**251,073,528.70**	**594,848,618.77**

XIII. Approval of Financial Statements

The financial statements and Notes to Financial Statements have been approved by the board of directors of the Company on April 26, 2023.

(This page without text is the signature & seal page of the **Notes to 2022 Consolidated Financial Statements of Yibin Emerging Industry Investment Group Co., Ltd.**)

Yibin Emerging Industry Investment Group Co., Ltd.

Principal of the Company:

Principal in Charge of Accounting Work:

Principal of Accounting Organization:

April 26, 2023

APPENDIX I — FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

FM: BANK OF SHANGHAI CO., LTD., CHENGDU BRANCH (SWIFT: BOSHCNSHCDA)

ADDRESS: BUILDING 2, AIR CHINA CENTURY CENTER, NO.1, HANGKONG ROAD, WUHOU DISTRICT, CHENGDU CITY, SICHUAN PROVINCE, P.R. CHINA

DATE:

TO BENEFICIARY: CMB WING LUNG (TRUSTEE) LIMITED OF CMB WING LUNG BANK BUILDING, 45 DES VOEUX ROAD CENTRAL, HONG KONG ("**YOU**" OR THE "**BENEFICIARY**") IN ITS CAPACITY AS TRUSTEE (THE "**TRUSTEE**", WHICH EXPRESSION SHALL INCLUDE ANY SUCCESSOR OR CO-TRUSTEE) FOR ITSELF AND ON BEHALF OF THE HOLDERS (THE "**BONDHOLDERS**") OF THE CNY1,040,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF 3.4 PER CENT. CREDIT ENHANCED BONDS DUE 2027 (THE "**BONDS**") (ISIN: HK0001026621 / COMMON CODE: 283837858 /CMU INSTRUMENT NUMBER: WLHKFB24042), TO BE ISSUED BY YIBIN EMERGING INDUSTRY INVESTMENT GROUP CO., LTD (THE "**ISSUER**") AND TO BE CONSTITUTED BY A TRUST DEED DATED 20 JUNE 2024 (THE "**ISSUE DATE**") BETWEEN THE ISSUER AND THE TRUSTEE (AS FURTHER AMENDED OR SUPPLEMENTED FROM TIME TO TIME, THE "**TRUST DEED**").

DEAR SIRS,

RE: OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [*NUMBER]*

AT THE REQUEST OF THE ISSUER, WE, BANK OF SHANGHAI CO., LTD., CHENGDU BRANCH (THE "**ISSUING BANK**", "**OUR**", "**US**" OR "**WE**"), HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [*NUMBER]* IN YOUR FAVOUR, AND FOR THE ACCOUNT OF THE ISSUER IN RESPECT OF AND IN CONNECTION WITH (1) THE TERMS AND CONDITIONS OF THE BONDS APPENDED TO THE TRUST DEED (THE "**CONDITIONS**") AND (2) THE TRUST DEED. THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS MADE AVAILABLE BY US FOR PAYMENT AGAINST OUR RECEIPT OF A DEMAND SUBSTANTIALLY IN THE FORM SET OUT IN APPENDIX A-1 (A "**DEMAND**") PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT STATING THAT (A) THE ISSUER HAS FAILED TO COMPLY WITH CONDITION 3(B) OF THE BONDS IN RELATION TO PRE-FUNDING THE AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR HAS FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH CONDITION 3(B) OF THE BONDS OR (B) AN EVENT OF DEFAULT (AS DEFINED IN CONDITION 9 OF THE BONDS) HAS OCCURRED AND THE TRUSTEE, HAS GIVEN NOTICE TO THE ISSUER THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH CONDITION 9 OF THE BONDS.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE TO YOU THAT, ON AND AFTER THE ISSUE DATE AND FOLLOWING RECEIPT BY US OF A DEMAND BY 6:00 P.M. (HONG KONG TIME) PRESENTED BY YOU OR ON YOUR BEHALF IN RELATION TO THIS IRREVOCABLE STANDBY LETTER OF CREDIT ON A BUSINESS DAY, WE SHALL BY 10:00 A.M. (HONG KONG TIME) ON THE FOURTH BUSINESS DAY (OR, IF A DEMAND IS RECEIVED AFTER 6:00 P.M. (HONG KONG TIME) ON A BUSINESS DAY, BY 10:00 A.M. (HONG KONG TIME) ON THE FIFTH BUSINESS DAY) AFTER SUCH BUSINESS DAY PAY TO, OR TO THE ORDER OF, THE BENEFICIARY THE AMOUNT IN RENMINBI SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS TO THE ACCOUNT SPECIFIED IN THE DEMAND. "**BUSINESS DAY**" MEANS A DAY, OTHER THAN A SATURDAY, A SUNDAY OR A PUBLIC HOLIDAY, ON WHICH BANKS AND FOREIGN EXCHANGE MARKETS ARE GENERALLY OPEN FOR BUSINESS IN HONG KONG AND BEIJING.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, OUR OBLIGATION TO PAY YOU IS UNCONDITIONAL AND ABSOLUTE AND INDEPENDENT, AND ANY DEMAND BY YOU UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE HONOURED WITHOUT ANY FURTHER ENQUIRY AS TO YOUR RIGHTS TO MAKE SUCH DEMAND.

