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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 referred to herein) 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 (as defined below) and the Guarantor (as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

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

**PUBLICATION OF OFFERING CIRCULAR ON
THE STOCK EXCHANGE OF HONG KONG LIMITED**

Huafa 2024 I Company Limited

(the “Issuer”)

(incorporated in the British Virgin Islands with limited liability)

**RMB630,000,000 Senior Guaranteed Perpetual Capital Securities
(the “Additional Securities”)**

*(consolidated and form a single series with the existing RMB1,900,000,000 Senior
Guaranteed Perpetual Capital Securities issued on 30 July 2024 (the “Original Securities”,
together with the Additional Securities, the “Securities”))*

unconditionally and irrevocably guaranteed by



ZHUHAI HUAFA GROUP CO., LTD.

(珠海華發集團有限公司)

(the “Guarantor”)

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

Issue Price: 100.05 PER CENT.

Stock code: 84542

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Haitong International

CITIC Securities

Huajin Securities (International)

Joint Bookrunners and Joint Lead Managers

CMB International

Dragonstone

Mizuho

SMBC Nikko

Zhongtai International

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

Reference is made to the notice of listing of the Additional Securities on The Stock Exchange of Hong Kong Limited dated 23 September 2024 published by the Issuer.

The supplemental offering circular (the “**Supplemental Offering Circular**”) dated 13 September 2024 in relation to the Additional Securities is appended to this announcement. Capitalised terms used but not defined herein shall have the meanings given to them in the Supplemental Offering Circular.

CMU has updated its internal system and is no longer able to enter “CNH” in its internal system. Separately, it does not distinguish between “CNY”, “CNH” and “RMB” in its internal system. The currency of the Original Securities is already recorded as “CNY” in CMU’s system and the change in reference to the currency of the Original Securities in the Supplemental Offering Circular from that in the 23 July Offering Circular does not

have any impact on the settlement of the Securities. By virtue of the Additional Securities being consolidated with the Original Securities, the Additional Securities are fungible with the Original Securities and therefore there is no impact on holders of both the Original Securities and the Additional Securities.

Hong Kong, 24 September 2024

As at the date of this announcement, the directors of Huafa 2024 I Company Limited are Xu Jili, Wang Yingyi and Chen Erqian and the directors of Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司) are Li Guangning, Xie Wei, Ye Yuhong, Li Weijie, Chen Yi, Guo Jin, Ma Xiaochuan, Pei Shuhua and Wu Shengbao.

Appendix I — Supplemental Offering Circular

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering circular (the “**Supplemental Offering Circular**”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of this Supplemental Offering Circular. In accessing this Supplemental 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 us as a result of such access. In order to view this Supplemental Offering Circular or make an investment decision with respect to the securities, you must not be located in the United States.

Confirmation of Your Representation: This Supplemental Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Supplemental Offering Circular, you shall be deemed to represent to Haitong International Securities Company Limited, CLSA Limited, Huajin Securities (International) Limited, CMB International Capital Limited, Dragonstone Capital Management Limited, Mizuho Securities Asia Limited, SMBC Nikko Securities (Hong Kong) Limited and Zhongtai International Securities Limited (together, the “**Joint Lead Managers**”) that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and you consent to delivery of the attached Supplemental Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached Supplemental Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Joint Lead Managers, the Trustee (as defined in the attached Supplemental Offering Circular) or the Agents (as defined in the attached Supplemental Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE SUPPLEMENTAL OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES 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 AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT.

The attached Supplemental Offering Circular is not a prospectus for the purposes of the European Union’s Directive 2003/71/EC (as amended or superseded) as implemented in member states of the European Economic Area (the “**EEA**”).

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

The communication of the attached Supplemental Offering Circular and any other document or materials relating to the issue of the securities offered hereby is not being made, and such documents and/or materials have not been approved, by a authorised person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, the securities offered hereby are only available to, and any investment or investment activity to which the attached Supplemental Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the attached Supplemental Offering Circular or any of its contents.

Prohibition of Sales to UK Retail Investors — The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIPs Regulation**”) for offering or selling the securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIPs Regulation.

Singapore Securities and Futures Act Product Classification — In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Securities as ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). You are reminded that you have accessed the attached Supplemental Offering Circular on the basis that you are a person into whose possession this Supplemental Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Supplemental Offering Circular.

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

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED SUPPLEMENTAL OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH SUPPLEMENTAL OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED SUPPLEMENTAL OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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

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 the offering of the Securities, 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 “**Code**”). This notice to prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“**OCs**”) for the offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the Code as having an association (“**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 Securities and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the 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 Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the 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 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 bank(s)) 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 Code, including to the Issuer, any OC(s), relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the book-building process for this offering. Failure to provide such information may result in that order being rejected.

Huafa 2024 I Company Limited

(incorporated in the British Virgin Islands with limited liability)

RMB630,000,000 Senior Guaranteed Perpetual Capital Securities

(to be consolidated and form a single series with the existing RMB1,900,000,000 Senior Guaranteed Perpetual Capital Securities issued on 30 July 2024)

unconditionally and irrevocably guaranteed by



ZHUHAI HUAFA GROUP CO., LTD.

(珠海華發集團有限公司)

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

Issue Price: 100.05 PER CENT.

plus accrued interest from (and including) 30 July 2024 to (but excluding) 23 September 2024

The senior guaranteed perpetual capital securities in the aggregate principal amount of RMB630,000,000 (the "Additional Securities") will be issued by Huafa 2024 I Company Limited (the "Issuer"). The Additional Securities will be consolidated and form a single series with its senior guaranteed perpetual capital securities in the aggregate principal amount of RMB1,900,000,000 (the "Original Securities" and together with the Additional Securities, the "Securities") issued on 30 July 2024 (the "Original Securities Issue Date"). Upon completion of this offering, the total principal amount of the outstanding Securities will be RMB2,530,000,000. The Original Securities are, and the Additional Securities will be, unconditionally and irrevocably guaranteed (the "Guarantee") by Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司) (the "Guarantor" or the "Company"). The Issuer is an indirect wholly-owned subsidiary of the Guarantor. The Additional Securities will be issued under the supplemental trust deed (the "Supplemental Trust Deed") dated 23 September 2024 (the "Additional Securities Issue Date").

This supplemental offering circular (the "Supplemental Offering Circular") incorporates the information contained in the attached offering circular dated 23 July 2024 (the "23 July Offering Circular") relating to the issue and sale of the Original Securities and shall be read in conjunction with the 23 July Offering Circular. This Supplemental Offering Circular supplements the 23 July Offering Circular and supersedes the information contained in the 23 July Offering Circular to the extent inconsistent with the information contained herein. References in the 23 July Offering Circular to "the date of this offering circular" shall include the date of this Supplemental Offering Circular. Capitalised terms used but not defined in this Supplemental Offering Circular are used with the meanings given to them in the 23 July Offering Circular. References to "Securities" in the 23 July Offering Circular, shall, where the context permits, include the Additional Securities, and references to "Guarantee" in the 23 July Offering Circular, shall, where the context permits, include the Deed of Guarantee for the Additional Securities (as defined below). The Securities will be constituted by the trust deed dated the Original Securities Issue Date (the "Original Trust Deed"), as supplemented by the Supplemental Trust Deed (the "Trust Deed") among the Issuer, the Guarantor and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) (the "Trustee"). The Original Securities have the benefit of a deed of guarantee dated the Original Securities Issue Date (the "Deed of Guarantee for the Original Securities") entered into by the Guarantor and Trustee relating to the Original Securities. The Additional Securities will have the benefit of a deed of guarantee dated on or about the Additional Securities Issue Date (the "Deed of Guarantee for the Additional Securities"), together with the Deed of Guarantee for the Original Securities, the "Deeds of Guarantee" and each a "Deed of Guarantee" entered into between the Guarantor and the Trustee.

The Securities confer a right to receive distribution (each a "Distribution") from the Original Securities Issue Date at the applicable Distribution Rate (as defined in the Conditions), payable semi-annually in arrears on 30 January and 30 July of each year with the first payment of Distribution being made on 30 January 2025. The Original Securities constitute and the Additional Securities will constitute direct, unconditional, unsubordinated and, subject to Condition 4(a) of the Terms and Conditions of the Securities (the "Conditions" or "Terms and Conditions"), unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Subject to any increase pursuant to Condition 5(c), the rate of Distribution ("Distribution Rate") applicable to the Securities shall be: (i) in respect of the period from, and including, the Original Securities Issue Date to, but excluding, 30 July 2027 (the "First Reset Date"), at the Initial Distribution Rate (as defined in the Conditions); and (ii) in respect of the period (A) from, and including, the First Reset Date, to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate (as defined in the Conditions).

The Issuer may, at its sole discretion, elect to defer, in whole or in part, any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the holders of the Securities (the "Securityholders", each, a "Securityholder"), the Trustee and CMU Lodging and Paying Agent in writing not more than ten business days nor less than five business days prior to the relevant scheduled Distribution Payment Date. Any Distribution so deferred shall constitute an Arrear of Distribution. Each amount of Arrear of Distribution shall accrue Distributions as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such distribution (the "Additional Distribution Amount") with respect to Arrears of Distribution shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as described in Condition 5(d)(iv).

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (without prejudice to Condition 9) only have the right to redeem or purchase them in accordance with the provisions in Condition 6. The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days' irrevocable notice to the Trustee, the Agents and the Securityholders, at 100.0 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount) on (i) any date during the period commencing on (and including) 30 June 2027 (being the date that falls one month prior to the First Reset Date) up to (and including) the First Reset Date; or (ii) any Distribution Payment Date thereafter. The Securities may also be redeemed at the option of the Issuer in whole, but not in part, at the relevant prices specified in Condition 6 upon the occurrence of (a) certain taxation reasons, (b) an Equity Disqualification Event, (c) a Change of Control Event, (d) a No Registration Event, (e) a Breach of Covenants Event, (f) a Relevant Indebtedness Default Event, (g) a Dividend Stopper Breach Event or (h) at least 80 per cent. in principal amount of the Securities originally issued having been cancelled prior to the date fixed for redemption.

Upon the occurrence of a Change of Control Event or a Breach of Covenants Event or a Relevant Indebtedness Default Event or a Dividend Stopper Breach Event (each as defined in the Conditions and each a "Step-Up Event"), unless (x) an irrevocable notice in writing to redeem the Securities has been given to Securityholders by the Issuer pursuant to Condition 6 and the Trustee and CMU Lodging and Paying Agent by the 30th day following the occurrence of a Step-Up Event or (y) in the case of a Breach of Covenants Event, a Relevant Indebtedness Default Event or a Dividend Stopper Breach Event, the relevant Step-Up Event is remedied, or in the case of a Change of Control Event, the relevant Step-Up Event ceases to exist, by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate will increase by 3.00 per cent. per annum with effect from (aa) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (bb) if the date on which the relevant Step-Up Event (as applicable) occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date provided that the maximum aggregate increase in the Distribution Rate pursuant to Condition 5(c) shall be 3.00 per cent. per annum and the Distribution Rate shall not exceed the Maximum Distribution Rate (as defined in the Conditions).

The Guarantor undertakes that it will (i) register or cause to be registered with SAFE the Deeds of Guarantee in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 and its implementation rules ("Cross-border Security Registration"), (ii) use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. Pursuant to the Administrative Measures for the Examination and Registration of Medium and Long-term Foreign Debts of Enterprises (企業中長期外債備案登記管理辦法) (國家發展和改革委員會令第56號) (the "NDRC Administrative Measure") issued by the National Development and Reform Commission of the PRC or its local counterparts (the "NDRC") which came into effect on 10 February 2023, the Guarantor has registered the issuance of the Securities with the NDRC and obtained a certificate from the NDRC on 7 April 2024 evidencing such registration. Each of the Issuer and the Guarantor undertakes to report or cause to be reported the relevant information in connection with the Securities to the NDRC within the NDRC Registration Deadline (as defined in the Conditions). Each of the Issuer and the Guarantor also undertakes to comply with all applicable PRC laws and regulations in relation to the Securities.

For a more detailed description of the Securities, see "Terms and Conditions of the Securities" beginning on page 14 of this Supplemental Offering Circular.

Investing in the Securities involves certain risks. In particular, investors should be aware of, among others, the following risks relating to the Securities: (i) the Securities and the Guarantee are unsecured obligations; (ii) the Securities are perpetual securities, and Securityholders will have no right to call for their redemption. The Securities do not provide any participating rights upon a takeover, nor conversion to the ordinary shares or any other securities of the Issuer in the event of any alteration to the capital of the Issuer; (iii) Securityholders may not receive Distribution payments if the Issuer elects to defer Distribution payments under the Conditions; (iv) deferral of Distribution payments and other characteristics of the Securities could adversely affect the market price of the Securities; (v) the Securities may be redeemed at the Issuer's option on the First Reset Date and on each Distribution Payment Date after the First Reset Date or the occurrence of certain other events; (vi) changes in accounting standards may impact the Group's financial condition or the characterisation of the Securities; and (vii) there are limited remedies for non-payment under the Securities. There are various other risks relating to the Securities, the Issuer, the Guarantor and its subsidiaries, their business and their jurisdictions of operations which investors should familiarise themselves with before making an investment in the Securities. See "Risk Factors" in the 23 July Offering Circular.

The Original Securities are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") (stock code: 84542). Application will be made to the SEHK for the listing of, and permission to deal in, the Additional Securities by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("Professional Investors") only. This document is for distribution to Professional Investors only. Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Securities are intended for purchase by Professional Investors only and the Original Securities have been, and the Additional Securities will be, listed on the SEHK on that basis. Accordingly, the Issuer and the Guarantor confirm that the Securities are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Securities on the SEHK is not to be taken as an indication of the commercial merits or credit quality of the Securities, the Issuer, the Guarantor, the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

The Additional Securities are expected to be assigned a rating of "BBB-" by Fitch Ratings Ltd and its affiliates ("Fitch") and a rating of "A+" by Lianhe Ratings Global Limited ("Lianhe Global"). The ratings do not constitute a recommendation to buy, sell or hold the Securities and may be subject to suspension, reduction or withdrawal at any time by Fitch and Lianhe Global.

The Securities and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state, any other jurisdiction of the United States or the securities laws of any other jurisdiction and may not be offered, sold or delivered 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 securities laws. The Additional Securities are being offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act. For a description of certain restrictions on resales and transfers, see "Subscription and Sale".

The Additional Securities will be represented initially by interests in a global certificate (the "Global Certificate") in registered form which will be registered in the name of, and shall be deposited with a sub-custodian for, the Hong Kong Monetary Authority ("HKMA") as operator (the "Operator") of the Central Markets Units Service (the "CMU"), or on about the Additional Securities Issue Date. For persons seeking to hold a beneficial interest in the Securities through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"), together with Euroclear and CMU, the "Clearing Systems", each a "Clearing System", such persons will hold their interests through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described herein, certificates for the Securities will not be issued in exchange for interests in the Global Certificate. See "Summary of Provisions Relating to the Securities in Global Form" for a description of the manner in which Securities will be issued.

CMU has updated its internal system and is no longer able to enter "CNH" in its internal system. Separately, it does not distinguish between "CNY", "CNH" and "RMB" in its internal system. The currency of the Original Securities is already recorded as "CNY" in CMU's system and the change in reference to the currency of the Original Securities in this Supplemental Offering Circular from that in the 23 July Offering Circular will not have any impact on the settlement of the Securities. By virtue of the Additional Securities being consolidated with the Original Securities, the Additional Securities will be fungible with the Original Securities and therefore there will be no impact on holders of both the Original Securities and the Additional Securities.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Haitong International

CITIC Securities

Huajin Securities (International)

Joint Bookrunners and Joint Lead Managers

CMB International

Dragonstone

Mizuho

SMBC Nikko

Zhongtai International

The date of this Supplemental Offering Circular is 13 September 2024.

IMPORTANT NOTICE

THIS SUPPLEMENTAL 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 SUPPLEMENTAL OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER, THE COMPANY OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR THAT THE INFORMATION SET FORTH IN THIS SUPPLEMENTAL OFFERING CIRCULAR IS CORRECT AS AT ANY DATE SUBSEQUENT TO THE DATE HEREOF.

THIS SUPPLEMENTAL OFFERING CIRCULAR, TOGETHER WITH THE 23 JULY OFFERING CIRCULAR, INCLUDES PARTICULARS GIVEN IN COMPLIANCE WITH THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED FOR THE PURPOSE OF GIVING INFORMATION WITH REGARD TO THE ISSUER, THE GUARANTOR AND THE GROUP. THE ISSUER AND THE GUARANTOR ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS SUPPLEMENTAL OFFERING CIRCULAR AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN MISLEADING.

HONG KONG EXCHANGES AND CLEARING LIMITED AND THE SEHK TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS SUPPLEMENTAL 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 SUPPLEMENTAL OFFERING CIRCULAR.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) this Supplemental Offering Circular contains all information with respect to the Issuer, the Guarantor, and the Guarantor's subsidiaries (collectively, the "Group"), the Additional Securities and the Deed of Guarantee for the Additional Securities, which is material in the context of the issue and offering of the Additional Securities (including the information which is required by applicable laws and according to the particular nature of the Issuer, the Guarantor, the Guarantee and the Additional Securities and 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, the Guarantor, the Group and of the rights attaching to the Guarantee and the Additional Securities); (ii) the statements contained in this Supplemental Offering Circular as at the respective dates thereof and the roadshow presentations (including electronic roadshow materials) relating to the Issuer, the Guarantor, the Group and to the Guarantee and the Additional Securities, are in every material particular true and accurate and do not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, misleading; (iii) the opinions and intentions expressed in this Supplemental Offering Circular with regard to the Issuer, the Guarantor and the Group are honestly and reasonably held, have been reached after considering all

relevant circumstances and are based on reasonable assumptions; (iv) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements; and (v) the statistical, industry and market-related data, each of which are included in this Supplemental Offering Circular, are based on or derived or extracted from sources which each of the Issuer and the Guarantor believe to be accurate and reliable in all material respects. In addition, each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this Supplemental Offering Circular.

This Supplemental Offering Circular has been prepared by the Issuer and the Company solely for use in connection with the proposed offering of the Additional Securities described in this Supplemental Offering Circular. The distribution of this Supplemental Offering Circular and the offering of the Additional Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Supplemental Offering Circular comes are required by the Issuer, the Company 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 Additional Securities or the distribution of this Supplemental Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Additional Securities and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, the People's Republic of China, Hong Kong, Macau, Singapore, the European Economic Area (the "EEA"), Japan and the British Virgin Islands to persons connected therewith. For a description of certain further restrictions on offers, sales and resale of the Additional Securities and distribution of this Supplemental Offering Circular, see "*Subscription and Sale*".

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Company, the Group, the Additional Securities or the Deed of Guarantee for the Additional Securities 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 Company, the Joint Lead Managers, the Trustee or the Agents (as defined in the Conditions) or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them. Neither the delivery of this Supplemental Offering Circular nor any offering, sale or delivery made in connection with the issue of the Additional Securities 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 Company, the Group or any of them since the date hereof or create any implication that the information contained herein is correct at any date subsequent to the date hereof. This Supplemental Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Company, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them to subscribe for or purchase any of the Additional Securities 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.

You are reminded that the Supplemental Offering Circular has been delivered to you on the basis that you are a person into whose possession the Supplemental Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. Neither the Issuer nor the Company has authorised its use for any other purpose.

This Supplemental Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only to and its contents may be disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Supplemental Offering Circular, each investor agrees to these restrictions.

This Supplemental Offering Circular is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC (as amended or superseded) as implemented in member states of the EEA.

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

The communication of this Supplemental Offering Circular and any other document or materials relating to the issue of the Additional Securities offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, the Additional Securities offered hereby are only available to, and any investment or investment activity to which this Supplemental Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Supplemental Offering Circular or any of its contents.

Prohibition of Sales to UK Retail Investors — The Additional Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act

2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Additional Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Additional Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

None of the Issuer, the Company and the Joint Lead Managers is making an offer to sell the Additional Securities in any jurisdiction except where an offer or sale is permitted. The distribution of this Supplemental Offering Circular and the offering of the Additional Securities may in certain jurisdictions be restricted by law. None of the Issuer, the Company and the Joint Lead Managers represents that this Supplemental Offering Circular may be lawfully distributed, or that the Additional Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Company or the Joint Lead Managers which is intended to permit a public offering of the Additional Securities or the distribution of this Supplemental Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Additional Securities may be offered or sold, directly or indirectly, and neither this Supplemental Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Supplemental Offering Circular comes are required by the Issuer, the Company and the Joint Lead Managers to inform themselves about and to observe any such restrictions. Each prospective purchaser of the Additional Securities must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Additional Securities or possesses or distributes this Supplemental Offering Circular and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuer, the Company and the Joint Lead Managers shall have any responsibility therefor.

You are responsible for making your own examination of the Issuer and the Group and your own assessment of the merits and risks of investing in the Additional Securities. The Additional Securities have not been recommended by any federal or state securities

commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Supplemental Offering Circular. Any representation to the contrary is a criminal offence. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws or exemption therefrom. You should be aware that you may be required to bear financial risks of this investment for an indefinite period of time.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisors or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer or the Company during the life of the arrangements contemplated by this Supplemental Offering Circular nor to advise any investor or potential investor in the Additional Securities of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them.

No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Supplemental Offering Circular, and nothing contained in this Supplemental Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them. None of the Joint Lead Managers, the Trustee and the Agents and any of their respective affiliates, directors, officers, employees, representatives, advisers or agents and any person who controls any of them has independently verified any of the information contained in this Supplemental Offering Circular and can give any assurance that this information is accurate, truthful or complete. Each person receiving this Supplemental Offering Circular acknowledges that such person has not relied on any of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee and the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them accept any responsibility whatsoever for the contents of this Supplemental Offering Circular or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them or on its or their behalf in connection with the Issuer, the Company, the Group, the issue and offering of the Additional Securities or the Guarantee. Each of the Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Supplemental Offering Circular or any such statement.

This Supplemental 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 Company, the Joint Lead Managers, the Trustee or the Agents or any of their respective

affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them that any recipient of this Supplemental Offering Circular should purchase the Additional Securities. Each potential purchaser of the Additional Securities should determine for itself the relevance of the information contained in this Supplemental Offering Circular and its purchase of the Additional Securities should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

In making an investment decision, investors must rely on their own examination of the Issuer, the Company, the Group and the terms of the offering, including the merits and risks involved. See “*Risk Factors*” in the 23 July Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Additional Securities. **You should rely only on the information contained in this Supplemental Offering Circular.**

In connection with the issue of the Additional Securities, any of the Joint Lead Managers appointed as the stabilising manager (the “**Stabilising Manager**”) (or persons acting on its behalf) may, subject to all applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Additional Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on its behalf) will undertake stabilisation actions. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Additional Securities is made and, if begun, may end at any time, but it must be brought to an end after a limited period. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or persons acting on its behalf) in accordance with all applicable laws and rules.

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

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 Additional Securities, including certain Joint Lead Managers, are “capital market intermediaries” (the “**CMI**s”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**Code**”). This notice to prospective investors is a summary of certain obligations the Code imposes on such CMI^s, which require the attention and cooperation of prospective investors. Certain CMI^s may also be acting as “overall coordinators” (the “**OC**s”) for this offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor, or any CMI (including its group companies) should specifically disclose this when placing an order for the Additional Securities 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 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 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 Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Supplemental Offering Circular, references to “we”, “our”, “us”, “the Company”, “the Guarantor” and “the Group” refer to Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司) and its consolidated subsidiaries, as the context requires. References to the “Issuer” are to Huafa 2024 I Company Limited.

References to “U.S. dollars” and “US\$” are to United States dollars, the official currency of the United States of America (the “**United States**” or “**U.S.**”). References to “Renminbi”, “CNY”, “CNH” or “RMB” are to Renminbi, the official currency of the People’s Republic of China (“**China**” or the “**PRC**”). CNH, CNY and RMB are used interchangeably in this Supplemental Offering Circular. For the avoidance of doubt, both CNH and RMB refer to the official currency of the PRC. References to “Hong Kong dollars”, “HKD” or “HK\$” are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”).

References to “PRC” and “China”, in the context of statistical information and description of laws and regulations in this Supplemental Offering Circular, except where the context otherwise requires, do not include Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC, or Taiwan. References to “PRC government” or “State” means the central government of the PRC, together with all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

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

Unless the context otherwise requires, references to “2021”, “2022” and “2023” in this Supplemental Offering Circular are to the Group’s financial years ended 31 December 2021, 2022 and 2023, respectively.

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 name prevails.

PRESENTATION OF FINANCIAL INFORMATION

This Supplemental Offering Circular contains the audited consolidated financial information of the Company as at and for the years ended 31 December 2021, 2022 and 2023.

The consolidated financial information of the Company as at and for the years ended 31 December 2021, 2022 and 2023 has been extracted from the Company's consolidated financial statements as at and for the years ended 31 December 2022 and 2023 (the "**Company's Audited Financial Statements**"). The Company prepares its consolidated financial statements in accordance with the general accepted accounting principles of the PRC ("**PRC GAAP**"). The Company's Audited Financial Statements were audited by GrantThornton Certified Public Accountant Firm (Special General Partnership) ("**GrantThornton**"), and are included elsewhere in this Supplemental Offering Circular. PRC GAAP differs in certain respects from International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). See "*Differences Between PRC Accounting Standards and International Financial Reporting Standards*" in the 23 July Offering Circular.

In preparing its consolidated financial statements as at and for the years ended 31 December 2022 and 2023, the Company has adopted a new accounting standard issued by the Ministry of Finance, including Accounting Standards for Business Enterprises Interpretation No. 15 (Cai Kuai [2021] No. 35) (the "**Interpretation No. 15**") with effect from 1 January 2022 and Accounting Standards for Business Enterprises Interpretation No. 16 (Cai Kuai [2022] No. 31) (the "**Interpretation No. 16**") with effect from 1 January 2023. With the adoption of the Interpretation No. 16, certain accounting items in the balance sheet as at 1 January 2022 and in the income statement for 2022 extracted from the Company's consolidated financial statements as at and for the year ended 31 December 2023 were restated from the audited consolidated balance sheet of the Company as at 31 December 2022 and the audited consolidated income statement for 2022. As a result of the above, certain consolidated financial information of the Company as at and for the year ended 31 December 2021 is not directly comparable to that as at and for the years ended 31 December 2022 and 2023. For more information, please refer to "*Note V(1) — Change of accounting policy*" to the Company's consolidated financial statements as at and for the year ended 31 December 2022 and "*Note V(1) — Change of accounting policy*" to the Company's consolidated financial statements as at and for the year ended 31 December 2023.

As the Company's Audited Financial Statements are prepared in Chinese in accordance with PRC GAAP, the Company has prepared English translations of such financial statements which are included in this Supplemental Offering Circular. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them have independently verified or checked the accuracy of the English translations and can give no assurance that the information contained in the English translations of the financial statements of the Company is accurate or complete.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them has independently verified the accuracy of the financial information or financial statements of the Group and none of the Joint Lead Managers, the

Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them can give assurance that the financial information and financial statements are accurate.

The Group publishes its interim financial information from time to time. Such financial information published by the Group in the PRC is normally derived from its management accounts and is not audited or reviewed by independent auditors. In particular, the financial information as at and for the six months ended 30 June 2024 and as at and for the three months ended 31 March 2024 published by the Guarantor in the PRC has not been audited or reviewed by independent auditors. As such, financial information published in the PRC by the Group should not be relied upon by potential investors to provide the same quality of information associated with any audited information and does not form part of this Supplemental Offering Circular. See also “*Supplemental Information*” in the Supplemental Offering Circular and “*Risk Factors — Risks Relating to the Financial Information — Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular*” in the 23 July Offering Circular.

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

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THE OFFERING

The following summary is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this Supplemental Offering Circular. For a more detailed description of the Securities, see “Terms and Conditions of the Securities” in this Supplemental Offering Circular. Terms used in this summary and not otherwise defined shall have the meanings given to them in “Terms and Conditions of the Securities” in both this Supplemental Offering Circular and the 23 July Offering Circular.

Issuer Huafa 2024 I Company Limited

Guarantor Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司)

The Additional Securities RMB630,000,000 aggregate principal amount of Senior Guaranteed Perpetual Capital Securities (to be consolidated and form a single series with the RMB1,900,000,000 senior guaranteed perpetual capital securities issued on 30 July 2024).

The Guarantee The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Securities and the Trust Deed, as further described in Condition 2(b).

The Guarantor undertakes that it will register or cause to be registered with SAFE the Deeds of Guarantee in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) (the “**Cross-border Security Registration**”), use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the Guarantee.

NDRC Registration Each of the Issuer and the Guarantor undertakes to report or cause to be reported the relevant information in connection with the Securities to the NDRC, within ten PRC Business Days after the Original Securities Issue Date in respect of the Original Securities and within ten PRC Business Days after the Additional Securities Issue Date in respect of the Additional Securities (the “**NDRC Registration Deadline**”) and in accordance with the Administrative Measures for the Review and Registration of Medium-and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法) issued by the NDRC and which came into effect on 10 February 2023 (the “**Post-Issuance Reporting**”); and (B) use its best endeavours to comply with all applicable PRC laws and regulations in relation to the Securities.

Additional Securities Issue Price. 100.05% of the principal amount of the Additional Securities (plus accrued interest from (and including) 30 July 2024 to (but excluding) 23 September 2024).

Form and Denomination The Securities are issued in registered form in the specified denomination of RMB1,000,000 and integral multiples of RMB10,000 in excess thereof.

Distribution The Securities confer a right to receive distributions from the Original Securities Issue Date at the applicable Distribution Rate, payable semi-annually in arrear on 30 January and 30 July of each year, with the first payment of Distribution being made on 30 January 2025.

Distribution Rate Subject to any increase pursuant to Condition 5(e), the rate of Distribution (“**Distribution Rate**”) applicable to the Securities shall be:

- (i) in respect of the period from, and including, the Original Securities Issue Date to, but excluding, 30 July 2027 (the “**First Reset Date**”), the Initial Distribution Rate; and
- (ii) in respect of the period (A) from, and including the First Reset Date, to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

The “**Relevant Reset Distribution Rate**” means a rate of distribution expressed as a percentage per annum equal to the sum of (a) the initial spread of 3.707 per cent., (b) the Sovereign Bond Rate, and (c) a margin of 3.00 per cent. See “*Risk Factors — Risks relating to the Securities and the Guarantee — The Distribution Rate (as defined in the Conditions) on the Securities will be reset on each Reset Date (as defined in the Conditions), with such Relevant Reset Distribution Rate (as defined in the Conditions) mechanism being novel in the market and which may affect the market value of the Securities*” in the 23 July Offering Circular.

Distribution Deferral The Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an “**Optional Deferral Notice**”) to the Securityholders (in accordance with Condition 16) and to the Trustee and the CMU Lodging and Paying Agent in writing not more than ten business days nor less than five business days prior to the relevant scheduled Distribution Payment Date (a “**Optional Deferral Event**”).

No Obligation to Pay . The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 5(d)(i).

Cumulative Deferral . . Any Distribution deferred pursuant to Condition 5(d) shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect (in the circumstances set out in Condition 5(d)(i)) to further defer (in whole or in part) any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to Condition 5(d) except that Condition 5(d)(v) shall be complied with until all outstanding Arrears of Distribution and Additional Distribution Amount have been paid in full.

Each amount of Arrears of Distribution shall accrue Distributions as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such distribution (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 5 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the foregoing provisions of Condition 5. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added (for the purpose of calculating the Additional Distribution Amount accruing thereafter) to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Deferral If, on any Distribution Payment Date, payment of all Distribution scheduled to be made on such date (including any Distribution accrued but unpaid on the Securities (including any Arrears of Distribution and any Additional Distribution Amount)) is not made in full, neither the Issuer nor the Guarantor shall:

- (A) declare or pay any discretionary dividends or discretionary distributions or make any other discretionary payment, and will procure that no discretionary dividend, discretionary distribution or other discretionary payment is made, in each case, on any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (I) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, or (II) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants); or

(B) at its discretion redeem, reduce, cancel, buy-back or otherwise acquire for any consideration any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (I) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, or (II) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (III) as a result of the exchange or conversion of its Parity Securities for its Junior Securities),

in each case, unless and until (x) the Issuer or the Guarantor has satisfied in full all outstanding Arrears of Distribution and all Additional Distribution Amounts; or (y) the Issuer or the Guarantor is permitted to do so by an Extraordinary Resolution of the Securityholders.

Additional Securities 23 September 2024.
Issue Date

Maturity Date There is no maturity date.

Status of the The Securities constitute direct, unconditional, unsubordinated
Securities and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Status of the The obligations of the Guarantor under the Guarantee shall,
Guarantee save for such exceptions as may be provided by applicable legislation, and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Negative Pledge The Securities contain a negative pledge as further described in Condition 4(a).

Taxation All payments of principal, premium (if applicable) and Distribution (including Arrears of Distribution and Additional Distribution Amount) by or on behalf of the Issuer or the Guarantor in respect of the Securities or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands or the PRC or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law, as further described in Condition 8.

In such event, the Issuer or, as the case may be, the Guarantor shall, subject to the limited exceptions specified in the Conditions, pay such additional amounts (“**Additional Tax Amount**”) as will result in receipt by the Securityholders 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 Security.

No Fixed Redemption . The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (without prejudice to Condition 9) only have the right to redeem or purchase them in accordance with Condition 6.

Redemption at the option of the Issuer . . The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Trustee, the Agents and the Securityholders, at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) on the Call Dates, as further described in Condition 6(b).

**Redemption for
Taxation Reasons . . .** The Securities 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' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)), in the event that the Issuer or the Guarantor (as the case may be) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, 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 23 July 2024 and such obligation cannot be avoided by the Issuer or the Guarantor (as the case may be) taking reasonable measures available to it, as further described in Condition 6(c).

**Redemption for
Accounting Events . . .** The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on the Issuer giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the Agents at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)), as further described in Condition 6(d).

**Redemption for Change
of Control Event. . . .** The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at:

- (i) 101 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if such redemption occurs prior to 30 June 2027 (being the date that falls one month prior to the First Reset Date); or

(ii) 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if such redemption occurs on or after 30 June 2027 (being the date that falls one month prior to the First Reset Date), as further described in Condition 6(e).

**Redemption for No
Registration Event . .**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a No Registration Event, as further described in Condition 6(f).

**Redemption for Breach
of Covenants Event . .**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Breach of Covenants Event, as further described in Condition 6(g).

**Redemption for
Relevant Indebtedness
Default Event.**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Relevant Indebtedness Default Event, as further described in Condition 6(h).

**Redemption for
Dividend Stopper
Breach Event**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Dividend Stopper Breach Event, as further described in Condition 6(i).

**Redemption for
Minimum Outstanding
Amount**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if prior to the date fixed for redemption at least 80 per cent. in principal amount of the Securities issued on the Original Securities Issue Date and the Additional Securities Issue Date has already been cancelled, as described in Condition 6(j).

**Limited Rights to
Institute Proceedings.**

No Securityholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up of the Issuer or the Guarantor or to claim in the liquidation of the Issuer or the Guarantor or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Securityholder shall have only such rights against the Issuer or the Guarantor as those which the Trustee is entitled to exercise as set out in Condition 9.

**Proceedings for
Winding-Up**

- (i) If there is a Winding-Up of the Issuer, or the Issuer shall not make payment in respect of the Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(ii) If there is a Winding-Up of the Guarantor, or the Guarantor shall not make payment in respect of the Guarantee and/or the Securities (in accordance with the Guarantee) for a period of 14 days or more after the date on which such payment is due, the Guarantor shall be deemed to be in default under the Trust Deed and the Guarantee and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Guarantor and/or prove in the Winding-Up of the Guarantor and/or claim in the liquidation of the Guarantor for such payment.

Clearing Systems	The Additional Securities will be represented initially by interests in a Global Certificate, which will be registered in the name of, and deposited with a sub-custodian for, the HKMA as operator of the CMU on or about the Additional Securities Issue Date. For persons seeking to hold a beneficial interest in the Securities through Euroclear and Clearstream, such persons will hold their interests through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described in this Supplemental Offering Circular, definitive certificates for the Securities will not be issued in exchange for interests in the Global Certificate.
Clearing and Settlement	The Securities will be cleared through the CMU.
Governing Law	Hong Kong law.
Jurisdiction	Exclusive jurisdiction of the Hong Kong courts.
Trustee	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
CMU Lodging and Paying Agent, Calculation Agent, Transfer Agent and Registrar	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
Listing	The Original Securities are listed on The Stock Exchange of Hong Kong Limited (the “SEHK”) (stock code: 84542). Application will be made to the SEHK for the listing of, and permission to deal in, the Additional Securities by way of debt issues to Professional Investors only.
Use of Proceeds	See section entitled “ <i>Use of Proceeds</i> ”

Further Issues The Issuer is at liberty from time to time without the consent of the Securityholders to create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects save for the issue date, the first payment of Distribution on them, the timing for the making of the NDRC Post-issue Filing and the timing for completion of the Cross-Border Security Registration and, to the extent necessary, certain temporary securities law transfer restrictions) and so that the same shall be consolidated and form a single series with the outstanding Securities, as further described in Condition 15.

**CMU Instrument
Number** BOAKCS24072

ISIN HK0001038576

Common Code 286390692

**Legal Entity Identifier
Number** 254900DBSY6AGI3ICA90

Rating The Additional Securities are expected to be assigned a rating of “BBB-” by Fitch and a rating of “A+” by Lianhe Global.

USE OF PROCEEDS

The net proceeds from the offering of the Additional Securities, after deducting commissions and other estimated expenses payable in connection with the offering of the Additional Securities, will be approximately RMB620 million. The Company intends to use such proceeds from this offering for refinancing existing offshore indebtedness.

CAPITALISATION

The following table sets forth the consolidated total borrowings (both short-term and long-term borrowings), total equity and total capitalisation of the Group as at 31 December 2023 and as adjusted to give effect to the aggregate principal amount of the Original Securities and Additional Securities (without deduction of commission and other estimated expenses in connection with this offering).

The summary consolidated financial information below should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2023 and the notes to the financial statements included elsewhere in this Supplemental Offering Circular.

	As at 31 December 2023			
	Actual		As adjusted	
	(RMB'000)	(US\$'000)	(RMB'000)	(US\$'000) ⁽¹⁾
	(audited)	(unaudited)	(audited)	(unaudited)
Short-term borrowings				
Short-term loans	38,245,691	5,386,793	38,245,691	5,386,793
Non-current liabilities due within one year	66,874,620	9,419,093	66,874,620	9,419,093
Other current liabilities ⁽²⁾	19,953,666	2,810,415	19,953,666	2,810,415
Total short-term borrowings	125,073,977	17,616,301	125,073,977	17,616,301
Long-term borrowings				
Long-term loan	124,695,877	17,563,047	124,695,877	17,563,047
Bonds payable	67,207,457	9,465,972	67,207,457	9,465,972
Other non-current liabilities ⁽³⁾	21,529,691	3,032,394	21,529,691	3,032,394
Total long-term borrowings	213,433,025	30,061,413	213,433,025	30,061,413
Total borrowings⁽⁴⁾	338,507,002	47,677,714	338,507,002	47,677,714
Total shareholders' equities	175,248,228	24,683,197	177,778,228	25,039,540
Including: Original Securities ⁽⁵⁾	—	—	1,900,000	267,609
Including: Additional Securities to be issued ⁽⁶⁾	—	—	630,000	88,734
Total capitalisation⁽⁷⁾	513,755,230	72,360,911	516,285,230	72,717,254

Notes:

- (1) Calculated at the exchange rate of US\$1.00 = RMB7.0999 on 29 December 2023 as set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) This amount represents the aggregate amount payable under the Group's super-short term financial bond, short term corporate bond, U.S. denominated private placement bond, asset-backed special programs and short-term earning certificate. See Note. VIII — 55 to the Group's consolidated financial statements as at and for the year ended 31 December 2023 included elsewhere in this Supplemental Offering Circular.
- (3) This amount represents the aggregate amount payable under asset-backed special program and real estate mortgaged loan backed notes. See Note. VIII — 61 to the Group's consolidated financial statements as at and for the year ended 31 December 2023 included elsewhere in this Supplemental Offering Circular.
- (4) Total borrowings equal total short-term borrowings and long-term borrowings.
- (5) Original Securities represent the aggregate principal amount of the Original Securities, before deduction of the commission and other estimated expenses in connection with the offering of the Original Securities.

- (6) Additional Securities to be issued represent the aggregate principal amount of the Additional Securities to be issued, before deduction of the commission and other estimated expenses in connection with the offering of the Additional Securities.
- (7) Total capitalisation equals total borrowings plus total shareholders' equities of the Company.

Subsequent to 31 December 2023, the Group has, in the ordinary course of business, entered into additional financing arrangements to finance the Group's business development. On 30 July 2024, the Group issued the Original Securities. For further details on certain corporate bonds, notes, commercial papers issued by the Group subsequent to 31 December 2023, see "*Supplemental Information — Additional indebtedness since 31 December 2023*".

Save as otherwise disclosed in this Supplemental Offering Circular, there has been no material change in the consolidated capitalisation and indebtedness of the Group since 31 December 2023.

TERMS AND CONDITIONS OF THE SECURITIES

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

The RMB1,900,000,000 in aggregate principal amount of senior guaranteed perpetual capital securities (the “**Original Securities**”) of Huafa 2024 I Company Limited (the “**Issuer**”) are constituted by a trust deed (the “**Original Trust Deed**”) dated 30 July 2024 (the “**Original Securities Issue Date**”) made between the Issuer, Zhuhai Huafa Group Co., Ltd. (the “**Guarantor**”) and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) (the “**Trustee**”, which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the holders of the Securities. The RMB630,000,000 in aggregate principal amount of senior guaranteed perpetual capital securities of the Issuer (the “**Additional Securities**”, together with the Original Securities, the “**Securities**”, which expression, unless the context requires otherwise, includes any further securities issued pursuant to Condition 15 and forming a single series therewith) will be consolidated and form a single series with the Original Securities, and are constituted by a supplemental trust deed (the “**Supplemental Trust Deed**”) dated on or about 23 September 2024 (the “**Additional Securities Issue Date**”). The Original Trust Deed, as supplemented by the Supplemental Trust Deed and as further supplemented and/or amended from time to time, is hereafter referred to as the “**Trust Deed**”. The statements in these terms and conditions (these “**Conditions**”) include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. The issue of the Original Securities was authorised by a written resolution of the board of directors of the Issuer passed on 8 July 2024 and the issue of the Additional Securities was authorised by a written resolution of the board of directors of the Issuer passed on 9 September 2024.

The Original Securities have the benefit of a deed of guarantee dated the Original Securities Issue Date (as amended or supplemented from time to time, the “**Deed of Guarantee for the Original Securities**”) entered into by the Guarantor and the Trustee relating to the Original Securities. The Additional Securities have the benefit of a deed of guarantee dated the Additional Securities Issue Date (as amended or supplemented from time to time, the “**Deed of Guarantee for the Additional Securities**”, together with the Deed of Guarantee for the Original Securities, the “**Deeds of Guarantee**” and each, a “**Deed of Guarantee**”). The Securities are the subject of an agency agreement dated the Original Securities Issue Date (the “**Original Agency Agreement**”) made between the Issuer, the Guarantor, the Trustee, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the “**Registrar**”, which expression shall include any successors appointed under the Agency Agreement), as CMU lodging and paying agent (the “**CMU Lodging and Paying Agent**”, which expression shall include any successors appointed under the Agency Agreement), as calculation agent (the “**Calculation Agent**”, which expression shall include any successors appointed under the Agency Agreement) and as transfer agent (the “**Transfer Agent**”, which expression shall include any successors appointed under the Agency Agreement and, together with the Registrar, the CMU Lodging and Paying Agent, the Calculation Agent and any other agents appointed thereunder, the “**Agents**”), as supplemented by a supplemental agency agreement dated the Additional Securities Issue Date made between the Issuer, the Guarantor, the Trustee, the CMU Lodging and Paying Agent, the Registrar, the Transfer Agent, the Calculation Agent and any other agents appointed thereunder (as amended and/or supplemented from time to

time, the “**Supplemental Agency Agreement**”, and together with the Original Agency Agreement and as further amended and/or supplemented from time to time, the “**Agency Agreement**”) in relation to the Securities.

Copies of the Trust Deed, the Deeds of Guarantee and the Agency Agreement are available for inspection by the Holders during normal business hours (being between 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (on Hong Kong business days)) at the specified office (as defined in the Trust Deed) of the CMU Lodging and Paying Agent (being as at the Additional Securities Issue Date at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) by the Holders following prior written request and proof of holding and identity to the satisfaction of the CMU Lodging and Paying Agent. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deeds of Guarantee and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed. The Securities, the Deeds of Guarantee, the Trust Deed and the Agency Agreement are collectively known as the “**Transaction Documents**”.

1. FORM, SPECIFIED DENOMINATION AND TITLE

The Securities are issued in the specified denomination of RMB1,000,000 and higher integral multiples of RMB10,000 in excess thereof.

The Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 3(b), each Certificate shall represent the entire holding of Securities by the same Holder.

Title to the Securities passes only by transfer and registration in the Register as described in Condition 3. The holder of any Securities will (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 or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

In these Conditions, “**Securityholder**” and “**Holder**” means the person in whose name a security is registered (or, in the case of a joint holding, the first named thereof).

*Upon issue, the Securities will be represented by one or more global certificates (the “**Global Certificate(s)**”) 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 Certificates while any of the Securities are represented by the Global Certificates.*

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

*For so long as any of the Securities are represented by the Global Certificates and the Global Certificates are held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will make payments to each CMU participant who is at the relevant time shown in the records of the Operator as the holder of a particular principal amount of Securities (each an “**accountholder**”). 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, and the Trustee, the CMU Lodging and Paying Agent and the other Agents shall have no liability to the Holders, the Issuer, the Guarantor, the CMU participants, the accountholder, the indirect participants or any other person in respect of any such payment.*

2. STATUS AND GUARANTEE

(a) Status

The Securities constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.

(b) Guarantee

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Securities and the Trust Deed. The Guarantor’s obligations in respect of the Securities and the Trust Deed (the “**Guarantee**”) are contained in each Deed of Guarantee. The obligations of the Guarantor under each Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.

In these Conditions, “**Parity Securities**” means (a) in respect of the Issuer, any instrument or security issued, entered into or guaranteed by the Issuer which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities; (b) in respect of the Guarantor, any instrument or security issued, entered into or guaranteed by the Guarantor which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the obligations under the Guarantee.

3. TRANSFERS OF SECURITIES AND ISSUE OF CERTIFICATES

(a) Register

The Issuer will cause the register (the “**Register**”) to be kept outside of Hong Kong and in accordance with the terms of the Agency Agreement, on which shall be entered the names and addresses of the Holders and the particulars of the Securities held by them and of all transfers of the Securities. Each Holder shall be entitled to receive only one Certificate in respect of its entire holding of Securities.

(b) Transfer

Subject to the Agency Agreement and Conditions 3(e) and 3(f) herein, a Security may be transferred by depositing the Certificate issued in respect of that Security, with the form of transfer on the back of the Certificate duly completed and signed, at the specified office of the Registrar or any Transfer Agent. No transfer of title to a Security will be valid unless and until entered on the Register.

(c) Delivery of New Certificates

Each new Certificate to be issued upon transfer of Securities pursuant to Condition 3(b) shall be made available for delivery within seven business days of receipt by the Registrar or (as the case may be) any Transfer Agent, of a duly completed form of transfer and surrender of the existing Certificate(s) and provision of any other evidence required by the Transfer Agent or the Registrar pursuant to Condition 3(b). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer 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 in writing 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 the relevant Transfer Agent or the Registrar (as applicable) may specify. In this Condition 3(c) and in Condition 3(e), “**business day**” means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) Formalities Free of Charge

Registration of transfer of Securities and issuance of new Certificates will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but upon (i) payment (or the giving of such indemnity and/or security and/or prefunding as the Issuer, the Registrar or the Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar being satisfied in its sole and absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the Transfer Agent being satisfied that the regulations concerning transfer of Securities have been complied with.

(e) Closed Periods

No Holder may require the transfer of a Security to be registered (i) during the period of seven business days ending on (but excluding) the due date for any payment of principal or Distribution (including Arrears of Distribution, Additional Distribution Amount and premium) in respect of that Security; or (ii) during the period of seven business days ending on (and including) any Record Date (as defined in Condition 7(a)); or (iii) during the period of seven days prior to (and including) any date on which Securities may be called for redemption by the Issuer pursuant to Condition 6.

(f) Regulations

All transfers of Securities and entries on the Register will be made subject to the detailed regulations concerning transfer of Securities the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be mailed (free of charge to the Holders and at the Issuer's expense) by the Registrar to any Holder who following prior written request and proof of holding and identity to the satisfaction of the Registrar.

Transfers of interests in the Securities evidenced by the Global Certificates will be effected in accordance with the rules and procedures of the relevant clearing systems.