OUR AGGREGATE LIABILITY UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE EXPRESSED AND PAYABLE IN RENMINBI AND SHALL NOT IN ANY CIRCUMSTANCES EXCEED CNY1,064,780,000 (THE "**MAXIMUM LIMIT**"), WHICH INCLUDES AN AMOUNT REPRESENTING THE AGGREGATE PRINCIPAL AMOUNT OF CNY1,040,000,000 OF THE BONDS PLUS INTEREST PAYABLE FOR ONE INTEREST PERIOD IN ACCORDANCE WITH THE CONDITIONS PLUS CNY7,100,000 BEING THE MAXIMUM AMOUNT PAYABLE UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT FOR ANY FEES, COSTS, EXPENSES, INDEMNITY PAYMENTS AND ALL OTHER AMOUNTS PAYABLE TO THE TRUSTEE UNDER OR IN CONNECTION WITH THE CONDITIONS, THE BONDS, THE TRUST DEED, THE AGENCY AGREEMENT (AS DEFINED IN THE CONDITIONS) AND/OR ANY OTHER TRANSACTION DOCUMENTS RELATING TO THE BONDS.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT TAKES EFFECT FROM THE DATE HEREOF AND SHALL REMAIN VALID AND IN FULL FORCE UNTIL 6:00 P.M. (HONG KONG TIME) ON 14 JULY 2027 (THE "**EXPIRY DATE**") AND SHALL EXPIRE AT THE COUNTER OF THE ISSUING BANK. AFTER 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE, THIS IRREVOCABLE STANDBY LETTER OF CREDIT WILL BECOME NULL AND VOID UPON EXPIRY WHETHER THE ORIGINAL STANDBY LETTER OF CREDIT HAS BEEN RETURNED TO US OR NOT.

PAYMENT WILL BE EFFECTED AFTER OUR RECEIPT OF A DEMAND PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WHICH IS PRESENTED ON OR AFTER THE ISSUE DATE AND ON OR BEFORE 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE.

ANY DEMAND UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS TO BE PRESENTED TO US BY WAY OF AN AUTHENTICATED SWIFT PRESENTED BY OR ON BEHALF OF THE TRUSTEE TO US (SWIFT: BOSHCNSHCDA) WITHOUT THE NEED TO PHYSICALLY PRESENT AN ORIGINAL OF THAT DEMAND AT OUR COUNTER; *PROVIDED* THAT IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON, THE TRUSTEE MAY INSTEAD PRESENT A DEMAND TO US VIA FACSIMILE TRANSMISSION AT +86 28 86029060 DURING OUR NORMAL BRANCH OPENING HOURS ON OR AFTER THE ISSUE DATE AND ON OR BEFORE THE EXPIRY DATE. NEITHER THE ORIGINAL OF THE DEMAND SO PRESENTED NOR OF ANY OTHER DOCUMENTATION SHALL BE REQUIRED TO BE PHYSICALLY PRESENTED. IN RELATION TO THE DELIVERY OF A FACSIMILE DEMAND FROM THE BENEFICIARY PURSUANT TO THIS IRREVOCABLE STANDBY LETTER OF CREDIT, IT WILL BE ACCOMPANIED BY A COPY OF AN INCUMBENCY CERTIFICATE AUTHORISING THE SIGNATORY OF THE DEMAND AND WE WILL PERFORM A CALLBACK CONFIRMATION WITH THE TRUSTEE. FOR THE AVOIDANCE OF DOUBT, THE DEMAND SHALL BE RECEIVED FOR ALL PURPOSES OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND WE SHALL START PROCESSING THE DEMAND UPON RECEIPT OF THE DEMAND SENT TO US BY WAY OF FACSIMILE TRANSMISSION

ONLY ONE DRAWING UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS PERMITTED.

ALL CHARGES ARE FOR THE ACCOUNT OF THE ISSUER AND, FOR THE AVOIDANCE OF DOUBT, ARE NOT FOR THE ACCOUNT OF THE TRUSTEE.

SHOULD ANY DEDUCTION OR WITHHOLDING ON ACCOUNT OF TAX, SET-OFF OR OTHERWISE BE REQUIRED, NOTWITHSTANDING THE MAXIMUM LIMIT, ALL PAYMENTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE MADE IN RENMINBI AND FOR VALUE ON THE DATE SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS WITHOUT ANY SUCH DEDUCTION OR WITHHOLDING ON ACCOUNT OF TAX, SET-OFF OR OTHERWISE. IN THE EVENT THAT ANY DEDUCTION OR WITHHOLDING IS REQUIRED BY LAW, THE ISSUING BANK SHALL PAY SUCH ADDITIONAL AMOUNTS AS WILL RESULT IN RECEIPT BY THE TRUSTEE OF SUCH AMOUNTS AS WOULD HAVE BEEN RECEIVED BY IT HAD NO SUCH DEDUCTION OR WITHHOLDING BEEN REQUIRED.

THE TRUSTEE'S RIGHTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT MAY BE TRANSFERRED OR RE-TRANSFERRED IN WHOLE OR IN PART TO ANY ADDITIONAL OR REPLACEMENT TRUSTEE APPOINTED IN RESPECT OF THE BONDS IN ACCORDANCE WITH THE TRUST DEED SUBJECT ONLY TO AT LEAST 15 DAYS' NOTICE HAVING BEEN GIVEN TO US BY THE TRUSTEE BY AUTHENTICATED SWIFT TO TRANSFER THIS IRREVOCABLE STANDBY LETTER OF CREDIT TO THE NEW TRUSTEE, OR IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON VIA FACSIMILE TRANSMISSION TO US AT +86 28 86029060. WE SHALL EFFECT THE TRANSFER.

WE MAY NOT TRANSFER OR NOVATE ANY OF OUR OBLIGATIONS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT.

NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, INCLUDING WITHOUT LIMITATION ARTICLE 29 AND ARTICLE 36 OF UCP600, IN THE UNEXPECTED EVENT THAT WE ARE CLOSED FOR ANY REASON, INCLUDING WITHOUT LIMITATION THE COVID-19 PANDEMIC, WHICH IS A BUSINESS DAY OR SWIFT IS UNAVAILABLE WHEN THE TRUSTEE WISHES TO PRESENT A DEMAND HEREUNDER ON THE DAY AND AT THE TIME A DEMAND IS ABLE TO BE PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE AGREE THAT THE TRUSTEE CAN PRESENT THE DEMAND BY AUTHENTICATED SWIFT OR VIA FACSIMILE TRANSMISSION TO US AT +86 28 86029060 FROM THE DATE ON WHICH WE NOTIFY YOU OF OUR RESUMPTION OF OUR BUSINESS OR, IN THE CASE OF UNAVAILABILITY OF SWIFT, THE DATE ON WHICH SWIFT BECOMES AVAILABLE; *PROVIDED* THAT IF WE ARE CLOSED ON THE EXPIRY DATE FOR ANY REASON, INCLUDING WITHOUT LIMITATION THE COVID-19 PANDEMIC, WHICH IS A BUSINESS DAY, SUCH PRESENTATION SHALL BE MADE WITHIN FIVE BUSINESS DAYS AFTER THE DATE ON WHICH WE NOTIFY YOU OF THE RESUMPTION OF OUR BUSINESS.