4. COVENANTS

(a) Negative Pledge

So long as any Security remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and each of the Issuer and the Guarantor will ensure that none of their respective Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto affording to the Securities the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders.

(b) Undertakings relating to the Guarantee

The Guarantor undertakes that it will (i) register or cause to be registered the Deeds of Guarantee with SAFE in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 and its implementation rules (“**Cross-border Security Registration**”), (ii) use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee. In addition, the Guarantor shall procure the Agent to, within five Registration Business

Days after such delivery to the Trustee, give a notice to the Holders confirming the completion of the Cross-border Security Registration. The Trustee shall have no obligation to monitor or ensure the registration of the Deeds of Guarantee with SAFE on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Cross-Border Security Registration or to give notice to the Securityholders confirming the completion of the Cross-Border Security Registration and shall not be liable to Holders, the Issuer, the Guarantor or any other person for not doing so.

(c) Issuer Activities

The Issuer shall not, and the Guarantor will procure that the Issuer will not, so long as any Security remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of Holders, conduct any business or any activities other than the issue of the Securities and other debt securities and the lending of the proceeds of the issue of the Securities and other debt securities to any of the Guarantor's Subsidiaries and affiliates and any other activities reasonably incidental thereto.

(d) Financial Information

So long as any Security remains outstanding (as defined in the Trust Deed):

- (i) the Guarantor will furnish the Trustee with:
 - (A) a Compliance Certificate of the Guarantor (on which the Trustee may rely conclusively without liability and without investigation or inquiry and the Trustee shall not be liable to any Holder, the Issuer, the Guarantor or any other person for such reliance as to such compliance) within 30 days of a request by the Trustee and at the same time as the Guarantor Audited Financial Reports and the Guarantor Unaudited Financial Reports (where applicable) pursuant to Conditions 4(d)(i)(B) and 4(d)(i)(C) below;
 - (B) a copy of the relevant Guarantor Audited Financial Reports in Chinese within 150 days of the end of each Relevant Period prepared in accordance with the Accounting Standards for Business Enterprises in China (“**PRC GAAP**”) (audited by a nationally recognised firm of independent accountants) of the Guarantor and its Subsidiaries; and
 - (C) a copy of the Guarantor Unaudited Financial Reports (if any) in Chinese within 90 days of the end of each Relevant Period prepared on a basis consistent with the audited consolidated financial statements of the Guarantor and its Subsidiaries;

- (D) provided that, if at any time the capital stock of the Guarantor is listed for trading on a recognised stock exchange, the Guarantor may furnish the Trustee, as soon as they are available but in any event not more than ten calendar days after any financial reports of the Guarantor are filed with the exchange on which the Guarantor's capital stock is at such time listed for trading, with true and correct copies of any financial reports filed with such exchange in lieu of the reports identified in Condition 4(d)(i)(B) and 4(d)(i)(C) above; and
- (ii) the Issuer will furnish the Trustee with a Compliance Certificate of the Issuer (on which the Trustee may rely conclusively without liability and without investigation or inquiry and the Trustee shall not be liable to any Holder, the Issuer, the Guarantor or any other person for such reliance as to such compliance) within 30 days of a request by the Trustee and at the same time as the Guarantor Audited Financial Reports and the Guarantor Unaudited Financial Reports (where applicable) provided pursuant to Conditions 4(d)(i)(B) and 4(d)(i)(C) above.

(e) NDRC Registration

Each of the Issuer and the Guarantor undertakes:

- (A) to report or cause to be reported the relevant information in connection with the Securities to the National Development and Reform Commission (the “**NDRC**”), within ten PRC Business Days after the Original Securities Issue Date in respect of the Original Securities and within ten PRC Business Days after the Additional Securities Issue Date in respect of the Additional Securities (the “**NDRC Registration Deadline**”) and in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法) issued by the NDRC and which came into effect on 10 February 2023 (the “**Post-Issuance Reporting**”); and
- (B) use its best endeavours to comply with all applicable PRC laws and regulations in relation to the Securities (together, the “**NDRC Registration**”); and

The Trustee shall have no obligation to monitor or ensure the registration with the NDRC before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Registration or to give notice to the Securityholders confirming the completion of the NDRC Registration and shall not be liable to Holders, the Issuer, the Guarantor or any other person for not doing so.

In these Conditions:

“**Authorised Signatory**” means any director or any other authorised person of the Issuer or the Guarantor (as the case may be) notified to the Trustee from time to time by any director of the Issuer or the Guarantor (as the case may be) as being an authorised signatory;

“**Compliance Certificate**” means a certificate in English of the Issuer or the Guarantor (as the case may be) signed by any one of their respective Authorised Signatories that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer or the Guarantor (as the case may be) as at a date (the “**Certification Date**”) not more than five days before the date of the certificate, each of the Issuer and the Guarantor (as the case may be) has complied with all its obligations under the Trust Deed, the Deeds of Guarantee (in the case of the Guarantor) and the Securities;

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

“**Guarantor Unaudited Financial Reports**” means the interim unaudited consolidated balance sheet, income statement, statement of cash flows and statements of changes in owners’ equity of the Guarantor;

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

“**PRC Business Day**” means a working day, other than a Saturday or Sunday or other public holiday in the PRC, on which commercial banks are generally open for business in the PRC;

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

“**Registration Deadline**” means the day falling 90 Registration Business Days after the Original Securities Issue Date;

“**Relevant Indebtedness**” means any present or future indebtedness incurred outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market. For the avoidance of doubt, Relevant Indebtedness shall not include any indebtedness under any transferrable loan facility, bilateral bank loan or syndicated bank loan (including any drawing down of any existing credit line or facility of the Guarantor or any of its Subsidiaries);

“**Relevant Period**” means (i) in relation to the Guarantor Audited Financial Reports, each period of twelve months ending on the last day of the Guarantor’s financial year (being December 31 of that financial year); (ii) in relation to the Guarantor Unaudited Financial Reports, each period of six months ending on the last day of its first half financial year (being June 30 of that financial year);

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

“Subsidiary” means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles of the PRC to be fully consolidated with those of the Issuer or the Guarantor.

5. DISTRIBUTION

(a) Distributions

Subject to Condition 5(d), the Securities confer a right to receive distribution (each a “**Distribution**”) from the Original Securities Issue Date at the applicable Distribution Rate in accordance with this Condition 5. Subject to Condition 5(d), Distributions shall be payable on the Securities semi-annually in arrear on 30 January and 30 July of each year (each, a “**Distribution Payment Date**”), with the first payment of Distribution being made on 30 January 2025.

Distributions in respect of any Security shall be calculated per RMB10,000 in principal amount of the Securities (the “**Calculation Amount**”). The amount of Distribution payable per Calculation Amount for any period shall be equal to the product of the rate of Distribution specified above, the Calculation Amount and the actual number of days in the relevant period divided by 365, rounding the resulting figure to the nearest RMB0.01 (RMB0.005 being rounded upwards).

(b) Rate of Distribution

Subject to any increase pursuant to Condition 5(e), the rate of Distribution (“**Distribution Rate**”) applicable to the Securities shall be:

- (i) in respect of the period from, and including, the Original Securities Issue Date to, but excluding, 30 July 2027 (the “**First Reset Date**”), the Initial Distribution Rate; and
- (ii) in respect of the period (A) from, and including the First Reset Date, to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

In this Condition 5(b):

“**Bloomberg Screen CNHBYR3 Page**” means the Bloomberg screen designated “**CNHBYR3**” (CNH GOV 3Y Index) (or any successor page or service which tracks generic CNH China government dim sum bonds with years to maturity of around three years);

“**Comparable Sovereign Bond Issue**” means any RMB-denominated and settled fixed-rate sovereign bond issued by The Ministry of Finance of the People’s Republic of China (中華人民共和國財政部) and distributed outside of the PRC mainland selected by the Investment Banking Firm as having years to maturity of around three years that would, at the time of selection and in accordance with customary financial practice, be used as benchmark rate in pricing new issues of corporate debt securities with a maturity of three years, and as notified by the Issuer to the Calculation Agent before 12:00 p.m. (Hong Kong time) on the Reset Determination Date;

“**Initial Distribution Rate**” means 6.000 per cent. per annum;

“**Investment Banking Firm**” means an investment banking firm of recognised standing in Hong Kong selected and appointed by the Issuer in good faith;

“**Reset Date**” means the First Reset Date and each day falling every three calendar years after the First Reset Date;

“**Reset Determination Date**” means the day falling three business days prior to each Reset Date for calculating the Relevant Reset Distribution Rate under Condition 5(b)(ii);

“**Relevant Reset Distribution Rate**” means a rate of distribution expressed as a percentage per annum equal to the sum of (a) the initial spread of 3.707 per cent (the “**Initial Spread**”), (b) the Sovereign Bond Rate, and (c) a margin of 3.00 per cent.; and

“**Sovereign Bond Rate**” means the rate notified by the Calculation Agent to the Issuer, the Trustee and the CMU Lodging and Paying Agent and confirmed and notified by the Issuer to the Securityholders (in accordance with Condition 16) in per cent. per annum equal to the bid yield as reported on the Bloomberg Screen CNHBYR3 Page as at or around 4:00 p.m. (Hong Kong time) on the Reset Determination Date. If the Bloomberg Screen CNHBYR3 Page is not available or the bid yield does not appear on the Bloomberg Screen CNHBYR3 Page for whatever reason in each case as at or around 4:00 p.m. (Hong Kong time) on the day falling three business days prior to a Reset Determination Date, the Calculation Agent shall forthwith notify in writing the Issuer and “**Sovereign Bond Rate**” shall in such case mean the rate notified by the Calculation Agent to the Issuer, the Trustee and the CMU Lodging and Paying Agent and confirmed and notified by the Issuer to the Securityholders (in accordance with Condition 16) in per cent. per annum equal to the bid yield of the Comparable Sovereign Bond Issue as at or around 4:00 p.m. (Hong Kong time) on the Reset Determination Date, as shown on or derived from the Bloomberg page (or any successor page) of the Comparable Sovereign Bond Issue. Reference in these Conditions to any Bloomberg page means the relevant page on the Bloomberg terminal (or, if not available from Bloomberg, any successor information service provider thereto determined by the Issuer in its absolute discretion). If the Sovereign Bond Rate cannot be determined in accordance with this paragraph, “**Sovereign Bond Rate**” shall be (A) (on the First Reset Date) 2.293 per cent.

(being the Initial Distribution Rate less the Initial Spread), and (B) (on each Reset Date falling after the First Reset Date) the Sovereign Bond Rate applicable in respect of the immediately preceding Reset Determination Date.

(c) Distribution Accrual

Unless otherwise provided for in these Conditions, each Security will cease to confer the right to receive any Distribution from and including the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused, in which event Distributions shall continue to accrue as provided in the Trust Deed. In such latter event, Distributions will continue to accrue at the applicable Distribution Rate (after as well as before any judgment) up to but excluding whichever is the earlier of (i) the date on which all sums due in respect of any Security are received by or on behalf of the relevant Securityholder and (ii) the day falling seven days after the CMU Lodging and Paying Agent or the Trustee has notified the Securityholders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Securityholders under these Conditions).

(d) Distribution Deferral

- (i) *Optional Deferral*: The Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an “**Optional Deferral Notice**”) to the Securityholders (in accordance with Condition 16) and to the Trustee and the CMU Lodging and Paying Agent in writing not more than ten business days nor less than five business days prior to the relevant scheduled Distribution Payment Date (a “**Optional Deferral Event**”). Any partial payment of any Distribution by the Issuer shall be shared by the Securityholders of all outstanding Securities on a pro-rata basis.
- (ii) *No obligation to pay*: The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 5(d)(i).
- (iii) *Requirements as to Notice*: The Trustee shall be entitled to accept such Optional Deferral Notice and certificate as sufficient evidence of the occurrence of an Optional Deferral Event, in which event the same shall be conclusive and binding on the Securityholders.
- (iv) *Cumulative Deferral*: Any Distribution deferred pursuant to this Condition 5(d) shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect (in the circumstances set out in Condition 5(d)(i)) to further defer (in whole or in part) any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to this Condition 5(d) except that Condition 5(d)(v) shall be complied with until all outstanding Arrears of Distribution and Additional Distribution Amount

have been paid in full. Each amount of Arrears of Distribution shall accrue Distributions as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such distribution (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 5 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the foregoing provisions of this Condition 5. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added (for the purpose of calculating the Additional Distribution Amount accruing thereafter) to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

- (v) *Restrictions in the case of Deferral:* If, on any Distribution Payment Date, payment of all Distribution scheduled to be made on such date (including any Distribution accrued but unpaid on the Securities (including any Arrears of Distribution and any Additional Distribution Amount)) is not made in full, neither the Issuer nor the Guarantor shall:
- (A) declare or pay any discretionary dividends or discretionary distributions or make any other discretionary payment, and will procure that no discretionary dividend, discretionary distribution or other discretionary payment is made, in each case, on any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (I) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, or (II) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants); or
 - (B) at its discretion redeem, reduce, cancel, buy-back or otherwise acquire for any consideration any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (I) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, or (II) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (III) as a result of the exchange or conversion of its Parity Securities for its Junior Securities),

in each case, unless and until (x) the Issuer or the Guarantor has satisfied in full all outstanding Arrears of Distribution and all Additional Distribution Amounts; or (y) the Issuer or the Guarantor is permitted to do so by an Extraordinary Resolution of the Securityholders.

For the avoidance of doubt, the Issuer’s right of optional deferral pursuant to Condition 5(d)(i) will not be affected solely as a result of the incurrence of any Parity Securities or Junior Securities.

In addition, the incurrence of any Parity Securities (including any senior indebtedness) or Junior Securities itself will not constitute a Dividend Stopper Breach Event. A non-discretionary payment on, or redemption of, Parity Securities or Junior Securities (such as a scheduled payment of principal and interest on such Parity Securities or Junior Securities, which the issuer thereof has no right to defer) does not constitute a Dividend Stopper Breach Event.

In these Conditions:

“Dividend Stopper Breach Event” means a non-compliance by the Issuer or the Guarantor with any of the restrictions set out in this Condition 5(d)(v); and

“Junior Securities” means (a) in respect of the Issuer, (i) any class of the Issuer’s shares (including without limitation any preference shares) and (ii) any security or instrument or other forms of indebtedness and liabilities issued, incurred, entered into or guaranteed by the Issuer which ranks, or is expressed to rank, by its terms or by operation of law, junior to the obligations of the Issuer under the Securities; and (b) in respect of the Guarantor, (i) any class of the Guarantor’s shares (including without limitation any preference shares) and (ii) any security or instrument or other forms of indebtedness and liabilities issued, incurred, entered into or guaranteed by the Guarantor which ranks, or is expressed to rank, by its terms or by operation of law, junior to the obligations of the Guarantor under the Guarantee.

(vi) *Satisfaction of Arrears of Distribution by Payment:* The Issuer:

(A) may satisfy any Arrears of Distribution and Additional Distribution Amount (in whole or in part) at any time by giving notice of such election to the Securityholders (in accordance with Condition 16) and to the Trustee and the CMU Lodging and Paying Agent in writing not more than ten business days nor less than five business days prior to the proposed payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution and all Additional Distribution Amounts, on the payment date specified in such notice); and

(B) in any event shall satisfy any outstanding Arrears of Distribution and Additional Distribution Amount (in whole but not in part) on the earliest of:

- (1) the date of redemption of the Securities in accordance with the redemption events set out in Condition 6;
- (2) a Winding-Up of the Issuer; and
- (3) the date of any substitution or variation in accordance with Condition 12(c).

Any partial payment of outstanding Arrears of Distribution and any Additional Distribution Amount by the Issuer shall be shared by the Securityholders of all outstanding Securities on a pro-rata basis.

- (vii) *No default*: Notwithstanding any other provision in these Conditions, the Agency Agreement, or in the Trust Deed, the deferral of any Distribution payment in accordance with this Condition 5(d) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer or the Guarantor under the Securities and the Guarantee or for any other purpose.

In this Condition 5(d), “**business day**” means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in Beijing, Hong Kong and in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) Increase or Decrease in Distribution Rate Following Occurrence of Certain Events:

- (i) Upon the occurrence of:
- (A) a Change of Control Event (as defined in Condition 6(e));
 - (B) a Breach of Covenants Event (as defined in Condition 6(g));
 - (C) a Relevant Indebtedness Default Event (as defined in Condition 6(h));
or
 - (D) a Dividend Stopper Breach Event, ((A) to (D) above, each a “**Step-Up Event**”)

unless (x) an irrevocable notice in writing to redeem the Securities has been given to Securityholders by the Issuer pursuant to Condition 6 and the Trustee and the CMU Lodging and Paying Agent by the 30th day following the occurrence of a Step-Up Event or (y) in the case of a Breach of Covenants Event, a Relevant Indebtedness Default Event or a Dividend Stopper Breach Event, the relevant Step-Up Event is remedied, or in the case of a Change of Control Event, the relevant Step-Up Event ceases to exist, by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate will increase by 3.00 per cent. per annum with effect from (aa) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (bb) if the date on which the relevant Step-Up Event (as applicable) occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date provided that the maximum aggregate increase in the Distribution Rate pursuant to this Condition 5(e) shall be 3.00 per cent. per annum and the Distribution Rate shall not exceed the Maximum Distribution Rate.

For the avoidance of doubt, any increase in the Distribution Rate pursuant to this Condition 5(e)(i) is separate from and in addition to any increase in the Distribution Rate pursuant to Condition 5(b)(ii).

In this Condition 5(e)(i), “**Maximum Distribution Rate**” means: (a) in respect of each Distribution Payment Date, the period from, and including, the Original Securities Issue Date to, but excluding, the First Reset Date, the Initial Distribution Rate plus 3.00 per cent. per annum; and (b) in respect of the period (A) from, and including the First Reset Date, to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate plus 3.00 per cent. per annum.

- (ii) **Decrease in Distribution Rate:** If following an increase in the Distribution Rate after a Step-Up Event, such Step-Up Event is cured or no longer exists, upon written notice of such facts being given by the Issuer to the Securityholders (in accordance with Condition 16) and to the Trustee and the CMU Lodging and Paying Agent in writing, the Distribution Rate shall be decreased by 3.00 per cent. per annum with effect from (and including) the Distribution Payment Date immediately following the date falling 30 days after the date on which the Trustee receives notice of the cure or non-existence of such Step-Up Event, provided that the maximum aggregate decrease in the Distribution Rate pursuant to this Condition 5(e) shall be 3.00 per cent. per annum.

6. REDEMPTION AND PURCHASE

(a) No Fixed Redemption

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (without prejudice to Condition 9) only have the right to redeem or purchase them in accordance with the following provisions of this Condition 6.

(b) Redemption at the Option of the Issuer

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Trustee, the Agents and the Securityholders, at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) on:

- (i) any date during the period commencing on (and including) 30 June 2027 (being the date that falls one month prior to the First Reset Date) up to (and including) the First Reset Date; or
- (ii) any Distribution Payment Date thereafter,

(each, a “**Call Date**”).

Upon expiry of any such notice as is referred to in this Condition 6(b), the Issuer shall be bound to redeem the Securities on the relevant Call Date in accordance with Condition 6(b) at their principal amount together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

(c) Redemption for Taxation Reasons

The Securities 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' irrevocable notice (a "**Tax Redemption Notice**") to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent, at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if the Issuer or the Guarantor (as the case may be) satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or, if the Guarantee is called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, 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 23 July 2024, and (ii) such obligation cannot be avoided by the Issuer (or if the Guarantee is called, the Guarantor) taking reasonable measures available to it ("**Gross-Up Event**"), provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor (as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Securities or the Guarantee (as the case may be) then due.

Prior to the giving of any Tax Redemption Notice pursuant to this Condition 6(b), the Issuer (or, if the Guarantee was called, the Guarantor) shall deliver to the Trustee (A) a certificate signed by any one Authorised Signatory of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and (B) an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendments. The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively without liability upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b), in which event they shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 6(c), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(c).

(d) Redemption for Accounting Events

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on the Issuer giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the Agents at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if, immediately before giving such notice, the Issuer satisfies the Trustee that as a result of any changes or amendments to PRC GAAP, HKFRS or any other generally accepted accounting standards that may be adopted by the Issuer, Hong Kong Huafa Investment Holdings Limited or the Guarantor (each a "**Relevant Company**") for the purposes of preparing their respective consolidated financial statements (the "**Relevant Accounting Standards**") or any change in the application or official interpretation of, such Relevant Accounting Standards, the Securities must not or must no longer be, in whole or in part, recorded as "**equity**" in the consolidated financial statements of such Relevant Company pursuant to the Relevant Accounting Standards (an "**Equity Disqualification Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer shall deliver or procure that there is delivered to the Trustee:

- (i) a certificate in English, signed by any Authorised Signatory of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (ii) an opinion, in form and substance reasonably satisfactory to the Trustee, of independent auditors stating (A) that the circumstances referred to above prevail and (B) the date on which the relevant change or amendment to the Relevant Accounting Standards is due to take effect or, if no such change of amendment to the Relevant Accounting Standards has taken effect or will take effect, that the general application or interpretation of the Relevant Accounting Standards has changed, provided, however that no notice of redemption may be given under this Condition 6(d) earlier than 90 days prior to the date on which the relevant change or amendment to, or change in the general application or interpretation of, the Relevant Accounting Standards is due to take effect in relation to the Relevant Company.

The Trustee shall be entitled to accept without investigation or verification and without liability to Securityholders or any other person such certificate and opinion as sufficient and conclusive evidence of the satisfaction of the conditions precedent to redemption set out in this Condition 6(d), in which event the same shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 6(d), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(d) provided that such date for redemption shall be no earlier than the last day before the date on which the Securities must not or must no longer be so recorded as "**equity**" of the Relevant Company pursuant to the Relevant Accounting Standards.

(e) Redemption for Change of Control Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent, at:

- (i) 101 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)), if such redemption occurs prior to 30 June 2027 (being the date that falls one month prior to the First Reset Date); or
- (ii) 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if such redemption occurs on or after 30 June 2027 (being the date that falls one month prior to the First Reset Date),

upon the occurrence of a Change of Control Event. Prior to the publication of any notice of redemption pursuant to this Condition 6(e), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate in English, signed by an Authorised Signatory of the Issuer (or by an Authorised Signatory of the Guarantor, as the case may be), stating that the circumstances referred to above in this Condition 6(e) prevail and setting out the details of such circumstances.

The Trustee shall be entitled to accept and rely conclusively without liability upon such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 6(e), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(e).

In this Condition 6(e):

- (a) a “**Change of Control Event**” occurs when:
 - (i) (x) Zhuhai SASAC, (y) Guangdong Government and (z) any other person directly or indirectly controlled by the central government of the PRC (which for the avoidance of doubt includes the Social Security Fund of the PRC), together cease to directly or indirectly hold or own at least 75 per cent. of the issued share capital of the Guarantor; or
 - (ii) the Guarantor ceases to directly or indirectly hold or own at least 80 per cent. of the issued share capital of the Issuer;
- (b) “**Guangdong Government**” means the People’s Government of Guangdong Province or its successor;

- (c) a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Guarantor’s or the Issuer’s board of directors or any other governing board and does not include the Guarantor’s or the Issuer’s wholly-owned direct or indirect subsidiaries;
- (d) “**Zhuhai SASAC**” means the State-owned Assets Supervision and Administration Commission of Zhuhai City of the PRC or its successor.

(f) Redemption for No Registration Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)), upon the occurrence of a No Registration Event.

Upon the expiry of any such notice as is referred to in this Condition 6(f), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(f). For the purpose of this Condition 6(f):

- (a) a “**No Registration Event**” occurs when the Registration Conditions are not complied with on or before the Registration Deadline;
- (b) “**Registration Conditions**” means the receipt by the Trustee of a certificate signed by any one Authorised Signatory of the Guarantor confirming the completion of the Cross-border Security Registration together with a copy of the relevant SAFE registration record;

(g) Redemption on the occurrence of a Breach of Covenants Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days’ irrevocable to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Breach of Covenants Event.

Upon the expiry of any such notice as is referred to in this Condition 6(g), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(g). For the purpose of this Condition 6(g):

- (a) A “**Breach of Covenants Event**” means the occurrence of (x) a Covenant Breach and (y) the Trustee or the Securityholders holding 25 per cent. or more in aggregate principal amount of the Securities outstanding giving notice in writing to the Issuer that a Covenant Breach has occurred and the Distribution Rate will be adjusted in accordance with Condition 5(e) unless the Securities are redeemed in accordance with Condition 6(g);

- (b) “**Covenant Breach**” means a non-compliance and/or non-performance by the Issuer and/or the Guarantor of any one or more of their respective obligations and covenants set out in Condition 4;

(h) Redemption on the occurrence of a Relevant Indebtedness Default Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Relevant Indebtedness Default Event.

For the purpose of this Condition 6(h), “**Relevant Indebtedness Default Event**” means the occurrence of one or more of the following events (and such event is continuing): (i) any other present or future Relevant Indebtedness of the Issuer, the Guarantor, any of their respective Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described), or (ii) any such Relevant Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer, the Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any such Relevant Indebtedness, and in each case, if required under the terms of the Relevant Indebtedness, notice has been duly delivered by the trustee or the holder thereof to the relevant debtor that such Relevant Indebtedness is so due and payable, provided that the aggregate amount of such Relevant Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this provision have occurred equals or exceeds CNY200,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Renminbi as quoted by any leading bank on the day on which this provision operates).

Upon the expiry of any such notice as is referred to in this Condition 6(h), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(h).

(i) Redemption on the occurrence of a Dividend Stopper Breach Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Dividend Stopper Breach Event.

Upon the expiry of any such notice as is referred to in this Condition 6(i), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(i).

(j) Redemption for Minimum Outstanding Amount

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if prior to the date fixed for redemption at least 80 per cent. in principal amount of the Securities issued on the Original Securities Issue Date and the Additional Securities Issue Date has already been cancelled.

Upon the expiry of any such notice as is referred to in this Condition 6(j), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(j).

(k) No Other Redemption

The Issuer shall not be entitled to redeem the Securities and the Issuer shall not have any obligation to make any payment of principal in respect of the Securities otherwise than as provided in Conditions 6(a) to 6(j) inclusive.

(l) Purchase

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

(m) Notice of Redemption

All Securities in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition. If there is more than one notice of redemption given in respect of any Security (which shall include any notice given by the Issuer pursuant to Condition 6(a) to 6(j), 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 and shall not be liable to Holders, the Issuer, the Guarantor or any other person for not doing so.

(n) Cancellation

All Certificates representing the Securities purchased by or on behalf of the Issuer or the Guarantor shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Securities shall be cancelled forthwith. All Certificates representing the Securities purchased by or on behalf of Subsidiaries of the Issuer or the Guarantor may be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Securities 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 Securities shall be discharged.

7. PAYMENTS

(a) Method of Payment:

- (i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of the CMU Lodging and Paying Agent or of the Registrar if no further payment falls to be made in respect of the Securities represented by such Certificates) by transfer to the registered account of the Securityholder.
- (ii) Distribution on each Security shall be paid 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 Distributions on each Security shall be made in Renminbi by transfer to the registered account of the Securityholder. Payment of all amounts other than principal, premium and Distribution will be made as provided in these Conditions.

For so long as any of the Securities are represented by the Global Certificates, payment of interest, premium or principal will be made to the person(s) for whose account(s) interests in the Global Certificates are credited as being held with the CMU in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging and Paying Agent by the Operator. Such payment made in accordance thereof shall discharge the Issuer’s obligations in respect of that payment.

- (iii) For the purposes of this Condition 7, a Securityholder’s “**registered account**” means the Renminbi account maintained by or on behalf of it with a bank that process payments in Renminbi, details of which appear on the Register at the close of business on the fifth Payment Business Day before the due date for payment.
- (iv) 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 Securityholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of a Distribution being paid is less than the amount then due, the Registrar will annotate the Register with the amount of the Distribution so paid.

- (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 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Securityholders 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 date is not a Payment Business Day, on the first following day which is a Payment Business Day), or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any CMU Lodging and Paying 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 or following which the relevant Certificate is surrendered.
- (d) *Appointment of Agents:* The CMU Lodging and Paying Agent, the Calculation Agent, the Registrar and the Transfer Agent initially appointed by the Issuer act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer and the Guarantor reserve 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 Calculation Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer and the Guarantor shall at all times maintain (i) a CMU Lodging and Paying Agent, (ii) a Calculation Agent, (iii) a Registrar, (iv) a Transfer Agent and (v) such other agents as may be required by any other stock exchange on which the Securities may be listed.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Securityholders.

- (e) *Delay in Payment:* Securityholders will not be entitled to any Distribution or other payment for any delay after the due date in receiving the amount due on a Security if the due date is not a Payment Business Day or if the Securityholder is late in surrendering or cannot surrender its Certificate (if required to do so).
- (f) *Payment Business Days:* In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday, Sunday or a public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Beijing, Hong Kong and the place in which the specified office of the CMU Lodging and Paying Agent is located and (if surrender of the relevant Certificate is required) the relevant place of presentation.

8. TAXATION

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

Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor, by or within the PRC at the rate of up to and including ten per cent., the Issuer or, as the case may be, the Guarantor, will increase the amounts paid by it to the extent required, so that the net amount received by Securityholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding in respect of PRC tax in excess of ten per cent. or any British Virgin Islands deduction or withholding is required, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Securityholders 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 Security:

- (a) 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 Security by reason of his having some connection with any relevant jurisdiction other than the mere holding of the Security; or
- (b) Surrender more than 30 days after the Relevant Date: in respect of which the Certificate representing it is presented (where presentation is required) for payment more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Security for payment on the last day of such period of 30 days; or
- (c) Tax Declaration: to a Holder (or to a third party on behalf of a Holder) who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such declaration or claim, such Holder fails to do so within any applicable period prescribed by such relevant tax authority.

References in these Conditions to principal, premium, Distribution, Arrears of Distribution or Additional Distribution Amount shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition 8 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

“**Relevant Date**” in respect of any Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Securityholders that, upon further surrender of the Certificate representing such Security 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 shall be responsible for paying any tax, duty, assessments, government charges, withholding or other payment referred to in this Condition 8 or otherwise in connection with the Securities or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Securityholder or any other person to pay such tax, duty, assessments, government charges, withholding or other payment in any jurisdiction or to provide any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any), Distribution (including Arrears of Distribution and Additional Distribution Amount) or other amount under or in respect of the Securities without deduction or withholding for or on account of any tax, duty, assessments, government charges, withholding or other payment imposed by or in any jurisdiction.

9. NON-PAYMENT

(a) Non-payment When Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-Up of the Issuer or the Guarantor is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with Condition 5(d). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit any rights of the Trustee or any of its directors, officers, employees or Appointees (as defined in the Trust Deed) to claim from or to otherwise take any action against the Issuer or the Guarantor in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Trust Deed, the Deeds of Guarantee or the Securities.

(b) Proceedings for Winding-Up

- (i) If there is a Winding-Up of the Issuer, or the Issuer shall not make payment in respect of the Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may (provided that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

- (ii) If there is a Winding-Up of the Guarantor, or the Guarantor shall not make payment in respect of the Guarantee and/or the Securities (in accordance with the Guarantee) for a period of 14 days or more after the date on which such payment is due, the Guarantor shall be deemed to be in default under the Trust Deed and the Guarantee and the Trustee may (provided that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Guarantor and/or prove in the Winding-Up of the Guarantor and/or claim in the liquidation of the Guarantor for such payment.

(c) Right of Securityholders

No Securityholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up of the Issuer or the Guarantor or to claim in the liquidation of the Issuer or the Guarantor or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Securityholder shall have only such rights against the Issuer or the Guarantor as those which the Trustee is entitled to exercise as set out in this Condition 9.

(d) Extent of Securityholders' Remedy

Without prejudice to the Trustee's enforcement rights under Condition 13, no remedy against the Issuer or the Guarantor, other than as referred to in this Condition 9, shall be available to the Trustee or the Securityholders, whether for the recovery of amounts owing in respect of the Securities or under the Trust Deed or the Agency Agreement or the Deeds of Guarantee or in respect of any breach by the Issuer and/or the Guarantor of any of their respective other obligations under or in respect of the Securities, the Deeds of Guarantee, the Agency Agreement or the Trust Deed.

The Trustee shall have no obligation to monitor whether a Non-Payment or Winding-Up has occurred in respect of the Issuer or the Guarantor and shall not be liable to the Holders, the Issuer, the Guarantor or any other person for not doing so.

In this Condition 9, "**Winding-Up**" means a final and effective court order or effective resolution for the winding-up, liquidation or similar proceedings in respect of the Issuer or the Guarantor (as applicable).

10. PRESCRIPTION

Claims against the Issuer or the Guarantor for payment of principal, premium or Distribution in respect of the Securities shall be prescribed and become void unless made within ten years (in the case of principal or premium) or five years (in the case of Distribution) 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 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 HOLDERS, MODIFICATION, WAIVER, AUTHORISATION, DETERMINATION, SUBSTITUTION OR VARIATION AND ENTITLEMENT OF TRUSTEE

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings of the Securityholders (and of passing Written Resolutions or Electronic Resolutions) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed or the Deeds of Guarantee. Such a meeting may be convened by the Trustee or the Issuer or the Guarantor and shall be convened by the Trustee upon request in writing from Securityholders holding not less than ten per cent. in aggregate principal amount of the Securities 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 Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the principal amount of the Securities held or represented unless the business of such meeting includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed or the Deeds of Guarantee, including consideration of proposals, *inter alia*, (i) to reduce or cancel the principal amount of, any premium payable on redemption of, or Distribution on the Securities, (ii) to change the currency of payment of the Securities, (iii) to modify the provisions concerning the quorum required at a meeting of Securityholders or the majority required to pass an Extraordinary Resolution or (iv) to modify or cancel the Deeds of Guarantee (other than as provided in Condition 12(b)), in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in aggregate principal amount of Securityholders for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders, 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 Securityholders of not less than 90 per cent. in principal amount of the Securities for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders 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 Securityholders.

The Trust Deed provides that any Extraordinary Resolution (including where passed by a Written Resolution) may be passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form reasonably satisfactory to the Trustee) by or on behalf of the relevant number of required Securityholders for such Extraordinary Resolution.

“**Electronic Resolution**” means any Extraordinary Resolution of the Securityholders passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form reasonably satisfactory to the Trustee), as described in this Condition 12 and as further described in, and as defined in, the Trust Deed.

(b) Modification, Waiver, Authorisation and Determination

The Trustee may (but shall not be obliged to) agree, without the consent of the Securityholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Deeds of Guarantee or the Agency Agreement which, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error or is to comply with any mandatory provisions of law; and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Deeds of Guarantee, the Trust Deed, the Securities or the Agency Agreement which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, waiver, authorisation or determination shall be binding on the Holders and, unless the Trustee agrees otherwise, such modification, waiver or authorisation shall be notified to the Securityholders by the Issuer, failing whom the Guarantor, as soon as practicable thereafter in accordance with Condition 16.

(c) Substitution or Variation

If a Special Event has occurred and is continuing, then the Issuer may at its option, subject to Condition 5 (without any requirement for the consent or approval of the Securityholders) and subject to it having satisfied the Trustee immediately prior to the giving of any notice referred to in this Condition 12(c) that the provisions of this Condition 12(c) have been complied with, and on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and to the Trustee and the CMU Lodging and Paying Agent in writing, at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities, and the Trustee shall (subject to the following provisions of this Condition 12(c) and subject to the receipt by it of the certificates signed (a) by any Authorised Signatory of the Issuer and (b) for and on behalf of an Independent Investment Bank, as referred to in the definition of Qualifying Securities) agree to such substitution or variation. Any such substitution or variation agreed to by the Trustee as aforesaid shall be binding on the Securityholders. The Trustee shall be entitled to accept, without any liability for so doing, such certificates as sufficient evidence of the matters required for such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Securities in accordance with this Condition 12(c). In connection therewith, any outstanding Arrears of Distribution (including any Additional Distribution Amount) shall be satisfied in full in accordance with the provisions of Condition 5(d)(vi).

In connection with any substitution or variation in accordance with this Condition 12(c), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions of this Condition 12(c) shall not be permitted if any such substitution or variation would itself give rise to a Special Event with respect to the Securities or the Qualifying Securities.

In this Condition 12(c):

“**Independent Investment Bank**” means an independent investment bank of international repute (acting as an expert) selected by the Issuer (at the expense of the Issuer, failing whom, the Guarantor) and notified in writing to the Trustee;

“**Qualifying Securities**” means securities that (a) have terms not materially less favourable to an investor than the terms of the Securities, and provided that certification to such effect (and confirming that the conditions set out in (i) to (iii) below of this definition have been satisfied) of (x) any Authorised Signatory of the Issuer and (y) an Independent Investment Bank, shall have been delivered to the Trustee prior to the substitution or variation of the relevant Securities upon which certificates the Trustee shall rely absolutely and without investigation or verification of the contents thereof), provided that (i) they are issued by the Issuer or any wholly-owned direct or indirect Subsidiary of the Guarantor; (ii) they are unconditionally and irrevocably guaranteed by the Guarantor; and (iii) they shall rank *pari passu* on a Winding-Up with the Securities, shall preserve the Securityholders’ rights to any Arrears of Distribution, any Additional Distribution Amount and any other payment that has accrued with respect to the relevant Securities, and shall contain terms which provide at least for the same Distribution Rate, Distribution Payment Dates and redemption events, from time to time applying to the Securities and otherwise have substantially identical (as reasonably determined by the Issuer) terms to the Securities, save where any modifications to such terms are required to be made to avoid the occurrence of a Gross-Up Event or, as the case may be, an Equity Disqualification Event; and (b) are listed on The Stock Exchange of Hong Kong Limited or such other stock exchange of international standing;

“**Special Event**” means a Gross-Up Event, an Equity Disqualification Event or any combination of the foregoing.

(d) Entitlement of the Trustee

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

13. ENFORCEMENT

The Trustee may, from time to time, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement, the Deeds of Guarantee and/or the Securities (other than any payment obligation of the Issuer and/or the Guarantor under or arising from the Securities, the Trust Deed, the Agency Agreement or the Deeds of Guarantee including, without limitation, payment of any principal or Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities which may be enforced by the Trustee in accordance with Condition 9 and any damages awarded for breach of any obligations), but it need not take any such proceedings or any other action under the Trust Deed unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Securityholders holding at least 25 per cent. in principal amount of the Securities then outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee shall incur no liability to the Issuer, the Guarantor, the Securityholders or any other person for taking or refraining from taking such action. No Holder may proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions that relieve the Trustee from taking proceedings to enforce its rights under the Trust Deed, the Deeds of Guarantee, and the Agency Agreement and in respect of the Securities and to enforce payment unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to be paid its fees, costs, expenses and indemnity payments in priority to the claims of the Securityholders. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and/or any entity related to the Issuer and the Guarantor without accounting for any profit.

The Trustee may rely conclusively without liability to Holders on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely conclusively without liability on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Holders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Deeds of Guarantee, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Securityholders by way of Extraordinary Resolution or clarification of any directions, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the Securityholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction or clarification from the Securityholders or in the event that no direction or clarification is given to the Trustee by the Securityholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor in relation to the Securities of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Securityholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Securityholders. The Trustee shall be entitled to rely conclusively on any direction, request or resolution of Securityholders given by Securityholders holding the requisite principal amount of Securities outstanding or passed at a meeting of Securityholders convened and held in accordance with the Trust Deed or by way of Written Resolution or Electronic Resolution (as defined in the Trust Deed).

Each Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantor, and the Trustee shall not at any time have any such responsibility.

The Trustee shall have no obligation to monitor whether a Step-Up Event or Special Event has occurred, and shall not be liable to the Holders or any other person for not doing so.

15. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects save for the issue date, the first payment of Distribution on them, the deadlines for making and completing the Post-Issuance Reporting with the NDRC and the Cross-Border Security Registration and, to the extent necessary, certain temporary securities law transfer restrictions) and so that the same shall be consolidated and form a single series with the outstanding Securities. Any further securities shall be constituted by a deed supplemental to the Trust Deed.

16. NOTICES

All notices to the Holders will be valid if mailed 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, 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 Securities are for the time being listed. Any notice shall be deemed to have been given, on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Securities are represented by the Global Certificates and the Global Certificates are held on behalf of Operator, notices to Securityholders shall be given by delivery of the relevant notice to the CMU, for communication by CMU to entitled accountholders in substitution for notification as required by the Conditions, and such notice shall be deemed to be received by the Securityholders on the date of delivery of such notice to CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Securities, in the form of interests in the Global Certificates) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

17. GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Transaction Documents are governed by, and shall be construed in accordance with Hong Kong 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 Transaction Documents and accordingly any legal action or proceedings arising out of or in connection with any Transaction Document (“**Proceedings**”) may be brought in such courts. The Issuer, the Guarantor and the Trustee have in the Trust Deed, and the Trustee and the Guarantor have in the Deeds of Guarantee, irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) Agent for Service of Process

Each of the Issuer and the Guarantor has irrevocably agreed to receive service of process at Hong Kong Huafa Investment Holdings Limited, whose principal place of business is currently at Unit 3605, 36/F, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong, in any Proceedings in Hong Kong.

(d) Waiver of Immunity

Each of the Issuer and the Guarantor 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 any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

(e) Rights of Third Parties

No person shall have any right to enforce any term or Condition of the Securities or any provision of the Trust Deed, the Agency Agreement or the Deeds of Guarantee under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) save where expressly provided for.

SUMMARY OF PROVISIONS RELATING TO THE ADDITIONAL SECURITIES IN GLOBAL FORM

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

Terms defined in the terms and conditions of the Securities (the “**Conditions**” or “**Terms and Conditions**”) set out in this Supplemental Offering Circular have the meaning in the paragraphs below.

The Additional Securities will be represented by a Global Certificate which will be registered in the name of, and deposited with, a sub-custodian for the HKMA, in its capacity as operator of the CMU.

Under the Global Certificate, the Issuer, for value received, will promise to pay such principal, Distributions and premium (if any) on the Additional Securities to the holder of the Additional Securities on such date or dates as the same may become payable in accordance with the Conditions.

Owners of interests in the Additional Securities in respect of which the Global Certificate is issued will be entitled to have title to the Additional Securities registered in their names and to receive individual definitive Certificates if either CMU or any other clearing system through which the Securities are held 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 will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Holders of the Securities. A person with an interest in the Additional Securities 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.

In addition, the Global Certificate will contain provisions which modify the Terms and Conditions as they apply to the Additional Securities represented by the Global Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of Additional Securities represented by a Global Certificate will be made to the person whose account an interest in the Global Certificate is credited as being held by CMU at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a day on which CMU is open for business.

Trustee’s Powers: In considering the interests of Securityholders while the Global Certificate is registered in the name of nominee, and lodged with a sub-custodian 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, have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and consider such interests as if such accountholders were the holders of the Additional Securities represented by the Global Certificate.

Notices: So long as the Additional Securities are represented by the Global Certificate and the Global Certificate is held on behalf of the CMU, notices to Securityholders shall be given by delivery of each relevant accountholder via the CMU and shall be deemed to have been given to the Securityholders on the date of delivery to the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Securities, 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.

Transfers: Transfers of the beneficial interests in the Additional Securities represented by the Global Certificate will be effected through the records of CMU and its participants in accordance with the rules and operating procedures of CMU and its direct and indirect participants.

Cancellation: Cancellation of any Additional Security represented by the Global Certificate which is required by the Conditions to be cancelled shall be effected by reduction in the principal amount of the Additional Securities in the register of Securityholders.

Meetings: For the purposes of any meeting of Securityholders, the holder of the Securities represented by the Global Certificate shall (unless the Global Certificate represents only one Security) be treated as two persons for the purposes of any quorum requirements of a meeting of Securityholders and as being entitled to one vote in respect of each integral currency unit of the currency of the Securities.

SUPPLEMENTAL INFORMATION

1. Performance of the Group as at and for the three months ended 31 March 2024 on page 5 and from page 119 to 120 of the 23 July Offering Circular should be replaced with the paragraph below:

Performance of the Group as at and for the six months ended 30 June 2024

On 30 August 2024, the Group published its interim financial statements as at and for the six months ended 30 June 2024 (the “**2024 Interim Financial Statements**”) on the website of the China Foreign Exchange Trade System, which were not subject to an audit or review. The financial information in the 2024 Interim Financial Statements may differ from future audited or reviewed information and the 2024 Interim Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit or review. None of the Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation, warranty or undertaking, express or implied of, or accepts any responsibility or liability with respect to the 2024 Interim Financial Statements. The 2024 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2024. The 2024 Interim Financial Statements have not been included in, and do not constitute part of, this Supplemental Offering Circular. See “*Risk Factors — Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular.*”

For the six months ended 30 June 2024, the Group’s total operating revenue decreased as compared to the same period in 2023 and the Group also recorded a decrease in its total operating costs for the six months ended 30 June 2024 as compared to the same period in 2023 due to the contraction in the property development business. The Group’s net profit for the six months ended 30 June 2024 recorded a decrease as compared to the same period in 2023.

As at 30 June 2024, total liabilities of the Group increased as compared to the balance as at 31 December 2023, which was primarily attributable to the increase of short-term borrowings, deposit and interbank deposit, long-term borrowings, bonds payables, long-term payables and other non-current liabilities it incurred to meet the Group’s increasing capital needs as it continued to expand and grow its business.

2. Additional indebtedness since 31 December 2023 on page 5 and page 120 of the 23 July Offering Circular should be replaced with the paragraph below:

Additional indebtedness since 31 December 2023

Since 31 December 2023, the Group has incurred indebtedness to finance its business development and supplement its working capital. Since 31 December 2023 and as at the date of this Supplemental Offering Circular, it has issued debt instruments, including commercial papers, medium-term notes, corporate bonds and asset-backed securities, with an aggregate principal amount of RMB29.03 billion in domestic capital market in the PRC. On 30 July 2024, the Group issued the Original Securities.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 13 September 2024 (the “**Subscription Agreement**”) pursuant to which and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers severally and not jointly agreed to subscribe for, the aggregate principal amount of the Additional Securities.

The Subscription Agreement provides that the Issuer and the Guarantor will indemnify the Joint Lead Managers and their respective affiliates against certain liabilities in connection with the offer and sale of the Additional Securities. 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 and the Guarantor for which they have received, or will receive, fees and expenses.

In connection with the offering of the Additional Securities, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may place orders, receive allocations and purchase Additional Securities for their own account (without a view to distributing such Additional Securities) and such orders and/or allocations of the Securities may be material. Such entities may hold or sell such Additional Securities or purchase further Additional Securities for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Additional Securities or other securities otherwise than in connection with the offering. Accordingly, references herein to the Securities being “offered” should be read as including any offering of the Additional Securities to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor 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. If this is the case, liquidity of trading in the Additional Securities may be constrained (see “*Risk Factors — Risks relating to the Securities and the Guarantee — The liquidity and price of the Securities following this offering may be volatile*” in the 23 July Offering Circular). The Issuer, the Guarantor and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Additional Securities amongst individual investors.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Additional Securities. The Joint Lead Managers or

their respective affiliates that have a lending relationship with the Issuer and/or the Guarantor may hedge their credit exposure to the Issuer and/or the Guarantor consistent with their risk management policies. Typically, the Joint Lead Managers or their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's and/or the Guarantor's securities, including potentially the Additional Securities. Any such short positions could adversely affect future trading prices of the Additional Securities offered hereby. The Joint Lead Managers and their respective affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Additional Securities or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Securities or other financial instruments.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMI(s) (including private banks): This notice to CMI(s) (including private banks) is a summary of certain obligations the Code imposes on CMI(s), which require the attention and cooperation of other CMI(s) (including private banks). Certain CMI(s) may also be acting as OC(s) for this offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the Code as having an Association with the Issuer, the CMI or the relevant group company. CMI(s) should specifically disclose whether their investor clients have any Association when submitting orders for the Additional Securities. 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.

CMI(s) are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Supplemental Offering Circular.

CMI(s) 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 CMI(s)). CMI(s) should enquire with their investor clients regarding any orders which appear unusual or irregular. CMI(s) should disclose the identities of all investors when submitting orders for the Additional Securities (except for omnibus orders where underlying investor information may need to be provided to any OC(s) when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMI(s) should not place "X-orders" into the order book.

CMI(s) 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.

CMI (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMI (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Additional Securities.

The 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 Additional Securities, 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 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 to apply the “proprietary orders requirements” of the Code to such order.

In relation to omnibus orders, when submitting such orders, CMI (including private banks) that are subject to the 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 Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to:

dcm@htisec.com; ib.dcm.southchina@clsa.com; kathlo@hjfi.com.hk; DCMs@cmbi.com.hk.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMI (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OC(s); (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OC(s). By submitting an order and providing such information to any OC(s), 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 OC(s) and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding

process for this offering. CMIIs 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 Code, and may request other CMIIs (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 CMIIs (including private banks) are required to provide the relevant Joint Lead Manager(s) with such evidence within the timeline requested.