ANY SETTLEMENT OR DISCHARGE OF OUR OBLIGATIONS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE CONDITIONAL UPON PAYMENT TO THE TRUSTEE OR TO THE HOLDERS OF THE BONDS BY THE ISSUER OR ANY OTHER PERSON ON BEHALF OF THE ISSUER NOT BEING AVOIDED (BY VIRTUE OF ANY LAWS RELATING TO BANKRUPTCY, INSOLVENCY, LIQUIDATION OR SIMILAR LAWS OF GENERAL APPLICATION FOR THE TIME BEING IN FORCE). IN THE EVENT OF ANY SUCH PAYMENT BEING SO AVOIDED, THE TRUSTEE SHALL, BE ENTITLED TO RECOVER THE AMOUNT BY WHICH SUCH PAYMENT IS SO AVOIDED FROM US SUBSEQUENTLY AS IF SUCH SETTLEMENT OR DISCHARGE HAD NOT OCCURRED.

EXCEPT TO THE EXTENT IT IS INCONSISTENT WITH THE EXPRESS TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600.

WE HAVE IRREVOCABLY APPOINTED BOSC INTERNATIONAL COMPANY LIMITED AT 34/F, CHAMPION TOWER, 3 GARDEN ROAD, CENTRAL, HONG KONG AS OUR PROCESS AGENT IN HONG KONG TO RECEIVE SERVICE OF PROCESS IN ANY LEGAL ACTION OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT IN HONG KONG. IF FOR ANY REASON WE CEASE TO HAVE SUCH A PROCESS AGENT IN HONG KONG, WE WILL PROMPTLY APPOINT A SUBSTITUTE PROCESS AGENT AND NOTIFY THE BENEFICIARY OF SUCH APPOINTMENT WITHIN 30 DAYS OF SUCH CESSATION. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH IT, IS GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, ENGLISH LAW. THE COURTS OF HONG KONG SHALL HAVE EXCLUSIVE JURISDICTION TO SETTLE ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT.

THIS CABLE IS AN OPERATIVE INSTRUMENT AND NO MAIL CONFIRMATION WILL FOLLOW.

APPENDIX A-1 — FORM OF DEMAND

TO: BANK OF SHANGHAI CO., LTD., CHENGDU BRANCH (SWIFT: BOSHCNSHCDA)

BUILDING 2, AIR CHINA CENTURY CENTER, NO.1, HANGKONG ROAD, WUHOU DISTRICT, CHENGDU CITY, SICHUAN PROVINCE, P.R. CHINA

RE: DEMAND UNDER THE IRREVOCABLE STANDBY LETTER OF CREDIT NO. *[NUMBER]* IN RESPECT OF (1) THE TERMS AND CONDITIONS (THE "CONDITIONS") OF THE CNY1,040,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF 3.4 PER CENT. CREDIT ENHANCED BONDS DUE 2027 (THE "BONDS") (ISIN: HK0001026621 / COMMON CODE: 283837858 / CMU INSTRUMENT NUMBER: WLHKFB24042), SUCH CONDITIONS BEING APPENDED TO THE TRUST DEED DATED 20 JUNE 2024 BETWEEN YIBIN EMERGING INDUSTRY INVESTMENT GROUP CO., LTD (THE "ISSUER") AND CMB WING LUNG (TRUSTEE) LIMITED (THE "TRUSTEE") (AS FURTHER AMENDED OR SUPPLEMENTED FROM TIME TO TIME, THE "TRUST DEED") AND (2) THE TRUST DEED.

THIS DEMAND IS MADE BY CMB WING LUNG (TRUSTEE) LIMITED UNDER YOUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [*NUMBER]* (THE "**IRREVOCABLE STANDBY LETTER OF CREDIT**"). TERMS USED HEREIN WHICH ARE NOT DEFINED SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE IRREVOCABLE STANDBY LETTER OF CREDIT.