General

None of the Issuer, the Guarantor or any of the Joint Lead Managers has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers, the Issuer or the Guarantor that would permit a public offering of the Additional Securities, or possession or distribution of this Supplemental Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Additional Securities (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. None of the Joint Lead Managers is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Additional Securities other than as contained in, or which is consistent with, this Supplemental Offering Circular or any amendment or supplement to it.

United States

The Additional Securities and the Deed of Guarantee for the Additional Securities have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Additional Securities and the Deed of Guarantee for the Additional Securities are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Additional Securities and the Guarantee, an offer or sale of Additional Securities and the Deed of Guarantee for the Additional Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each of the Joint Lead Managers has represented, warranted and agreed that the Additional Securities are not intended to be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Additional Securities to be offered so as to enable an investor to decide to purchase or subscribe the Additional Securities.

Prohibition of Sales to UK Retail Investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Additional Securities to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Additional Securities to be offered so as to enable an investor to decide to purchase or subscribe the Additional Securities.

United Kingdom

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

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

The PRC

Each of the Joint Lead Managers has represented, warranted and agreed that the Additional Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau or Taiwan), except as permitted by the securities laws of the PRC and approved by the competent PRC authorities.

Hong Kong

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

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

Singapore

Each Joint Lead Manager has acknowledged that this Supplemental Offering Circular has 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 or caused the Additional Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any or cause the Additional Securities 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 Supplemental Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Additional Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, or (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.

Japan

The Additional Securities 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 of the Joint Lead Managers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Additional Securities in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for reoffering 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 any other applicable laws, regulations and ministerial guidelines of Japan.

British Virgin Islands

No invitation will be made directly or indirectly to the public in the British Virgin Islands or to any natural person resident or citizen in the British Virgin Islands to subscribe for any of the Additional Securities. This Supplemental Offering Circular does not constitute, and will not be, an offering of the Additional Securities to any person in the British Virgin Islands.

Macau

The Additional Securities have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Additional Securities be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act, as approved by Law no. 13/2023 (the “FSA”), and Guidelines under Circular no. 033/B/2010-DSB/AMCM and Circulars no. 011/B/2023-DSB/AMCM (the “**AMCM Guidelines**”) and any other laws in Macau that may apply to the offer and sale of the Additional Securities in Macau. The Additional Securities have not been and will not be registered or otherwise authorised for public offer under the FSA and the AMCM Guidelines, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the FSA and the AMCM Guidelines 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. Dealers who are not Macau licensed entities will not promote, distribute, sell or deliver any of the Additional Securities in Macau.

GENERAL INFORMATION

1. **Clearing Systems:** The Additional Securities have been accepted for clearance by the CMU under CMU Instrument Number BOAKCS24072, with Common Code 286390692 and ISIN HK0001038576.
2. **Authorisations:** The Issuer and the Company have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Additional Securities and the provision of the Guarantee of the Additional Securities (as the case may be). The issue of the Additional Securities was authorised by resolutions of the board of directors of the Issuer passed on 9 September 2024. The guarantee of the Additional Securities was authorised by board resolutions of the Company passed on 23 January 2024.
3. **No Material Adverse Change:** Save as disclosed in this Supplemental Offering Circular, there has been no material adverse change in the financial or trading position or prospects of the Issuer, the Company and the Group since 31 December 2023.
4. **Litigation:** None of the Issuer, the Company or any other member of the Group is involved in any litigation or arbitration proceedings that the Issuer or the Company, as the case may be, believes are material in the context of the Securities, nor is either of the Issuer or the Company aware that any such proceedings are pending or threatened.
5. **Legal Entity Identifier Number:** 254900DBSY6AGI3ICA90.
6. **Available Documents:** Copies of the Company's audited consolidated financial statements for the years ended 31 December 2022 and 2023 (provided they have been provided to the CMU Lodging and Paying Agent), the Trust Deed, the Agency Agreement and the Deeds of Guarantee will be available for inspection (free of charge to the Securityholders and at the Issuer's expense) from the Additional Securities Issue Date at the specified office of the CMU Lodging and Paying Agent or at the principal office of the Trustee (being at the date of this Supplemental Offering Circular at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) following satisfactory proof of holding and identity and with prior appointment, at all reasonable times during normal business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)), so long as any of the Securities is outstanding.
7. **Financial Statements:** The Company's Audited Financial Statements, which are included elsewhere in this Supplemental Offering Circular, have been audited by GrantThorton, the Company's independent auditor, as stated in their reports appearing therein.
8. **Listing of Securities:** The Original Securities are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") (stock code: 84542) effective from 31 July 2024. Application will be made to the SEHK for the listing of, and permission to deal in, the Additional Securities by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 24 September 2024.

ISSUER

Huafa 2024 I Company Limited
Unit 3605, 36/F, Cheung Kong Center
2 Queen's Road Central
Central, Hong Kong

GUARANTOR

Zhuhai Huafa Group Co., Ltd.
(珠海華發集團有限公司)
9 Lianan Road
Gongbei, Zhuhai

TRUSTEE

**China Construction Bank (Asia)
Corporation Limited**
(中國建設銀行(亞洲)股份有限公司)
3/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong
Attention: Transaction Banking —
Corporate Trust and Loan Agency

**CMU LODGING AND PAYING AGENT,
CALCULATION AGENT,
TRANSFER AGENT AND REGISTRAR**

**China Construction Bank (Asia)
Corporation Limited**
(中國建設銀行(亞洲)股份有限公司)
3/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong
Attention: Transaction Banking —
Corporate Trust and Loan Agency

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As to BVI law

Campbells
1301,13/F,
York House,
The Landmark
15 Queen's Road
Central Central,
Hong Kong

LEGAL ADVISERS TO THE JOINT LEAD MANAGERS

As to Hong Kong Law

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The Landmark
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As to PRC Law

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12/F, Tower B
Focus Place
19 Finance Street
Beijing, PRC

LEGAL ADVISERS TO THE TRUSTEE

As to Hong Kong Law

King & Wood Mallesons
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The Landmark
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Central, Hong Kong

AUDITORS OF THE COMPANY

GrantThornton Certified Public Accountant Firm (Special General Partnership)
No. 215 Xingye Road
Xiangzhou District
Zhuhai, Guangdong

APPENDIX
23 JULY OFFERING CIRCULAR

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN 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 this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. In order to view this Offering Circular or make an investment decision with respect to the securities, you must not be located in the United States.

Confirmation of Your Representation: This Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to Huatai Financial Holdings (Hong Kong) Limited, Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited, CLSA Limited, Guotai Junan Securities (Hong Kong) Limited, China Securities (International) Corporate Finance Company Limited, Mizuho Securities Asia Limited, Huajin Securities (International) Limited, ABCI Capital Limited, Bank of China Limited, China International Capital Corporation Hong Kong Securities Limited, China Industrial Securities International Brokerage Limited, CMB International Capital Limited, CMBC Securities Company Limited, CNCB (Hong Kong) Capital Limited, GF Securities (Hong Kong) Brokerage Limited, Hua Xia Bank Co., Limited Hong Kong Branch, ICBC International Securities Limited, Luso International Banking Limited, Orient Securities (Hong Kong) Limited, Shenwan Hongyuan Securities (H.K.) Limited, SMBC Nikko Securities (Hong Kong) Limited, SPDB International Capital Limited, SunRiver International Securities Group Limited and TFI Securities and Futures Limited (together, the “Joint Lead Managers”) that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

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

Restrictions: The attached Offering Circular is being furnished in connection with an offering exempt from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”) solely for the purpose of enabling a prospective investor to consider the purchase of securities described in the attached Offering Circular.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES 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 AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT.

The attached Offering Circular is not a prospectus for the purposes of the European Union’s Directive 2003/71/EC (as amended or superseded) as implemented in member states of the European Economic Area (the “EEA”).

Prohibition of Sales to EEA Retail Investors — The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The communication of the attached Offering Circular and any other document or materials relating to the issue of the securities offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”)), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, the securities offered hereby are only available to, and any investment or investment activity to which the attached Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the attached Offering Circular or any of its contents.

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

Singapore Securities and Futures Act Product Classification — In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Securities as ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

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

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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

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 the offering of the Securities, 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 “Code”). This notice to prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“OCs”) for the offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the Code as having an association (“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 Securities and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the 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 Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the 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 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 bank(s)) 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 Code, including to the Issuer, any OC(s), relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the book-building process for this offering. Failure to provide such information may result in that order being rejected.

STRICTLY CONFIDENTIAL

Huafa 2024 I Company Limited
(incorporated in the British Virgin Islands with limited liability)
CNH1,900,000,000 6.000% Senior Guaranteed Perpetual Capital Securities
unconditionally and irrevocably guaranteed by



ZHUHAI HUAFA GROUP CO., LTD.

(珠海華發集團有限公司)

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

Issue Price: 100.0 PER CENT.

The 6.000 per cent. senior guaranteed perpetual capital securities in the aggregate principal amount of CNH1,900,000,000 (the "Securities") will be issued by Huafa 2024 I Company Limited (the "Issuer") and will be unconditionally and irrevocably guaranteed (the "Guarantee") by Zuhai Huafa Group Co., Ltd. (珠海華發集團有限公司) (the "Guarantor" or the "Company"). The Issuer is an indirect wholly-owned subsidiary of the Guarantor. The Securities will be issued under the trust deed dated 30 July 2024 (the "Trust Deed").

The Securities confer a right to receive distribution (each a "Distribution") from and including 30 July 2024 (the "Issue Date") at the applicable Distribution Rate (as defined in the Conditions), payable semi-annually in arrear on 30 January and 30 July of each year with the first payment of Distribution being made on 30 January 2025. The Securities will constitute direct, unconditional, unsubordinated and, subject to Condition 4(a) of the Terms and Conditions of the Securities (the "Conditions" or "Terms and Conditions"), unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Subject to any increase pursuant to Condition 5(c), the rate of Distribution ("Distribution Rate") applicable to the Securities shall be: (i) in respect of the period from, and including, the Issue Date to, but excluding, 30 July 2027 (the "First Reset Date"), at a rate of 6.000 per cent. per annum; and (ii) in respect of the period (A) from, and including, the First Reset Date to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate (as defined in the Conditions).

The Issuer may, at its sole discretion, elect to defer, in whole or in part, any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the holders of the Securities (the "Securityholders", each, a "Securityholder"), the Trustee and CMU Lodging and Paying Agent in writing not more than ten business days nor less than five business days prior to the relevant scheduled Distribution Payment Date. Any Distribution so deferred shall constitute "Arrears of Distribution". Each amount of Arrears of Distribution shall accrue Distributions as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such distribution (the "Additional Distribution Amount") with respect to Arrears of Distribution shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as described in Condition 5(d)(iv).

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (without prejudice to Condition 9) only have the right to redeem or purchase them in accordance with the provisions in Condition 6. The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days' irrevocable notice to the Trustee, the Agents and the Securityholders, at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) on (i) any date during the period commencing on (and including) 30 June 2027 (being the date that falls one month prior to the First Reset Date) up to (and including) the First Reset Date; or (ii) any Distribution Payment Date thereafter. The Securities may also be redeemed at the option of the Issuer in whole, but not in part, at the relevant prices specified in Condition 6 upon the occurrence of (a) certain taxation reasons, (b) an Equity Disqualification Event, (c) a Change of Control Event, (d) a No Registration Event, (e) a Breach of Covenants Event, (f) a Relevant Indebtedness Default Event, (g) a Dividend Stopper Breach Event or (h) at least 80 per cent. in principal amount of the Securities originally issued having been cancelled prior to the date fixed for redemption.

Upon the occurrence of a Change of Control Event or a Breach of Covenants Event or a Relevant Indebtedness Default Event or a Dividend Stopper Breach Event (each as defined in the Conditions and each a "Step-Up Event"), unless (x) an irrevocable notice in writing to redeem the Securities has been given to Securityholders by the Issuer pursuant to Condition 6 and the Trustee and CMU Lodging and Paying Agent by the 30th day following the occurrence of a Step-Up Event or (y) in the case of a Breach of Covenants Event, a Relevant Indebtedness Default Event or a Dividend Stopper Breach Event, the relevant Step-Up Event is remedied, or in the case of a Change of Control Event, the relevant Step-Up Event ceases to exist, by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate will increase by 3.000 per cent. per annum with effect from (aa) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (bb) if the date on which the relevant Step-Up Event (as applicable) occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date provided that the maximum aggregate increase in the Distribution Rate pursuant to Condition 5(c) shall be 3.000 per cent. per annum and the Distribution Rate shall not exceed the Maximum Distribution Rate (as defined in the Conditions).

The Guarantor will enter into a deed of guarantee (the "Deed of Guarantee") with China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) (the "Trustee") on 30 July 2024. The Guarantor undertakes that it will (i) register or cause to be registered with SAFE the Deed of Guarantee in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 and its implementation rules ("Cross-border Security Registration"), (ii) use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Pursuant to the Administrative Measures for the Examination 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五十六號)) (the "NDRC Administrative Measure") issued by the National Development and Reform Commission of the PRC or its local counterparts (the "NDRC") which came into effect on 10 February 2023, the Guarantor has registered the issuance of the Securities with the NDRC and obtained a certificate from the NDRC on 7 April 2024 evidencing such registration. Each of the Issuer and the Guarantor undertakes to report or cause to be reported the relevant information in connection with the Securities to the NDRC within the NDRC Registration Deadline (as defined in the Conditions). Each of the Issuer and the Guarantor also undertakes to comply with all applicable PRC laws and regulations in relation to the Securities.

For a more detailed description of the Securities, see "Terms and Conditions of the Securities" beginning on page 80 of this Offering Circular.

Investing in the Securities involves certain risks. In particular, investors should be aware of, among others, the following risks relating to the Securities: (i) the Securities and the Guarantee are unsecured obligations; (ii) the Securities are perpetual securities, and Securityholders will have no right to call for their redemption. The Securities do not provide any participating rights upon a takeover, nor conversion to the ordinary shares or any other securities of the Issuer in the event of any alteration to the capital of the Issuer; (iii) Securityholders may not receive Distribution payments if the Issuer elects to defer Distribution payments under the Conditions; (iv) deferral of Distribution payments and other characteristics of the Securities could adversely affect the market price of the Securities; (v) the Securities may be redeemed at the Issuer's option on the First Reset Date and on each Distribution Payment Date after the First Reset Date or the occurrence of certain other events; (vi) changes in accounting standards may impact the Group's financial condition or the characterisation of the Securities; and (vii) there are limited remedies for non-payment under the Securities. There are various other risks relating to the Securities, the Issuer, the Guarantor and its subsidiaries, their business and their jurisdictions of operations which investors should familiarise themselves with before making an investment in the Securities. See "Risk Factors" beginning on page 22.

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

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

The SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Securities on the SEHK is not to be taken as an indication of the commercial merits or credit quality of the Securities, the Issuer, the Guarantor, the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

The Securities are expected to be assigned a rating of "BBB-" by Fitch Ratings Ltd and its affiliates ("Fitch") and a rating of "A+" by Lianhe Ratings Global Limited ("Lianhe Global"). The ratings do not constitute a recommendation to buy, sell or hold the Securities and may be subject to suspension, reduction or withdrawal at any time by Fitch and Lianhe Global.

The Securities and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state, any other jurisdiction of the United States or the securities laws of any other jurisdiction and may not be offered, sold or delivered 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 securities laws. The Securities are being offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act. For a description of certain restrictions on resales and transfers, see "Subscription and Sale" beginning on page 188.

The Securities will be represented initially by interests in a global certificate (the "Global Certificate") in registered form which will be registered in the name of, and shall be deposited with a sub-custodian for, the Hong Kong Monetary Authority ("HKMA") as operator (the "Operator") of the Central Money Markets Units Service (the "CMU"), on or about the Issue Date. For persons seeking to hold a beneficial interest in the Securities through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"), together with Euroclear and CMU, the "Clearing Systems", each a "Clearing System", such persons will hold their interests through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described herein, certificates for the Securities will not be issued in exchange for interests in the Global Certificate. See "Summary of Provisions Relating to the Securities in Global Form" for a description of the manner in which Securities will be issued.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Huatai International CITIC Securities Mizuho	Haitong International Guotai Junan International	HSBC China Securities International Huajin Securities (International)	
Joint Bookrunners and Joint Lead Managers			
ABC International	Bank of China	China International Capital Corporation CNCB Capital Luso Bank Ltd.	China Industrial Securities International GF Securities Orient Securities (Hong Kong)
CMB International Hua Xia Bank Co., Limited Hong Kong Branch Shenwan Hongyuan (H.K.)	CMBC Capital ICBC International SMBC Nikko	SPDB International	SunRiver International Securities Group Limited
TF International			

The date of this Offering Circular is 23 July 2024.

IMPORTANT NOTICE

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, THE COMPANY OR ANY OF THEIR RESPECTIVE 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, THE GUARANTOR AND THE GROUP. THE ISSUER AND THE GUARANTOR ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN MISLEADING.

HONG KONG EXCHANGES AND CLEARING LIMITED AND THE SEHK TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS OFFERING CIRCULAR, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS OFFERING CIRCULAR.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor, and the Guarantor's subsidiaries (collectively, the "Group"), the Securities and the Guarantee, which is material in the context of the issue and offering of the Securities (including the information which is required by applicable laws and according to the particular nature of the Issuer, the Guarantor, the Guarantee and the Securities and 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, the Guarantor, the Group and of the rights attaching to the Guarantee and the Securities); (ii) the statements contained in this Offering Circular as at the respective dates thereof and the roadshow presentations (including electronic roadshow materials) relating to the Issuer, the Guarantor, the Group and to the Guarantee and the Securities, are in every material particular true and accurate and do not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the Group are honestly and reasonably held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements; and (v) the statistical, industry and market-related data, each of which are included in this

Offering Circular, are based on or derived or extracted from sources which each of the Issuer and the Guarantor believe to be accurate and reliable in all material respects. In addition, each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this Offering Circular. This Offering Circular has been prepared by the Issuer and the Company solely for use in connection with the proposed offering of the Securities described in this Offering Circular. The distribution of this Offering Circular and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Company 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 Securities 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 Securities and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, the People's Republic of China, Hong Kong, Macau, Singapore, the European Economic Area (the "EEA") Japan and the British Virgin Islands to persons connected therewith. For a description of certain further restrictions on offers, sales and resale of the Securities and distribution of this Offering Circular, see "*Subscription and Sale*" in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Company, the Group, the Securities or the Deed of Guarantee 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 Company, the Joint Lead Managers, the Trustee or the Agents (as defined in the Conditions) or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents 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 Securities 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 Company, the Group or any of them since the date hereof or create any implication that the information contained herein is correct 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 Company, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them to subscribe for or purchase any of the Securities 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.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. Neither the Issuer nor the Company has authorised its use for any other purpose. This Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only to and its contents may be disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular, each investor agrees to these restrictions.

This Offering Circular is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC (as amended or superseded) as implemented in member states of the EEA.

Prohibition of Sales to EEA Retail Investors — The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The communication of this Offering Circular and any other document or materials relating to the issue of the Securities offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, the Securities offered hereby are only available to, and any investment or investment activity to which this Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Circular or any of its contents.

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

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

None of the Issuer, the Company and the Joint Lead Managers is making an offer to sell the Securities in any jurisdiction except where an offer or sale is permitted. The distribution of this Offering Circular and the offering of the Securities may in certain jurisdictions be restricted by law. None of the Issuer, the Company and the Joint Lead Managers represents that this Offering Circular may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Company or the Joint Lead Managers which is intended to permit a public offering of the Securities or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular comes are required by the Issuer, the Company and the Joint Lead Managers to inform themselves about and to observe any such restrictions. Each prospective purchaser of the Securities must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Securities or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuer, the Company and the Joint Lead Managers shall have any responsibility therefor.

You are responsible for making your own examination of the Issuer and the Group and your own assessment of the merits and risks of investing in the Securities. The Securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws or exemption therefrom. You should be aware that you may be required to bear financial risks of this investment for an indefinite period of time.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisors or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer or the Company during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them.

No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them. None of the Joint Lead Managers, the

Trustee and the Agents and any of their respective affiliates, directors, officers, employees, representatives, advisers or agents and any person who controls any of them has independently verified any of the information contained in this Offering Circular and can give any assurance that this information is accurate, truthful or complete. Each person receiving this Offering Circular acknowledges that such person has not relied on any of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee and the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them accept any responsibility whatsoever for the contents of this Offering Circular or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them or on its or their behalf in connection with the Issuer, the Company, the Group, the issue and offering of the Securities or the Guarantee. Each of the Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

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 Company, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them that any recipient of this Offering Circular should purchase the Securities. Each potential purchaser of the Securities should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Securities should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

In making an investment decision, investors must rely on their own examination of the Issuer, the Company, the Group and the terms of the offering, including the merits and risks involved. See “*Risk Factors*” on pages 22 to 76 of this Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Securities. **You should rely only on the information contained in this Offering Circular.**

In connection with the issue of the Securities, any of the Joint Lead Managers appointed as the stabilising manager (the “**Stabilising Manager**”) (or persons acting on its behalf) may, subject to all applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on its behalf) will undertake stabilisation actions. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may end at any time, but it must be brought to an end after a limited period. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or persons acting on its behalf) in accordance with all applicable laws and rules.

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

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 Securities, 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 “**Code**”). This notice to prospective investors is a summary of certain obligations the 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 Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor, or any CMI (including its group companies) should specifically disclose this when placing an order for the Securities 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 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 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 Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, references to “we”, “our”, “us”, “the Company”, “the Guarantor” and “the Group” refer to Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司) and its consolidated subsidiaries, as the context requires. References to the “Issuer” are to Huafa 2024 I Company Limited.

References to “U.S. dollars” and “US\$” are to United States dollars, the official currency of the United States of America (the “United States” or “U.S.”). References to “Renminbi”, “CNH” or “RMB” are to Renminbi, the official currency of the People’s Republic of China (“China” or the “PRC”). References to “Hong Kong dollars”, “HKD” or “HK\$” are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the PRC (“Hong Kong”).

References to “PRC” and “China”, in the context of statistical information and description of laws and regulations in this Offering Circular, except where the context otherwise requires, do not include Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC, or Taiwan. References to “PRC government” or “State” means the central government of the PRC, together with all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

All site area and gross floor area (“GFA”) data presented in this Offering Circular for any project represents the site area and GFA of the entire project, respectively, including such amount attributable to the other shareholders of the Company’s non-wholly owned project companies.

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

Unless the context otherwise requires, references to “2021”, “2022” and “2023” in this Offering Circular are to the Group’s financial years ended 31 December 2021, 2022 and 2023, respectively.

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 name prevails.

In this Offering Circular, a land grant contract refers to a state-owned land use rights grant contract (國有土地使用權出讓合同) between a developer and the relevant PRC governmental land administrative authorities, typically the local state-owned land bureaus.

In this Offering Circular, a land use rights certificate refers to a state-owned land use rights certificate (國有土地使用權證) issued by a local real estate and land resources bureau with respect to the land use rights; a construction land planning permit refers to a construction land planning permit (建設用地規劃許可證) issued by local urban zoning and planning bureaus or equivalent authorities in China; a construction works planning permit

refers to a construction works planning permit (建設工程規劃許可證) issued by local urban zoning and planning bureaus or equivalent authorities in China; a construction permit refers to a construction works commencement permit (建築工程施工許可證) issued by local construction committees or equivalent authorities in China; a pre-sale permit refers to a commodity property pre-sale permit (商品房預售許可證) issued by local housing and building administrative bureaus or equivalent authorities with respect to the pre-sale of relevant properties; a certificate of completion refers to a construction project planning inspection and clearance certificate (建設工程規劃驗收合格證) issued by local urban zoning and planning bureaus or equivalent authorities or equivalent certificate issued by relevant authorities in China with respect to the completion of property projects subsequent to their on-site examination and inspection; and a property ownership certificate refers to a property ownership and land use rights certificate (國有土地使用權證) issued by a local real estate and land resources bureau with respect to the land use rights and the ownership rights of the buildings on the relevant land.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the audited consolidated financial information of the Company as at and for the years ended 31 December 2021, 2022 and 2023.

The consolidated financial information of the Company as at and for the years ended 31 December 2021, 2022 and 2023 has been extracted from the Company's consolidated financial statements as at and for the years ended 31 December 2022 and 2023 (the "**Company's Audited Financial Statements**"). The Company prepares its consolidated financial statements in accordance with the general accepted accounting principles of the PRC ("**PRC GAAP**"). The Company's Audited Financial Statements were audited by GrantThornton Certified Public Accountant Firm (Special General Partnership) ("**GrantThornton**"), and are included elsewhere in this Offering Circular. PRC GAAP differs in certain respects from International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). See "*Differences Between PRC Accounting Standards and International Financial Reporting Standards*".

In preparing its consolidated financial statements as at and for the years ended 31 December 2022 and 2023, the Company has adopted a new accounting standard issued by the Ministry of Finance, including Accounting Standards for Business Enterprises Interpretation No. 15 (Cai Kuai [2021] No. 35) (the "**Interpretation No. 15**") with effect from 1 January 2022 and Accounting Standards for Business Enterprises Interpretation No. 16 (Cai Kuai [2022] No. 31) (the "**Interpretation No. 16**") with effect from 1 January 2023. With the adoption of the Interpretation No. 16, certain accounting items in the balance sheet as at 1 January 2022 and in the income statement for 2022 extracted from the Company's consolidated financial statements as at and for the year ended 31 December 2023 were restated from the audited consolidated balance sheet of the Company as at 31 December 2022 and the audited consolidated income statement for 2022. As a result of the above, certain consolidated financial information of the Company as at and for the year ended 31 December 2021 is not directly comparable to that as at and for the years ended 31 December 2022 and 2023. For more information, please refer to "*Note V(1) — Change of accounting policy*" to the Company's consolidated financial statements as at and for the year ended 31 December 2022 and "*Note V(1) — Change of accounting policy*" to the Company's consolidated financial statements as at and for the year ended 31 December 2023.

As the Company's Audited Financial Statements are prepared in Chinese in accordance with PRC GAAP, the Company has prepared English translations of such financial statements which are included in this Offering Circular. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them have independently verified or checked the accuracy of the English translations and can give no assurance that the information contained in the English translations of the financial statements of the Company is accurate or complete.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them has independently verified the accuracy of the financial information or financial statements of the Group and none of the Joint Lead Managers, the

Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them can give assurance that the financial information and financial statements are accurate.

The Group publishes its interim financial information from time to time. Such financial information published by the Group in the PRC is normally derived from its management accounts and is not audited or reviewed by independent auditors. In particular, the financial information as at and for the three months ended 31 March 2024 published by the Guarantor in the PRC has not been audited or reviewed by independent auditors. As such, financial information published in the PRC by the Group should not be relied upon by potential investors to provide the same quality of information associated with any audited information and does not form part of this Offering Circular. See also “*Risk Factors — Risks Relating to the Financial Information — Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular*”.

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

FORWARD-LOOKING STATEMENTS

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

- the Company's strategies, plans, objectives and goals and its ability to implement such strategies and achieve its plans, objectives and goals;
- future developments, trends and conditions in the industry and markets in which the Company operates;
- the Company's business prospects and capital expenditure plans;
- changes in raw material costs and other construction costs for the Company's property development business;
- the actions and developments of the Company's competitors;
- the availability and cost of bank loans and other forms of financing;
- various business opportunities that the Company may pursue;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of the Company'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 Company operates;
- macroeconomic measures taken by the PRC government to manage economic growth; and
- the Company's ability to identify factors other than those discussed under "Risk Factors" and elsewhere in this Offering Circular.

In some cases, you can identify forward-looking statements by such terminology as "may", "will", "should", "could", "would", "expect", "intend", "plan", "anticipate", "going forward", "ought to", "seek", "project", "forecast", "believe", "estimate", "predict", "potential" or "continue" or the negative of these terms or other comparable terminology. Such statements reflect the current views of the Company's management with respect to future events, operations, results, liquidity and capital resources and are not a guarantee of future performance and may not materialise or may change. Although the Issuer and the Company believe that the expectations reflected in these forward-looking

statements are reasonable, the Issuer and the Company cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements. In addition, unanticipated events may adversely affect the actual results the Issuer and the Company achieve. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the section entitled "Risk Factors" in this Offering Circular. Except as required by law, the Issuer and the Company undertake no obligation to update or otherwise revise any forward-looking statements contained in this Offering Circular, whether as a result of new information, future events or otherwise after the date of this Offering Circular. All forward-looking statements contained in this Offering Circular are qualified by reference to the cautionary statements set forth in this section.

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

GLOSSARY OF TECHNICAL TERMS

The following are definitions of certain terms in this Offering Circular that are commonly used in connection with our business. The terms and their meanings may not correspond to standard industry meanings or usages of those terms.

AMCM	Autoridade Monetária de Macau (Monetary Authority of Macau)
EIT LAW	the Enterprise Income Tax Law of the PRC (as supplemented by its implementation regulations)
GFA	gross floor area
Group	the Company and its subsidiaries taken as a whole
Guangdong FTZ	the China (Guangdong) Pilot Free Trade Zone (中國(廣東)自由貿易試驗區)
Huafa Automobile	Zhuhai Huafa Automobile Sales Co., Ltd. (珠海華發汽車銷售有限公司)
Huafa City Operations	Huafa City Operations Investment Holding Co., Ltd. (珠海華發城市運營投資控股有限公司)
Huafa Development	Zhuhai Huafa Comprehensive Development Co., Ltd. (珠海華發綜合發展有限公司)
Huafa Financial	Zhuhai Huafa Group Finance Co., Ltd. (珠海華發集團財務有限公司)
Huafa Group	Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司) and its subsidiaries taken as a whole
Huafa Investment	Zhuhai Huafa Investment Holdings Group Co., Ltd. (珠海華發投資控股集團有限公司)
Huafa Properties	Zhuhai Huafa Properties Co., Ltd. (珠海華發實業股份有限公司) (Stock Code: 600325.SSE)
Huafa Property Services	Huafa Property Services Group Co., Ltd. (華發物業服務集團有限公司) (Stock Code: 0982.HK)
Huafa Trading	Zhuhai Huafa Commerce and Trading Holding Co., Ltd. (珠海華發商貿控股有限公司)
Huajin Capital	Zhuhai Huajin Capital Co., Ltd. (珠海華金資本股份有限公司) (Stock Code: 000532.SZSE)
Huajin Commercial Factoring	Zhuhai Huajin Commercial Factoring Co., Ltd. (珠海鐳金商業保理有限公司)

Huatong Financial Leasing	Hengqin Huatong Financial Leasing Co. Ltd (橫琴華通金融租賃有限公司)
In-Depth Cooperation Zone	the Guangdong-Macau In-Depth Cooperation Zone in Hengqin
Johnson Hldgs	Hong Kong Johnson Holdings Co., Ltd. (香港莊臣控股有限公司) (Stock Code: 1955.HK)
MCS D	Macau Central Securities Depository and Clearing Limited
MICE	meetings, incentives, conferences and exhibitions
MOF	The Ministry of Finance of the People’s Republic of China
MOFCOM	The Ministry of Commerce of the People’s Republic of China
NEEQ	the National Equities Exchange and Quotations
SZM CBD	The Zhuhai Shizimen Central Business District (珠海十字門中央商務區)
Zhuhai SASAC	State-Owned Assets Supervision and Administration Commission of the Zhuhai Municipal Government (珠海市國有資產監督管理委員會)

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SUMMARY

This summary does not contain all the information that may be important to you in deciding to invest in the Securities. You should read the entire Offering Circular, including “Risk Factors”, “Description of the Securities”, and the Company’s consolidated financial statements and the related notes, before making an investment decision.

OVERVIEW

The Group is a large state-owned conglomerate in the PRC with its business operations primarily conducted in Zhuhai City, Guangdong Province, which is situated at the southern end of the Pearl River Delta Region. The Company was established as a wholly state-owned enterprise in 1980 and is under the direct supervision of Zhuhai SASAC. At its inception, the Group initially focused on property development in Zhuhai, and has gradually expanded into other cities and diversified its business operation. Currently, the Group’s business primarily consists of six major segments, namely, urban operations, financial services, property development, industrial investment, sales and trading and modern services. In addition, the Group also engages in other businesses which are incidental to the Group’s six major business segments.

- **Urban Operations.** The Group is one of the leading developers of urban operations projects in Zhuhai. The Group undertakes large-scale urban operations projects and has been mandated by the Zhuhai government for the development and construction of major infrastructure projects in Zhuhai. The Group carries out its urban operation projects in Zhuhai under the authorisation of Zhuhai government. The Group’s major urban operations projects in Zhuhai include the development of the SZM CBD, the Zhuhai New Technology Area, the Doumen New Area, the Jinwan New Area, the Fushan New Area, the City’s Heart and the Bonded Zone Phase II in relation to which the Group is responsible for the primary land development as well as the construction of major infrastructure facilities and their on-going management. In addition, the Group also engages in other major infrastructure projects in Zhuhai such as the construction and development of Lover’s Coast walkway as well as the construction and management of subsidised housing projects in Zhuhai. Revenue generated from the Group’s urban operations business was approximately RMB14,787.6 million, RMB18,931.3 million and RMB18,253.9 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB4,407.6 million, RMB6,513.6 million and RMB6,846.6 million, respectively, for the same periods.
- **Financial Services.** The Group operates its financial services business primarily through Huafa Investment and Huafa Financial, both of which are headquartered in the Hengqin New Area (橫琴新區) and are direct beneficiaries of the various national and provincial urban development policies of the PRC. Huafa Investment actively seeks business opportunities in licenced businesses and engages in a comprehensive range of financial services in areas such as mergers and acquisitions, as well as retail and commercial banking services. Huafa Investment aims to develop a portfolio of companies comprising commercial banks, securities firms, trust companies, multicurrency investment funds and financial leasing and insurance companies. In addition to its revenue generating business, Huafa Investment is also the fund raising platform of the Group. Huafa

Investment's business comprises the following sub-businesses: (1) retail and commercial banking; (2) exchange platform; (3) principal investments; (4) securities and futures brokerage; (5) credit guarantee and microfinance; (6) marketing and (7) financial leasing and insurance. Huafa Financial centrally manages the Group's funds and provides internal banking services to the entities within the Group. It also serves as a solution provider to meet the Group's financing needs. Huafa Financial is the second non-banking financial institution established in Zhuhai. Revenue generated from the Group's financial services business contributed approximately RMB2,626.0 million, RMB2,688.5 million and RMB2,380.4 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB2,292.4 million, RMB2,229.6 million and RMB1,889.1 million, respectively, for the same periods.

- **Property Development.** The Group conducts its property development business through its subsidiary, Huafa Properties, which has been listed on the Shanghai Stock Exchange since 2004. As at the date of this Offering Circular, the Group holds in aggregate 29.57 per cent. equity interest in Huafa Properties. Huafa Properties focuses on developing high quality residential properties and commercial properties in first- and second-tier cities in the PRC, including Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Nanjing, Hangzhou, Chengdu, Xi'an, Chongqing, Suzhou, Zhengzhou, Shenyang and Dalian, as well as primary land development for its property projects. In 2023, its contracted property sales amounted to RMB125.99 billion. As at 31 December 2023, Huafa Properties had an estimated aggregate capacity building area of approximately 4,339,852 sq.m. Revenue generated from the Group's property development business was approximately RMB47,837.9 million, RMB56,783.9 million and RMB68,350.2 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB12,719.9 million, RMB11,708.4 million and RMB12,122.6 million, respectively, for the same periods.
- **Technology Industry.** The Group commenced its technology industry in 2015. It established a platform of the technology industry cluster, covering industrial operation, industrial investment and industrial promotion. It has established a preliminary industrial investment system with investments across the full industry chain and is actively seeking investment opportunities in technology, media and telecommunication, health, high-end product manufacturing, energy saving and environmental protection, cultural and media industries and other growth industries. It mainly carries out its technology industry business via Zhuhai Huafa Technology Industry Group Co., Ltd. (珠海華發科技產業集團有限公司). As at the date of this Offering Circular, the Group has controlling interest in four publicly or NEEQ listed companies, namely Founder Technology Group Co., Ltd. (方正科技集團股份有限公司) (Stock Code: 600601.SH) ("**Founder Technology**"), Advanced Fiber Resources(Zhuhai), Ltd. (珠海光庫科技股份有限公司) (Stock Code: 300620.SZSE) ("**Advanced Fiber**"), Zhuhai Higrand Technology Co., Ltd. (珠海華冠科技股份有限公司) (Stock Code: 871447.NEEQ) ("**Higrand**") and Zhuhai Leaguer Capacitor Co., Ltd. (珠海華冠電容器股份有限公司) (Stock Code: 873198.NEEQ) ("**Leaguer Capacitor**") to further expand its technology industry business. It also invests in other companies in this industry, including BOE HC SemiTek Corporation (京東方華燦光電股份有限公司), Zhuhai Yueya Semiconductor Co., Ltd. (珠海越亞半導體股份有限公司), and Shanghai Aiko

Solar Energy Co., Ltd. (上海愛旭新能源股份有限公司). In addition, the Group also plans to leverage its expertise and experience in the PRC property market to establish real estate investment funds to invest in real estate assets in the PRC. The Group's equity investment platform, Huajin Capital, was awarded one of the "Top 50 Private Equity Investment Institutions in China" in 2017 and 2018, and one of the "Top 50 State-owned Investment Institutions in China" in the 2019 and 2020 annual rankings published by Zero2IPO Group (清科集團). In 2022, Huajin Capital was further awarded one of the "Top 100 Private Equity Investment Institutions in China", "Top 50 State-owned Investment Institutions in China" and "Top 30 Investment Institutions in Advanced Manufacturing" and ranked 21st among the "2022 Top 50 Private Equity Investment Institutions in China". As at 31 December 2023, the Group had invested in over 400 projects with total investment amounts of over RMB20 billion. Revenue generated from the Group's technology industry business was approximately RMB2,223.0 million, RMB2,413.6 million and RMB4,568.8 million for the year ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated from the Group's technology industry business was RMB491.8 million, RMB448.9 million and RMB617.8 million for the same period.

- **Sales and Trading.** The Group conducts its sales and trading business principally through its subsidiary, Huafa Trading. Huafa Trading engages in the trading of raw materials, construction materials and commodities and has traditionally been the Group's trading and sourcing platform of raw materials and construction materials for the Group's development and construction projects in its various business. Huafa Trading had developed and expanded its sales and trading operations beyond the Group to other domestic customers in the southern region of the PRC. In addition, the Group also engages in the distribution and sale of automobiles through Huafa Automobile and sales and service of mobile communication terminals through Beijing Digital Telecom Co., Ltd. (北京迪信通商貿股份有限公司) (Stock Code: 06188.HK) ("**Beijing Digital**"). Revenue generated from the Group's sales and trading business was approximately RMB67,039.8 million, RMB70,348.0 million and RMB75,772.3 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB445.7 million, RMB668.0 million and RMB571.4 million, respectively, for the same periods.
- **Modern Services.** The Group's modern services business primarily focus on the development, construction and management of facilities for MICE, such as exhibition centres and hotels, primarily for development projects operated by the Group's urban operations business, as well as the provision of various other ancillary services, including culture, education and tourism services. The Group is responsible for operating the Zhuhai International Convention Centre (珠海國際會議中心) and the Zhuhai International Exhibition Centre (珠海國際展覽中心), as well as the management of three hotels in Zhuhai, namely, Zhuhai Sheraton Hotel, Zhuhai Huafa Executive Exhibition Apartment and The St. Regis Zhuhai, all of which are located in the SZM CBD. The Zhuhai International Exhibition Centre is regarded as one of the largest and best exhibition centres in the Pearl River Delta Region. In addition, the Group provides property management services to the Group's property development projects and subsidised housing projects, marketing consultancy services and human resources services. The

Group's modern services segment also includes culture, education and tourism services. The Group's culture, education and tourism business complements the Group's urban operations business. It involves the development, construction and operation of schools, art museums, auditoriums and music halls in various urban operations projects of the Group. The Group has also established Zhuhai Yung Wing School (珠海容閔學校) and Zhuhai Dulwich International High School Programme (德威國際高中課程) which are among the most prominent education brands in Zhuhai. Through its subsidiaries operating in the culture, education and tourism business, the Group held various major sports events, such as Huajin Securities WTA Elite Trophy Zhuhai since 2015, opera performances such as Turandot and arts exhibitions including Abalos architecture exhibition in Zhuhai. In 2022, with the aim to become a leading enterprise in the new energy industry nationwide and assist Zhuhai City with deployment of photovoltaic energy, the Group focused on three businesses in new energy industries, namely, high-end manufacturing, photovoltaic power generation and rebuilding of the supply chain of new energy. Revenue generated from the Group's modern services business contributed approximately RMB3,734.8 million, RMB3,608.4 million and RMB3,460.1 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB547.1 million, RMB396.9 million and RMB527.8 million for the years ended 31 December 2021, 2022 and 2023, respectively.

- **Others.** The Group's other businesses mainly comprise businesses which are incidental to the Group's six major businesses. Revenue generated from this segment was RMB3,693.4 million, RMB2,861.8 million and RMB2,901.1 million for the years ended 31 December 2021, 2022 and 2023, respectively.

The Group's business operations are closely aligned with the social and economic development of Zhuhai and the Pearl River Delta Region. The Group has been a direct beneficiary of Zhuhai's rapid urbanisation and economic growth in past decades and expects to continue to benefit from the growth associated with the development of Zhuhai given favourable economic policies of the PRC government.

For the years ended 31 December 2021, 2022 and 2023, the total revenue of the Group was approximately RMB141,942.5 million, RMB157,635.5 million and RMB175,686.9 million, respectively, and the operating profit of the Group was approximately RMB10,147.6 million, RMB9,369.3 million and RMB8,807.6 million for the same periods. As at 31 December 2021, 2022 and 2023, the Group's total assets amounted to RMB557,423.3 million, RMB653,440.3 million and RMB729,649.0 million, respectively, and the Group had total liabilities of RMB427,105.1 million, RMB482,573.0 million and RMB554,400.7 million.

RECENT DEVELOPMENTS OF THE GROUP

Performance of the Group as at and for the three months ended 31 March 2024

On 30 April 2024, the Group published its interim financial statements as at and for the three months ended 31 March 2024 (the “2024 Q1 Interim Financial Statements”) on the website of the China Foreign Exchange Trade System, which were not subject to an audit or review. The financial information in the 2024 Q1 Interim Financial Statements may differ from future audited or reviewed information and the 2024 Q1 Interim Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit or review. None of the Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation, warranty or undertaking, express or implied of, or accepts any responsibility or liability with respect to the 2024 Q1 Interim Financial Statements. The 2024 Q1 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2024. The 2024 Q1 Interim Financial Statements have not been included in, and do not constitute part of, this Offering Circular. See “Risk Factors — Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular.”

For the three months ended 31 March 2024, the Group’s total operating revenue decreased as compared to the same period in 2023 and the Group also recorded a decrease in its total operating costs for the three months ended 31 March 2024 as compared to the same period in 2023. The Group’s net profit for the three months ended 31 March 2024 recorded a decrease as compared to the same period in 2023.

As at 31 March 2024, total liabilities of the Group increased as compared to the balance as at 31 December 2023, which was primarily attributable to the increase of contract liabilities, financial assets sold for repurchase, other payables, non-current liabilities due within one year, other current liabilities, long-term loan and bonds payables it incurred to meet the Group’s increasing capital needs as it continued to expand and grow its business.

Major land acquisition since 31 December 2023

Subsequent to 31 December 2023, Huafa Properties acquired certain parcels of land and the major acquisition is set forth in the table below:

<u>Location</u>	<u>Site Area</u> (thousand sq.m.)	<u>Type</u>	<u>Attributable</u> <u>Interest</u> (per cent.)
Shanghai	31.5	Residential	51

Additional indebtedness since 31 December 2023

Since 31 December 2023, the Group has incurred indebtedness to finance its business development and supplement its working capital. Since 31 December 2023 and as at the date of this Offering Circular, it has issued debt instruments, including commercial papers, medium-term notes, corporate bonds and asset-backed securities, with an aggregate principal amount of RMB17.25 billion in domestic capital market in the PRC.

Asset injection into the Company

According to Notice on the Transfer of the Zhuhai Jiuzhou Holding Group Co., Ltd. to Zhuhai Huafa Group Co., Ltd. With No Consideration (Zhu Guozi [2024] No. 24), Zhuhai SASAC will transfer the assets of Zhuhai Jiuzhou Holding Group Co., Ltd. (九洲控股集團有限公司) to the Company with no consideration. As at the date of the Offering Circular, integration procedures such as asset clearance, capital verification, handover and transfer are being carried out in an orderly manner.

THE OFFERING

The following summary is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this Offering Circular. For a more detailed description of the Securities, see “Terms and Conditions of the Securities”. Terms used in this summary and not otherwise defined shall have the meanings given to them in “Terms and Conditions of the Securities”.

Issuer	Huafa 2024 I Company Limited
Guarantor	Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司)
Issue	CNH1,900,000,000 aggregate principal amount of 6.000% Senior Guaranteed Perpetual Capital Securities (the “ Securities ”).
The Guarantee	<p>The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Securities and the Trust Deed, as further described in Condition 2(b).</p> <p>The Guarantor undertakes that after execution of the Deed of Guarantee, it will register or cause to be registered with SAFE the Deed of Guarantee in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) (the “Cross-border Security Registration”), use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the Guarantee.</p>
NDRC Registration	Each of the Issuer and the Guarantor undertakes to report or cause to be reported the relevant information in connection with the Securities to the NDRC, within ten PRC Business Days after the Issue Date (the “ NDRC Registration Deadline ”) and in accordance with the Administrative Measures for the Review and Registration of Medium-and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法) issued by the NDRC and which came into effect on 10 February 2023 (the “ Post-Issuance Reporting ”); and (B) use its best endeavours to comply with all applicable PRC laws and regulations in relation to the Securities.
Issue Price	100.0 per cent. of the principal amount of the Securities.

Form and Denomination. The Securities are issued in registered form in the specified denomination of CNH1,000,000 and integral multiples of CNH 10,000 in excess thereof.

Distribution The Securities confer a right to receive distributions from the Issue Date at the applicable Distribution Rate, payable semi-annually in arrear on 30 January and 30 July of each year, with the first payment of Distribution being made on 30 January 2025.

Distribution Rate Subject to any increase pursuant to Condition 5(e), the rate of Distribution (“**Distribution Rate**”) applicable to the Securities shall be:

- (i) in respect of the period from, and including, the Issue Date to, but excluding, 30 July 2027 (the “**First Reset Date**”), the Initial Distribution Rate; and
- (ii) in respect of the period (A) from, and including the First Reset Date, to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

The “**Relevant Reset Distribution Rate**” means a rate of distribution expressed as a percentage per annum equal to the sum of (a) the initial spread of 3.707 per cent., (b) the Sovereign Bond Rate, and (c) a margin of 3.00 per cent. See “*Risk Factors — Risks relating to the Securities and the Guarantee — The Distribution Rate (as defined in the Conditions) on the Securities will be reset on each Reset Date (as defined in the Conditions), with such Relevant Reset Distribution Rate (as defined in the Conditions) mechanism being novel in the market and which may affect the market value of the Securities.*”

Distribution Deferral The Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an “**Optional Deferral Notice**”) to the Securityholders (in accordance with Condition 16) and to the Trustee and the CMU Lodging and Paying Agent in writing not more than ten business days nor less than five business days prior to the relevant scheduled Distribution Payment Date (a “**Optional Deferral Event**”).

No Obligation to Pay The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 5(d)(i).

Cumulative Deferral . . . Any Distribution deferred pursuant to Condition 5(d) shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect (in the circumstances set out in Condition 5(d)(i)) to further defer (in whole or in part) any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to Condition 5(d) except that Condition 5(d)(v) shall be complied with until all outstanding Arrears of Distribution and Additional Distribution Amount have been paid in full.

Each amount of Arrears of Distribution shall accrue Distributions as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such distribution (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 5 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the foregoing provisions of Condition 5. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added (for the purpose of calculating the Additional Distribution Amount accruing thereafter) to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Deferral If, on any Distribution Payment Date, payment of all Distribution scheduled to be made on such date (including any Distribution accrued but unpaid on the Securities (including any Arrears of Distribution and any Additional Distribution Amount)) is not made in full, neither the Issuer nor the Guarantor shall:

- (A) declare or pay any discretionary dividends or discretionary distributions or make any other discretionary payment, and will procure that no discretionary dividend, discretionary distribution or other discretionary payment is made, in each case, on any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (I) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, or (II) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants); or

(B) at its discretion redeem, reduce, cancel, buy-back or otherwise acquire for any consideration any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (I) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, or (II) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (III) as a result of the exchange or conversion of its Parity Securities for its Junior Securities),

in each case, unless and until (x) the Issuer or the Guarantor has satisfied in full all outstanding Arrears of Distribution and all Additional Distribution Amounts; or (y) the Issuer or the Guarantor is permitted to do so by an Extraordinary Resolution of the Securityholders.

Issue Date of the Securities	30 July 2024.
Maturity Date	There is no maturity date.
Status of the Securities	The Securities constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Status of the Guarantee	The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation, and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Negative Pledge	The Securities contain a negative pledge as further described in Condition 4(a).