1 THIS DEMAND IS MADE IN CONNECTION WITH THE FOLLOWING:

[*DELETE INAPPROPRIATE PARAGRAPHS TO SHOW REASON FOR THE DEMAND]*

☐ THE ISSUER HAS FAILED TO COMPLY WITH CONDITION 3(B) OF THE BONDS IN RELATION TO PRE-FUNDING THE AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR HAS FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH CONDITION 3(B) OF THE BONDS.

☐ AN EVENT OF DEFAULT (AS DEFINED IN CONDITION 9 OF THE BONDS) HAS OCCURRED AND THE TRUSTEE, HAS GIVEN NOTICE TO THE ISSUER THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH CONDITION 9 OF THE BONDS.

2 WE HEREBY DEMAND YOU TO PAY CNY*[AMOUNT]* REPRESENTING:

☐ INTEREST AND/OR PRINCIPAL DUE IN RESPECT OF THE BONDS AND/OR

☐ FEES, COSTS, EXPENSES, INDEMNITY PAYMENTS AND OTHER AMOUNTS PAYABLE TO THE TRUSTEE UNDER OR IN CONNECTION WITH THE CONDITIONS, THE BONDS, THE TRUST DEED, THE AGENCY AGREEMENT (AS DEFINED IN THE CONDITIONS) AND/OR ANY OTHER TRANSACTION DOCUMENTS RELATING TO THE BONDS.

3 WE HEREBY REQUEST YOU TO PAY THE ABOVE AMOUNTS AFTER YOU RECEIVE THIS DEMAND IN ACCORDANCE WITH THE IRREVOCABLE STANDBY LETTER OF CREDIT.

4 THE PROCEEDS OF THE DRAWING UNDER THIS DEMAND ARE TO BE CREDITED TO THE FOLLOWING ACCOUNT: ***[INSERT ACCOUNT DETAILS]***

FOR AND ON BEHALF OF

CMB WING LUNG (TRUSTEE) LIMITED AS BENEFICIARY

BY:

NAME:

TITLE:

ISSUER

YIBIN EMERGING INDUSTRY INVESTMENT GROUP CO., LTD
(宜賓市新興產業投資集團有限公司)
No. 16 Shaping Road, Guoxing Avenue
Lingang Economic and Development Zone, Yibin City
Sichuan Province, PRC

TRUSTEE

CMB Wing Lung (Trustee) Limited
6/F, CMB Wing Lung Bank Building
45 Des Voeux Road Central
Hong Kong

CMU LODGING AND PAYING AGENT, REGISTRAR AND TRANSFER AGENT

CMB Wing Lung Bank Limited
6/F, CMB Wing Lung Bank Building
45 Des Voeux Road Central
Hong Kong

PRE-FUNDING ACCOUNT BANK AND LC PROCEEDS ACCOUNT BANK

CMB Wing Lung Bank Limited
6/F, CMB Wing Lung Bank Building
45 Des Voeux Road Central
Hong Kong

LEGAL ADVISERS

To the Issuer as to PRC law

Sichuan Faxian Law Firm
Block G, 4-6th Floor, Zhonghai International Centre
No. 383, Jiaozi Avenue, Gaoxin District
Chengdu City, Sichuan Province, China

To the Joint Lead Managers as to PRC law

Tahota Law Firm
16/F, Palm Springs International Centre
No. 199, Tianfu Avenue Middle Section
Gaoxin District, Chengdu City
Sichuan Province, PRC

To the Issuer as to English law

Morgan, Lewis & Bockius
19/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

To the Joint Lead Managers and Trustee as to English and Hong Kong law

DeHeng Law Offices (Hong Kong) LLP
28/F Henley Building
5 Queen's Road Central
Hong Kong

AUDITORS OF THE ISSUER

Asia Pacific (Group) CPAs (Special General Partnership)
Room 2001, 20/F, Building 3
Yard No.16, Lize Road
Fengtai District
Beijing, PRC

LC BANK

Bank of Shanghai Co., Ltd., Chengdu Branch
Building 2, Air China Century Center
No.1, Hangkong Road
Wuhou District, Chengdu City
Sichuan Province, P.R. China