Taxation All payments of principal, premium (if applicable) and Distribution (including Arrears of Distribution and Additional Distribution Amount) by or on behalf of the Issuer or the Guarantor in respect of the Securities or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands or the PRC or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law, as further described in Condition 8.

In such event, the Issuer or, as the case may be, the Guarantor shall, subject to the limited exceptions specified in the Conditions, pay such additional amounts (“**Additional Tax Amount**”) as will result in receipt by the Securityholders 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 Security.

No Fixed Redemption . The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (without prejudice to Condition 9) only have the right to redeem or purchase them in accordance with Condition 6.

Redemption at the option of the Issuer . . The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Trustee, the Agents and the Securityholders, at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) on the Call Dates, as further described in Condition 6(b).

Redemption for Taxation Reasons . . . The Securities 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’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)), in the event that the Issuer or the Guarantor (as the case may be) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC, as further described in Condition 6(c).

Redemption for Accounting Events . . .

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the Agents at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)), as further described in Condition 6(d).

Redemption for Change of Control Event. . . .

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at:

- (i) 101 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if such redemption occurs prior to 30 June 2027 (being the date that falls one month prior to the First Reset Date); or
- (ii) 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if such redemption occurs on or after 30 June 2027 (being the date that falls one month prior to the First Reset Date), as further described in Condition 6(e).

Redemption for No Registration Event . . .

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a No Registration Event, as further described in Condition 6(f).

Redemption for Breach of Covenants Event . . .

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Breach of Covenants Event, as further described in Condition 6(g).

Redemption for Relevant Indebtedness Default Event.

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Relevant Indebtedness Default Event, as further described in Condition 6(h).

Redemption for Dividend Stopper Breach Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Dividend Stopper Breach Event, as further described in Condition 6(i).

Redemption for Minimum Outstanding Amount

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if prior to the date fixed for redemption at least 80 per cent. in principal amount of the Securities originally issued has already been cancelled, as described in Condition 6(j).

**Limited Rights to
Institute Proceedings.**

No Securityholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up of the Issuer or the Guarantor or to claim in the liquidation of the Issuer or the Guarantor or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Securityholder shall have only such rights against the Issuer or the Guarantor as those which the Trustee is entitled to exercise as set out in Condition 9.

**Proceedings for
Winding-Up**

- (i) If there is a Winding-Up of the Issuer, or the Issuer shall not make payment in respect of the Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.
- (ii) If there is a Winding-Up of the Guarantor, or the Guarantor shall not make payment in respect of the Guarantee and/or the Securities (in accordance with the Guarantee) for a period of 14 days or more after the date on which such payment is due, the Guarantor shall be deemed to be in default under the Trust Deed and the Guarantee and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Guarantor and/or prove in the Winding-Up of the Guarantor and/or claim in the liquidation of the Guarantor for such payment.

Clearing Systems.

The Securities will be represented initially by interests in the Global Certificate, which will be registered in the name of, and deposited with a sub-custodian for, the HKMA as operator of the CMU on or about the Issue Date. For persons seeking to hold a beneficial interest in the Securities through Euroclear and Clearstream, such persons will hold their interests through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described in this Offering Circular, definitive certificates for the Securities will not be issued in exchange for interests in the Global Certificate.

Clearing and Settlement	The Securities will be cleared through the CMU.
Governing Law	Hong Kong law.
Jurisdiction	Exclusive jurisdiction of the Hong Kong courts.
Trustee	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
CMU Lodging and Paying Agent, Calculation Agent, Transfer Agent and Registrar	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
Listing	Application will be made to the SEHK for the listing of, and permission to deal in, the Securities by way of debt issues to Professional Investors only. A confirmation of the eligibility for the listing of the Securities has been received from the SEHK.
Use of Proceeds	See section entitled “ <i>Use of Proceeds</i> ”
Further Issues	The Issuer is at liberty from time to time without the consent of the Securityholders to create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects save for the first payment of Distribution on them, the timing for the making of the NDRC Post-issue Filing and the timing for completion of the Cross-Border Security Registration and, to the extent necessary, certain temporary securities law transfer restrictions) and so that the same shall be consolidated and form a single series with the outstanding Securities, as further described in Condition 15.
CMU Instrument Number	BOAKCS24072
ISIN	HK0001038576
Common Code	286390692
Legal Entity Identifier Number	254900DBSY6AGI3ICA90
Rating	The Securities are expected to be assigned a rating of “BBB-” by Fitch and a rating of “A+” by Lianhe Global.

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY

This Offering Circular contains audited consolidated financial information of the Company as at and for the years ended 31 December 2021, 2022 and 2023. The consolidated financial information of the Company as at and for the years ended 31 December 2021, 2022 and 2023 has been extracted from the Company's Audited Financial Statements, which are included elsewhere in this Offering Circular.

The Company's Audited Financial Statements were prepared and presented in accordance with the PRC GAAP as promulgated by the MOF from time to time and have been audited by GrantThornton, the Company's independent auditor. Certain accounting items in the balance sheet as at 1 January 2022 and in the income statement for 2022 extracted from the Company's consolidated financial statements as at and for the year ended 31 December 2023 were restated from the audited consolidated balance sheet of the Company as at 31 December 2022 and the audited consolidated income statement for 2022 as a result of an adoption of a new accounting standard as well as change of consolidation scope. See "Presentation of Financial Information". PRC GAAP differs in certain material respects from IFRS. The Company has not prepared any reconciliation of such consolidated financial information between PRC GAAP and IFRS. For a discussion of certain differences between PRC GAAP and IFRS, see "Summary of Certain Differences between PRC GAAP and IFRS".

*The consolidated financial information of the Company as at and for the years ended 31 December 2022 include herein has been restated in the Company's consolidated financial statements as at and for the year ended 31 December 2023 (the "**2023 Audited Financial Statements**"). The Company has acquired 100 per cent. equity of Zhuhai Technical Venture Capital Co., Ltd through merger of enterprises under the same control. The Company restates the consolidated financial information as at and for the years ended 31 December 2022 when compiling the 2023 Audited Financial Statements in accordance with Accounting Standards for Business Enterprises No. 20 — Business Mergers and Interpretation No. 16. For more information, please refer to "XII. Notes on major items in the parent company's financial statements" to the Company's 2023 Audited Financial Statements.*

The selected consolidated financial statements as set forth below should be read in conjunction with the relevant consolidated financial statements of the Guarantor and the notes thereto included elsewhere in this Offering Circular. Historical results are not necessarily indicative of results that may be achieved in any future period. Please also refer to "Risk Factors — Risks Relating to the Group's Financial Statements — Historical consolidated financial information of the Group may not be indicative of its current or future results of operations".

SELECTED CONSOLIDATED INCOME STATEMENT

	For the year ended 31 December		
	2021	2022	2023
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Total operating income	141,942,540	157,512,397	175,686,879
Total operating cost	134,543,648	150,629,927	170,471,925
Including: Operating cost	119,933,272	135,112,471	152,219,685
Tax and surtax	4,725,999	4,603,753	5,730,989
Sales expense	2,193,709	2,473,109	3,142,914
Overhead	4,515,818	4,908,032	5,052,646
R&D expense	359,145	518,460	708,658
Financial expense	2,538,699	2,603,241	3,167,220
Plus: Other gains	538,746	479,788	695,535
Investment gains	1,625,515	3,593,872	2,497,384
Including: Investment gain on joint venture and cooperative operation enterprises	998,144	2,965,674	1,189,245
Translation income (“—” for loss)	(196)	756	150
Gains on change in fair value	849,479	(92,254)	3,611,548
Credit impairment loss (“—” for loss)	(261,673)	(396,202)	(872,250)
Asset impairment loss (“—” for loss)	(50,577)	(1,108,528)	(2,344,660)
Gain from asset disposal (“—” for loss)	47,416	9,353	4,906
Operating profit	10,147,602	9,369,255	8,807,566
Plus: Non-operating income	115,291	158,246	428,997
Less: Non-operating expenditure	232,011	120,599	81,675
Total profit	10,030,882	9,406,902	9,154,888
Less: Income tax expenses	3,233,588	3,008,408*	3,910,434
Net profit	6,797,294	6,398,494	5,244,453
Net profit attributable to owner of the parent company	2,122,859	1,529,685	1,764,691
Minority shareholder equity	4,674,435	4,868,809*	3,479,762
After-tax net amount of other comprehensive income	(62,752)	(511,317)	(558,368)
Net after-tax amount of other comprehensive income attributable to the parent company	(59,297)	(266,696)	(710,050)
Net after-tax amount of other comprehensive income attributable to minority shareholder	(3,455)	(244,622)	151,682
Total of comprehensive gain	6,734,542	5,887,176	4,686,085
Total comprehensive gain attributable to owner of the parent company	2,063,562	1,262,989	1,054,641
Total comprehensive gain attributable to minority shareholder	4,670,981	4,624,187	3,631,444

Note:

* These numbers are adjusted from the audited consolidated income statement of the Company as at 31 December 2022 after the Company adopted the New Accounting Standards. For more information, please refer to Note V(1) — “Change of accounting policy” to the Company’s consolidated financial statements as at and for the year ended 31 December 2023.

SELECTED CONSOLIDATED BALANCE SHEET DATA

	As at 31 December		
	2021	2022	2023
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Current assets			
Monetary funds	73,011,109	68,665,153	67,671,667
Settlement fund	343,594	233,092	329,072
Monetary security receivable	1,135,340	854,925	1,004,916
Pledge bond receivable	51,876	236,404	296,303
Security deposit	88,084	65,168	138,957
Fund lent	1,099,208	989,287	599,568
Fund under outward finance	2,518,499	2,337,420	2,249,425
Transactional financial assets	5,348,302	6,411,239	5,182,020
Derivative financial assets	19,006	37,746	29,660
Notes receivables	486,484	329,828	193,498
Account receivables	10,491,847	9,766,378	10,647,771
Receivable finance	810,215	513,629	146,122
Advance payment	7,569,982	7,167,917	5,568,834
Settlement guarantee receivables	10,000	10,000	10,047
Other receivables	5,076,094	8,038,951	6,903,939
Dividend receivables	277,768	125,560	4,268
Redemptory financial asset for sale	2,775,518	3,927,869	—
Stock	283,837,960	319,495,125	351,295,347
Contract assets	3,679,269	4,862,495	5,232,192
Assets held for sale	—	179,000	104
Non-current assets due within one year	3,001,143	4,821,412	414,397
Other current assets	47,600,128	52,462,076	68,907,369
Total current assets	448,953,657	491,405,115	526,821,208
Non-current assets			
Loan issued and advance for others	2,121,416	671,831	675,385
Creditor's right investment	5,952,621	1,404,106	165,353
Other creditor's right investment	2,195,914	2,335,364	2,401,455
Long-term receivable	106,094	100,152	94,296
Long-term equity investment	44,203,593	55,126,636	55,776,503
Other equity instrument investment	714,252	1,457,815	4,722,742
Other non-current financial assets	18,944,312	32,849,442	44,235,859
Investment real estate	17,383,404	23,262,425	49,504,762
Fixed assets	15,784,274	17,770,974	22,299,792
Construction in progress	4,493,616	7,046,041	3,996,405
User right asset	1,959,258	1,680,121	1,771,779
Intangible asset	2,871,505	2,674,562	2,226,515
R&D expenditure	162,513	131,152	51,002
Goodwill	4,641,688	4,656,103	3,570,008
Long-term amortised costs	334,858	349,805	486,201
Deferred income tax asset	4,590,259	5,298,923*	6,517,376
Other non-current asset	2,010,101	5,219,758	4,332,316
Total non-current assets	128,469,678	162,035,210	202,827,748
Total assets	577,423,335	653,440,324	729,648,956

	As at 31 December		
	2021	2022	2023
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Current liabilities			
Short-term loan	26,565,369	30,891,731	38,245,691
Loan from central bank	10,623	—	—
Fund borrowed	150,257	150,175	706,212
Transaction financial liability	63,259	—	55,092
Derivative financial liability	154,321	58,305	59,125
Notes payable	3,577,882	1,812,037	1,882,964
Account payable	40,695,994	39,120,585	51,474,549
Advance receipt	490,671	519,056	514,485
Contract liabilities	76,507,507	90,846,830	101,702,123
Financial assets sold for repurchase	1,515,233	2,777,297	3,924,518
Deposit and interbank deposit	3,100,327	3,835,615	1,403,773
Fund for securities transaction under agency agreement	1,853,331	1,620,715	1,405,338
Monetary security payable	2,177,656	2,401,148	3,186,834
Pledge security payable	51,876	236,404	296,303
Future risk reserve	9,553	12,092	14,599
Payroll payable	1,547,357	1,401,845	1,329,560
Taxes and charges payable	2,736,023	2,939,100	3,655,856
Other payable	25,659,639	27,376,405	34,372,312
Dividend payable	550,546	656	77,062
Non-current liabilities due within one year	36,126,354	45,103,627	66,874,620
Other current liabilities	21,230,541	19,594,059	19,953,666
Total current liabilities	<u>244,223,774</u>	<u>270,697,027</u>	<u>331,057,619</u>
Non-current liabilities			
Long-term loan	107,987,419	118,153,644	124,695,877
Bonds payables	64,984,861	73,084,547	67,207,457
Lease liabilities	1,384,014	1,167,541	1,360,671
Long-term payable	1,727,935	3,395,167	4,931,204
Long-term payroll payable	786	1,512	156,076
Estimated liabilities	336,573	244,205	8,371
Deferred income	481,541	437,798	1,139,616
Deferred income tax liabilities	1,035,564	1,464,132*	2,314,146
Other non-current liabilities	4,942,660	13,927,391	21,529,691
Total non-current liabilities	<u>182,881,355</u>	<u>211,875,937</u>	<u>223,343,109</u>
Total liabilities	<u>427,105,128</u>	<u>482,572,964</u>	<u>554,400,729</u>

	As at 31 December		
	2021	2022	2023
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Shareholders' equity			
Paid-up capital	1,422,019	16,919,790	16,919,790
State capital	1,422,019	16,919,790	16,919,790
Net amount of paid-up capital (or share capital)	1,422,019	16,919,790	16,919,790
Other equity instrument	24,338,024	13,565,797	11,699,848
including: perpetual bonds	24,338,024	13,565,797	11,699,848
Capital reserve	28,808,615	23,351,727	18,239,287
Other comprehensive income	1,065,619	826,556	87,703
Special reserve	11,755	11,900	28,182
Surplus reserve	374,782	374,782	374,782
General risk reserve	318,142	318,142	318,142
Undistributed profit	4,453,958	3,578,555*	4,101,735
Total of owner's equity (or shareholder equity) attributable to the parent company	60,792,914	58,947,248	51,769,468
Minority shareholder equity	89,525,292	111,920,113*	123,478,760
Total owners' equity	<u>150,318,206</u>	<u>170,867,361</u>	<u>175,248,228</u>
Total liabilities and owners' equity	<u>577,423,335</u>	<u>653,440,324</u>	<u>729,648,956</u>

Note:

* These numbers are adjusted from the audited consolidated balance sheet of the Company as at 31 December 2022 after the Company adopted the New Accounting Standards. For more information, please refer to Note V(1) — “Change of accounting policy” to the Company’s consolidated financial statements as at and for the year ended 31 December 2023.

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOW DATA

	Year ended 31 December		
	2021	2022	2023
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Net cash flows from operating activities	42,545,423	46,281,036	59,868,321
Net cash flows from investing activities	(81,874,663)	(82,139,996)	(101,584,740)
Net cash flows from financing activities	34,712,876	29,150,789	39,394,331
Influence of exchange ratio's change on cash and cash equivalent	(64,180)	207,391	(200,512)
Net increase of cash and cash equivalent	(4,680,543)	(6,500,780)	(2,522,600)
Add: opening balance of cash and cash equivalent	71,813,836	67,351,970	60,851,190
Closing balance of cash and cash equivalent	67,133,293	60,851,190	58,328,590

SELECTED OTHER FINANCIAL DATA

	<u>As at and for the years ended 31 December</u>		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
	(RMB'000, except for margin and ratio data)		
EBITDA ⁽¹⁾	15,542,790	14,881,007	15,728,750
EBITDA margin ⁽²⁾ (per cent.)	11.0	9.4	9.0
Total debt ⁽³⁾	261,761,894	299,675,328	334,670,819
Net debt ⁽⁴⁾	194,628,601	238,824,138	276,342,229
Total debt/EBITDA	16.8	20.1	21.3
Net debt/EBITDA	12.5	16.1	17.6
Total debt/Total capitalisation ⁽⁵⁾ (per cent.)	63.5	63.7	65.6
Current ratio ⁽⁶⁾	1.84	1.82	1.59
Gearing ratio ⁽⁷⁾ (per cent.)	74.0	73.9	76.0
Loan repayment rate ⁽⁸⁾ (per cent.)	100.0	100.0	100.0
Interest repayment rate ⁽⁹⁾ (per cent.)	100.0	100.0	100.0

Notes:

- (1) EBITDA for any period consists of profit for the year before interest expense, income tax, depreciation and amortisation of intangible assets. EBITDA is not a standard measure under IFRS. EBITDA is a widely used financial indicator of a company's ability to incur and service debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit attributable to owners of the Company or any other measure of performance or as an indicator of the Group's operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, the Group believes that investors should consider, among other things, the components of EBITDA, such as revenue and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. The Group has included EBITDA herein because the Group believes that it is a useful supplement to cash flow data as a measure of the Group's performance and ability to generate cash from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare the Group's EBITDA to EBITDA presented by other companies because not all companies use the same definition.
- (2) EBITDA margin is calculated as EBITDA divided by revenue.
- (3) Total debt is calculated as the total of interest-bearing portion in notes payable, short-term loans, deposit taken and interbank deposits, financial assets sold for repurchase, non-current liabilities due within one year, long-term loans, bonds payable, long term payable, loan from central bank, fund borrowed, other current liability and other non-current liability. The Group's total debt increased to RMB334,670.8 billion as at 31 December 2023 primarily as a result of an increase in short-term loans, non-current liabilities due within one year, other current liabilities, long-term loan, long-term payable, financial assets sold for repurchase and other non-current liabilities for the Group's business development and general corporate purposes.
- (4) Net debt is calculated as total debt minus cash and cash equivalents.
- (5) Total capitalisation equals total debt plus total equity.
- (6) Current ratio is calculated as current asset divided by current liability.
- (7) Gearing ratio is calculated as total liabilities divided by total assets.
- (8) Loan repayment rate is calculated as actual loan repayment amount divided by the amount of loan repayable.
- (9) Interest repayment rate is calculated as actual interest paid divided by interest payable.

RISK FACTORS

Investors should carefully consider the risks and uncertainties described below and other information contained in this Offering Circular before making an investment decision in relation to the Securities. The risks and uncertainties described below may not be the only ones that exist. Additional risks and uncertainties that the Issuer and the Company are not aware of or that the Issuer and the Company currently believe are immaterial may also materially and adversely affect the Group's business, prospects, financial condition and results of operations. If any of the possible events described below occur, the Group's business, prospects, financial condition or results of operations could be materially and adversely affected and the market price of the Securities may decline. In such case, the Issuer and the Company may not be able to satisfy its obligations under the Securities and/or the Guarantee, and investors could lose all or part of their investment.

RISKS RELATING TO THE GROUP'S BUSINESS

The Group may not be able to effectively manage its expansion and growth

The Group has grown rapidly in recent years. The Group's total assets increased from approximately RMB577,423.3 million as at 31 December 2021 to approximately RMB729,649.0 million as at 31 December 2023. As its businesses continue to expand and develop, such expansion may place a strain on the Group's managerial, operational and financial resources, and contribute to an increase in its financing requirements. The Group will also need to continue to improve its operational and financial systems and its managerial controls and procedures to keep pace with its growth as well as maintaining close coordination among its technical, accounting, finance, marketing and sales personnel across its various businesses. In addition, the rapid expansion and development of the Group's businesses may also increase the Group's exposure to potential legal and other disputes arising from its business operations from time to time and the Group may face significant liabilities as a result. The Group's expansion is based on its forward-looking assessment of market prospects and there is no assurance that the Group's assessments will turn out to be accurate. Any failure to effectively manage the Group's expanded operations may have a material adverse effect on its business, results of operations and financial condition.

As part of the Group's strategy to grow organically as well as through mergers and acquisitions, the Group may undertake potential acquisitions or enter into new strategic alliances and partnerships as part of its future business expansion plans, if suitable opportunities in the market arise. However, the Group may not successfully identify new acquisition opportunities or opportunities on favourable or acceptable terms to the Group. The Group may not be able to successfully integrate the acquired business into the Group or may face difficulties such as loss of middle management and ground staff and failure to detect and rectify business, operational or financial issues of the acquired business, and may not be able to derive any synergies from such acquisitions, leading to increases in costs, time and resources. There can be no assurance that the Group will be able to successfully manage its growth or that its expansion plans will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's businesses and expansion plans require substantial capital investment, and its business, financial condition and results of operations are subject to the availability of external financing as well as fluctuations in the costs of external financing

The Group's business scale has been increasing significantly. For example, since 2009, the Group has been mandated by the Zhuhai government to undertake various large-scale urban operations projects, such as the SZM CBD project. Since 2004, the Group's property development portfolio has expanded from its core market in Zhuhai to first- and second-tier cities in the PRC, including Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Nanjing, Hangzhou, Chengdu, Xi'an, Chongqing, Suzhou, Zhengzhou, Shenyang and Dalian. The Group requires external financing to support the growth and expansion of its business. However, the Group's ability to obtain external financing in the future is subject to a variety of factors, including but not limited to (i) obtaining the necessary PRC government approvals to raise capital for projects; (ii) its future financial condition, operating results and cash flows; and (iii) the general condition of the global and domestic financial markets, as well as changes in the monetary policy, bank interest rates and lending policies. In the event that its current resources are not sufficient to meet its needs, the Group may have to seek additional financing, including equity or debt financing. If it uses debt financing, the Group may be subject to covenants or other restrictions. In addition, as the Group relies heavily on external financing to secure investment capital to finance the expansion of its business, it is sensitive to the cost of capital in securing these financings. There can be no assurance that the Group will be able to raise the necessary capital to finance its planned capital expenditures on acceptable terms or at all. If it is unable to secure such funding, the Group may have to reduce its planned capital expenditures and delay or abandon its expansion plans, which in turn could materially and adversely affect its prospects, business, results of operations and financial condition.

The Group's results of operations may be affected by Huafa Properties' results of operations

Huafa Properties constitutes an important source of the Group's revenue and profit. For the years ended 31 December 2021, 2022 and 2023, revenue generated by Huafa Properties, a subsidiary in which the Company held 29.57 per cent. equity interest, was RMB51,240.7 million, RMB60,446.9 million and RMB72,144.9 million, respectively, and net profit generated for the same periods was RMB4,676.6 million, RMB4,877.7 million and RMB3,464.9 million. In the same periods, dividends received by the Group from Huafa Properties were RMB271.5 million, RMB277.5 million and RMB223.2 million, respectively. Although Huafa Properties is accounted for as a subsidiary in accordance with PRC GAAP as the Group has historically maintained a certain level of control over Huafa Properties by virtue of being its single largest shareholder, the Company is not involved in the day-to-day operation of Huafa Properties. Any change to the Company's level of control over Huafa Properties or any downturn or other negative movement in the PRC property market in general may have an adverse effect on the results of operations of the Group, as well as the Group's cashflow.

The Company and certain of its subsidiaries have substantial indebtedness and may incur additional indebtedness in the future

The Company and certain of its subsidiaries now have, and will continue to have, a substantial amount of indebtedness. Such indebtedness could have significant consequences, including but not limited to: (i) increasing the Group's vulnerability to adverse general economic and industry conditions; and (ii) limiting its ability to borrow

additional funds as a result of financial and other restrictive covenants of the relevant entity's indebtedness. As at 31 December 2021, 2022 and 2023, the total debt (consisting of interest-bearing portion in notes payable, short-term loans, deposit taken and interbank deposits, financial assets sold for repurchase, non-current liabilities due within one year, long-term loans, bonds payable, long term payable, loan from central bank, fund borrowed, other current liability and other non-current liability) of the Group was RMB261.8 billion, RMB299.7 billion and RMB334.7 billion, respectively. The Group's total debt increase was primarily due to an increase in short-term loans, non-current liabilities due within one year, other current liabilities, long-term loan, long-term payable, financial assets sold for repurchase and other non-current liabilities for the Group's business development and for general corporate purposes. Furthermore, the Group enters into guarantee arrangements for the benefit of its subsidiaries and third parties from time to time and incurs contingent liabilities as a result. As at 31 December 2023, the total guaranteed indebtedness for the benefit of third parties amounted to RMB18,099.4 million. In addition, in respect of the Group's urban operation business, the Group provides and may continue to provide, certain credit support for its joint venture partners or contractors in its Build-Operate-Transfer projects from time to time in its normal course of business. In the future, the Company and some of its subsidiaries may from time to time incur substantial additional indebtedness and contingent liabilities. Such contingent liabilities may materially and adversely affect the Group's business, financial condition and results of operations if the creditors for a material part of such liabilities demand payment from the Group, straining the Group's cash flow and resulting in deterioration of the Group's liquidity.

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 flows 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 rates of interest that the Group pays on its legal actions against the Group by its creditors, or bankruptcy.

The Group is subject to restrictive covenants in its financing documents

Certain financing contracts entered by members of the Group contain operational and financial restrictions 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. Such restrictions may negatively affect relevant companies' ability to respond to changes in market conditions, pursue the business opportunities the Group believes to be desirable, to obtain future financing, fund capital expenditures, or withstand a continuing or future downturn in the Group's business. Any of these factors could materially and adversely affect the Group's ability to satisfy its obligations under outstanding financial obligations.

If the Group or the relevant subsidiary is unable to comply with the restrictions and covenants in its current or future debt and other agreements, there could be a default under the terms of such agreements. In the event of a default under such agreements, the debtholders could terminate their commitments to lend to the Company or the relevant subsidiaries, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing arrangements entered by the Group may contain cross-acceleration or cross-default provisions. As a result, a

default under one debt agreement may cause the acceleration of debt or result in a default under other debt agreements. If any of these events occur, there is no assurance that the Group's assets and cash flow would be sufficient to repay in full all of such indebtedness, or that the Group would be able to find alternative financing. Even if the Group could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to it.

The Group's business operation may be adversely affected by global economy and financial market

Recent global market and economic conditions have been unprecedented and challenging, with tight credit conditions, recession or stagnation in most major economies. Continued concerns about the systemic impact of potential long-term and widespread recession, energy costs, rising oil prices, inflation, geopolitical issues, the cost of credit, the global housing and mortgage markets and the withdrawal of the United Kingdom from the European Union have contributed to increased market volatility, weakened business and consumer confidence and diminished expectations for economic growth around the world.

The outlook for the world economy and financial markets in the remainder of 2024 remains uncertain. Economic conditions in jurisdictions in which the Group conducts its business are sensitive to material changes in the global economic and political environment, such as the U.S.-China trade friction and the ongoing Israeli-Hamas and Russo-Ukraine conflicts. It is impossible to predict how such economy will develop in the future and whether it might slow down due to the global economic crisis or experience a financial crisis in a manner and scale similar to that in the United States and the European countries. Unfavourable financial or economic conditions, such as those caused in recent years by the global financial and economic crisis in the United States and Europe and other jurisdictions in recent years have had a corresponding effect on Asian financial markets and may continue to do so in the future.

These and other issues resulting from the global economic slowdown and financial market turmoil have adversely affected, and may continue to adversely affect the PRC market and consumption capacity in this market, which may lead to a decline in the general demand for the Group's products and services and erosion of their prices. In addition, any further tightening of liquidity in the global financial markets and in the PRC may negatively affect the Group's liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets crisis continue, the Group's business, financial condition and results of operations may be adversely affected.

The Group's results of operations and financial condition are, to some extent, subject to continuous support from with PRC governmental authorities, in particular, the Zhuhai government

The Company was established as a wholly state-owned enterprise in 1980 which is under the direct supervision of Zhuhai SASAC and has established a strong relationship with PRC governmental authorities. Initially focusing on property development, the Group has cooperated with affiliates of the Zhuhai government to develop property projects in Zhuhai since 1980. This long-standing relationship has since progressed into other businesses of the Group, particularly its urban operations business. As at the date of this Offering Circular, the Group believes that its strong relationship with PRC governmental

authorities, in particular, the Zhuhai government, coupled with its track record of urban operations projects, will enable the Group to continue to receive support from the PRC governmental authorities to undertake future landmark urban operations projects in Zhuhai and elsewhere in the Pearl River Delta Region. However, there can be no assurance that the Zhuhai government and Zhuhai SASAC will always act in the Group's best commercial interests or aim to maximise the Group's profit when they carry out their administrative function and implement the PRC government's policies. Additionally, if such support from the PRC governmental authorities were to cease, or be reduced to a material extent, the Group's results of operations and financial condition would be adversely affected.

The Group faces risks associated with contracting with public bodies

From time to time the Group enters into contracts with the Zhuhai government, who ultimately controls the Company through Zhuhai SASAC, for the delivery of property development or urban operations projects. While the Company believes that the Group currently maintains a close working relationship with government authorities and entities relevant to its businesses and controlled by the Zhuhai government, there can be no assurance that these relationships will continue to be maintained on good terms in the future or the terms of such contracts always meet the contractual terms which the Group would seek to obtain from third party customers. The government authorities and entities of the Zhuhai government with which the Group contracts with may have economic or business interests or considerations that are inconsistent with the interest of the Group or its stakeholders or have disputes with the Group as to the contractual terms or other matters. If there are any material disagreements between the Group and the government authorities and entities of the Zhuhai government, there can be no assurance that the Group will be able to successfully resolve them in a timely manner, which may in turn materially and adversely affect the Group's results of operations and financial condition.

PRC regulations on the administration of local government debts may have a material impact on the Group's business, prospects and ability to finance

The Group's results of operations and financial condition may be heavily affected by changes in PRC regulations concerning local government debts and the financing platforms of local governments. In September 2014, the State Council released the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (國務院關於加強地方政府性債務管理的意見) (“**Circular 43**”) with an aim to control a significant increase in local government debts and associated risks in the PRC's banking system. According to Circular 43, government debts shall not be borrowed in the name of enterprises, and enterprise debts shall not be repaid by the local governments. The function of government financing shall be separated from that of the financing platform companies, which are not allowed to cause any increase in government debt. The Group, as with other financing platform companies, should rely upon the cash flow generated from its operations and external borrowings to satisfy its cash needs for servicing its outstanding indebtedness and for financing its operating activities.

The MOF, together with the NDRC, the People's Bank of China (the “**PBOC**”), China Securities Regulatory Commission (the “**CSRC**”), the China Banking Regulatory Commission (the “**CBRC**”) (integrated into the China Banking and Insurance Regulatory Commission (the “**CBIRC**”, which has been replaced by the National Administration of Financial Regulation (國家金融監督管理總局) (the “**NAFR**”)) and the Ministry of Justice of

the PRC, released the Notice Concerning Further Regulation of Local Government Borrowing and Financing Conduct (關於進一步規範地方政府舉債融資行為的通知) to emphasise the principles and policies set out in Circular 43 in April 2017. On 28 May 2017, the MOF issued the Notice on Resolutely Curbing the Illegal Financing of the Local Governments in the Name of Government Procurement of Services (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) to regulate government procurement of services, which stipulates the scope of government procurement of services and requires the funds needed for government procurement of services shall be faithfully earmarked in full in the annual budget and medium-term financial plan. The MOF issued the Regulation on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知,財金 [2018] 23號) (the “**Circular 23**”), effective 28 March 2018, which aims to increase the responsibility of the PRC state-owned financial institutions to investigate the financial independence and liquidity level of the local government financing vehicles that they assist in fundraising. On 11 May 2018, the Circular of the National Development and Reform Commission and the MOF on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知) (the “**Joint Circular**”) was released, reiterating the PRC government’s position to isolate the debt of enterprises from the relevant local government and to control the increase of the local governments’ debt. The Joint Circular requires enterprises that seek to borrow medium and long-term foreign debt to establish sound and market-standard corporate governance, a management decision-making system and financial management system. It further requires that the assets owned by such enterprises should be of good quality and have clear ownership, while public interest assets, such as public parks, hospitals, rivers, and land reserves of the local government should be excluded in the evaluation of their asset base. On 6 June 2019, the General Office of the NDRC issued the Circular of the General Office of the NDRC on the Relevant Requirements for Filing and Registration of Foreign Debts Issuance by Local State-owned Enterprises (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知) (“**Circular 666**”), which aims to strengthen the management of local government debt and avoid or mitigate risks relating to medium and long-term foreign debt as well as hidden debt of local governments. Circular 666 expressly regulates the use of proceeds of foreign debt securities issued by state-owned enterprises which undertake local government financing functions to the repayment of medium and long-term offshore debt due within one year. The PRC government may continue to release new policies or amend existing regulations to control the increase in local government debt in China. There is no assurance that the Group’s financing model and business model will not be materially affected by future changes in the regulatory regime concerning the financing platforms of local governments.

The Group’s diversified business operations may cause difficulty in obtaining adequate managerial and operational resources and strain its financial resources, restricting its ability to successfully grow its business

The Group is a large-scale conglomerate and operates in diverse areas. The diversity of the Group’s businesses may place a significant strain on its managerial and operational resources. The Group’s future operating results to a large extent depend on its management’s ability to maintain effective control over a large and diversified conglomerate. The management of the future growth of the Group will require, among other things, the continued development of management and financial controls within the

existing businesses and establishment of controls in newly acquired businesses and the ability to integrate new acquisitions into the Group's existing operations. Any failure to successfully manage the Group's diverse businesses and its growth could have a material adverse effect on its business, results of operations and financial condition.

The Group's success depends on the continuing efforts of its senior management team and other key personnel and its business may be harmed if the Group loses their services

The Group's future success depends heavily on the continuing services of the members of its senior management team. If one or more of the Group's senior executives or other key personnel are unable or unwilling to continue in their present positions, the Group may not be able to replace them easily or at all, its business may be disrupted and its results of operations, financial condition and prospects may be materially and adversely affected. Competition for senior management and key personnel is intense while the pool of qualified candidates is very limited, and the Group may not be able to retain the services of senior executives or other key personnel, or attract and retain high-quality senior executives or other key personnel in the future. Furthermore, the Group may lose the services of senior executives or other key personnel if Zhuhai SASAC chooses to shuffle the management teams of the Company and its subsidiaries or otherwise choose to change the composition of the Company's management and key personnel team. In particular, the prospect and future growth of the Group's financial services business relies heavily on its personnel who are experienced professionals in the financial services industry. There can be no assurance that the Group will be able to retain its existing personnel or to continue attracting qualified personnel for the Group's financial services business. If any member of the senior management team or any other key personnel joins a competitor or forms a competing company, the Group may lose customers and key professionals and staff members.

The Group may not be able to replicate its success in its core market

Historically, the Group focuses its business on its core market in Zhuhai. As part of the Group's business strategy, the Group has expanded and will continue to expand into new markets in the PRC. The new markets in other regions of the PRC may differ from the Group's core market in Zhuhai in terms of competitive environment as well as customer tastes, behaviour and preferences. The Group may have limited ability to leverage its established brand and reputation in the new markets in the way that the Group has done or currently does in Zhuhai. Furthermore, the administrative procedures, regulatory schemes and tax regimes in the new markets may differ significantly from those in the Group's core market. The Group may face additional expenses or difficulties in adapting to such procedures and complying with such regimes. In addition, as the Group enters new markets, it may not have the same level of familiarity with local contractors, suppliers and other business partners, business practices and customs as it does in its core market.

As the Group expands into new markets, the Group may face intense competition from established local players with experience in those markets. As a relatively new player in such markets, the Group may need to recruit additional personnel with local knowledge, for which the Group may incur additional costs and face difficulties in management and operations. Any failure to successfully expand into new markets may adversely affect the Group's business, results of operations, financial condition and prospects.

As a result of the foregoing, the Group may not be able to successfully leverage its brand, and experience in its core market as it expands into new markets.

Changes in or termination of arrangements with the Group's joint venture partners could have a material adverse impact on the business operations of the Group

The Group undertakes business operations in some of its business segments in cooperation with a number of domestic and international companies through joint venture arrangements. The continuation of certain of its existing joint venture arrangements is material to the successful operation and development of the business which it undertakes through such joint venture. Further, the success of such joint ventures is dependent on current domestic or global economic conditions. For example, the Group's joint ventures may need to raise additional funds in order to continue their business operations in adverse domestic or global economic conditions and there is no assurance that such funds will be successfully raised. There can be no assurance that such joint venture arrangements will continue smoothly or that they will not require additional significant investment from the Group or to be renewed or extended at the end of their term. Changes in or termination of such arrangements may have a material adverse effect on the Group's business, financial condition and results of operations.

Potential liability for non-compliance with environmental laws and regulations could result in substantial costs

The Group is subject to a variety of laws and regulations concerning the protection of health and environment. The particular environmental laws and regulations that apply to any given project development site vary according to the site's location, the site's environmental condition, the present and former uses of the site, as well as adjoining properties. As the PRC government increases its focus on the environment, the Group's projects may be more strictly reviewed and inspected, and approval processes for future projects or any alteration to existing projects may be prolonged. In addition, the Group may incur ongoing costs of compliance with environmental laws and regulations in the context of its property development business. Efforts taken to comply with environmental laws and regulations may result in delays in development, cause the Group to incur substantial compliance costs and prohibit or severely restrict project development activity in environmentally-sensitive regions or areas.

As required by PRC laws and regulations, the majority of projects developed by the Group are required to undergo environmental assessments and the Group is required to submit an environmental impact assessment report to the relevant governmental authorities for approval before commencement of its construction. It is possible that there are potential material environmental liabilities of which the Group is unaware after reasonable due diligence. In addition, there can be no assurance that the Group's operations will not result in environmental liabilities or that the Group's contractors will not violate any environmental laws and regulations in their operations that may be attributed to the Group.

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

The Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties that could subject the Group to financial losses and sanctions imposed by governmental authorities, which in turn affects the Group's reputation. The Group may be harmed if, for example, any of these parties engage in misrepresentation or fraudulent, deceptive or otherwise improper activities, conduct transactions that exceed authorised limits, make or accept bribes or improperly use

or disclose confidential information. The Group's internal control procedures are designed to monitor the Group's operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of non-compliance, employee misconduct or suspicious transactions in a timely manner, if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the Group's precautionary measures to prevent and detect such activities may not be effective. For example, on 13 May 2021, Dai Geying, a senior officer of Huafa Properties, sold 13,500 shares without disclosing 15 trading days in advance and the amount of shares sold exceeded 25 per cent. of the total number of shares held by him, subsequent to which CSRC Guangdong Branch issued a warning letter and Shanghai Stock Exchange made an oral warning. 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.

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

Each of the Issuer and the Company is not listed on any stock exchange, although the Company's subsidiaries, Huafa Properties is listed on the Shanghai Stock Exchange, Huajin Capital and Shenzhen Weiye Decoration Group Co., Ltd. (深圳市維業裝飾集團股份有限公司) (Stock Code: 300621.SZSE) ("Shenzhen Weiye") are listed on the Shenzhen Stock Exchange, and Huafa Property Services, Johnson Hldgs and Beijing Digital are listed on the SEHK. Accordingly, there may be less publicly available information such as interim financial information about the Issuer and the Company than is regularly made available by public companies in certain other countries or territories. In addition, the consolidated financial statements of the Group and the financial statements of the Company are prepared and presented in accordance with PRC GAAP, which differs in certain respects from IFRS. See "*— Summary of Certain Differences between PRC GAAP and IFRS*".

The Group's financial condition and results of operations may be affected by material fluctuations in interest rates

Most of the Group's existing floating rate bank loans bear interests that accrue at rates linked to the Loan Prime Rate (the "LPR") published by the PBOC. A material fluctuation in the LPR 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. Any increase in the LPR in the future will increase the Group's financing costs and adversely affect its profitability, financial condition and results of operations. As at the date of this Offering Circular, the Group has also issued bonds outside the PRC. As the Group will further explore overseas sources of funding to replenish its capital, it is also exposed to risks arising from interest rate fluctuation overseas. Any unfavourable interest rate overseas could cause the Group to incur additional financing cost for its overseas financing.

If the Group fails to maintain effective internal controls and corporate governance or fails to prevent misconduct committed by its employees, representatives, agents or other third parties, its business, financial condition, results of operations and reputation could be materially and adversely affected

The Group has implemented various measures to improve and optimise its internal controls and corporate governance. The Group has a supervisory committee, the majority members of which are appointed by the Zhuhai SASAC. The Group has established an

internal system to enhance protection of confidential information and education of employees. The Guangdong Audit Office and the disciplinary compliance departments of the Guangdong government also conduct reviews on the Group's operation from time to time and some of the key factors for consideration include implementation of corporate governance and disciplinary compliance. As at the date of this Offering Circular, the Group has not received any notification of non-compliance following such reviews and, to the Issuer's and the Guarantor's best knowledge, the Group has not received any notification from the Guangdong Audit Office and the disciplinary compliance departments of the Guangdong government to the effect that the Group has ineffective internal controls or corporate governance systems. However, there can be no assurance that all such measures will prove effective in the future or that any existing or potential material deficiencies in the Group's internal controls or any misconduct committed by its employees, representatives, agents or other third parties will not be discovered. The Group's efforts to improve and optimise its internal controls have required, and in the future may require, increased costs and significant management time and commitment. If the Group fails to maintain effective internal controls, its business, financial condition, results of operations or reputation could be materially and adversely affected.

The Group may be involved in disputes, claims and litigations in the Group's ordinary course of business

The Group may be involved in disputes, claims and litigations in the ordinary course of the Group's business with the project owners, the Group's suppliers, subcontractors or other parties from time to time. For example:

- in April 2021, Lijiang Heye Group Real Estate Development Co., Ltd. (麗江和業集團房地產開發有限公司) (“**Lijiang Heye**”) filed a lawsuit with the Intermediate People's Court of Lijiang City, Yunnan Province against Shenzhen Weiye, a member of the Group, with Yunnan Heyue Zhongbang Hotel Management Co., Ltd. (雲南和悅眾邦酒店管理有限公司) (“**Yunnan Heyue**”) over a real estate purchase matter. Lijiang Heye demanded that Shenzhen Weiye fulfill its obligation to purchase 168 units of commercial housing in Lijiang Heye's shopping mall, pay a breach of contract compensation of RMB25,356,341.08, pay property services rent of RMB15,838,567.40 for unsold houses and jointly bear with Yunnan Heyue the costs of litigation of RMB1,119,892.05. As at the date of this Offering Circular, the case is currently in the process of being heard.
- in March 2021, Xinjiang Beixin International Engineering Construction Co., Ltd. (新疆北新國際工程建設有限公司) filed a breach of contract lawsuit against Beijing Digital, which became a member of the Group on 30 June 2021, with Beijing Shuojin Tonghui Biotechnology Co., Ltd. (北京燦金同輝生物科技公司). Beijing Digital has provided a basis for the claims arising from the lawsuit and has made an estimated liability provision of RMB26,541,000 for this contingent liability.

If the Group was found liable on such claims, the Group could be liable for significant monetary damages, as well as be subject to government sanctions, including fines and the loss of operational licences, approvals and permits. In addition, the Group may bring up claims against project contractors for additional costs incurred as a result of the contractors' underperformance or non-performance, project defects or default by the contractors. If such disputes or claims are not resolved through negotiations, the Group

may be subject to lengthy and expensive litigation or arbitration proceedings. Further, the Group might suffer negative publicity resulting from such dispute or claims. If any negative publicity or reputational harm is not effectively remedied or reversed, the Group's existing or potential customers may develop negative views of the safety and quality of the Group's services and products, which may negatively affect the Group's ability to maintain solid relationships with the Group's customers, engage new customers and expand into new markets. In addition, the measures the Group take to remedy or reverse any negative publicity may be financially costly, force the Group to divert significant management attention, and may not generate the desired results. Even if the Group is not found liable for any of such claims, the Group's assets may be frozen pending a court's judgement. There can be no assurance that the Group will not be subject to future liability claims or that the Group's business and results of operations would not be materially and adversely affected as a result.

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

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

- operating limitations imposed by environmental or other regulatory requirements;
- work-related personal injuries;
- on-site occupational accidents;
- credit risks relating to the performance of customers or other contractual third parties;
- disruption in the global capital markets and the economy in general;
- loss on investments;
- environmental or industrial accidents; and
- catastrophic events such as fires, earthquakes, explosions, floods or other natural disasters.

The Group maintains insurance policies that provide different types of risk coverage and as at the date of this Offering Circular, the Group believes the scope of the coverage is in line with industry norms in the PRC. However, claims under the Group's insurance policies may not be honoured fully on time, or at all and its insurance coverage may not be sufficient to cover costs associated with accidents incurred in the Group's operations due to the above-mentioned operational risks. Certain types of losses (such as from wars, acts of terrorism or acts of God, business interruption, property risks and third party (public) liability) are not insured in the PRC because they are either uninsurable or not economically insurable. To the extent that the Group suffers loss or damage that is not covered by its insurance or that exceeds the limit of its insurance coverage, the Group's business, financial condition, results of operations and cash flow may be materially and adversely affected.

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

Force majeure events, natural disasters, catastrophe or other events could result in severe personal injury to the Group's staff, property damage and environmental damage, which may curtail the Group's operations, cause delays in estimated completion dates for projects and materially and adversely affect its cash flows and, accordingly, adversely affect its ability to service debt. If any of the Group's assets are damaged by severe weather or any other disaster, accident, catastrophe or other event, the Group's operations may be significantly interrupted. The occurrence or continuance of any of these or similar events could increase the costs associated with the Group's operations and reduce its ability to operate its businesses effectively. The outbreak of COVID-19 has occurred in different regions of the world, including many cities in the PRC where the Group has operations. The occurrence or continuance of any of these or similar events could increase the costs associated with the Group's operations and reduce its ability to operate its businesses effectively, thereby reducing its operating income. Such accidents could also lead to the shutdown of the Group's affected operating facilities such as highways and railways and, potentially, similar facilities that may be considered to present the same risks.

RISKS RELATING TO THE GROUP'S URBAN OPERATION BUSINESS

The Group's urban operations business is subject to extensive government regulation

The Group's urban operations business is extensively regulated by planning policies and other laws and regulations of the PRC government. Although all of the Group's urban operations projects are authorised by local government authorities and the Group had not encountered any significant difficulties or material delays in obtaining the required approvals from local government authorities in the past, there can be no assurance that the Group will continue to be able to obtain government approvals or authorisations in a timely manner for its future urban operations projects. In addition, from time to time, the local government authorities may impose new regulations which could affect the Group's project schedule. There can be no assurance that the Group will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the Group's urban operations projects or the particular processes with respect to the granting of the approvals. Changes or concessions required by the regulatory authorities could also incur significant costs and delay or prevent the completion of the Group's urban operations projects or could result in the loss of existing licences, permits or authorisations, any of which may have a material adverse effect on the Group's business, results of operations and financial condition.

Growth in the Group's urban operations business largely depends on continued spending by the Zhuhai government to infrastructure, including for the development of new districts such as the SZM CBD and for improvement of transportation hubs and other public works. Any significant reduction in the Zhuhai government's public budgets relating to infrastructure could have a material adverse effect on the Group's urban operations business. Various factors affect the nature, scale, location and timing of the Zhuhai government's public investment plans in the urban infrastructure sector. These factors include the policies and priorities of both the central governance and Zhuhai government regarding different business sectors, deregulation to encourage private sector participation in the urban infrastructure sector and the general condition and prospects of the overall PRC and Zhuhai economy.

The Group is not able to decide on the exact timing and location of its urban operations projects

The Group's urban operations projects are driven by national and local urban planning and development policies. The Group is not able to decide on the exact timing and location of its urban operations projects. Although many of the Group's urban operations projects are developed with its joint venture partners which are owned or controlled by the local government authorities, those government authorities who decide the national and local urban planning and development policies are often of higher echelons than the Group's joint venture partners and as such decisions by joint venture partners may be superseded by the decisions of local governments.

The Group's results of operations may be adversely affected if any of its urban operations projects are unsuccessful

No assurance could be given that each of the Group's existing or future urban operations projects will be successful or that any such project will not encounter difficulties that may adversely affect the Group's business, financial condition and results of operations. Due to the amount of capital required and costs incurred or to be incurred in each urban operations project, the Group is financially exposed and, in the event that any of its existing or future urban operations projects is unsuccessful, the Group's business, financial condition and results of operations may be adversely affected.

The results of operations of the Group's urban operations business is heavily dependent on the prospects of its SZM CBD project

The Group's urban operations business is heavily dependent on the prospects of its SZM CBD project. As at 31 December 2023, the Group's investment into the SZM CBD project was approximately RMB27,612 million. Any future changes in the national or local urban planning and development policies in relation to SZM CBD, or other newly established central business districts of a similar nature or in close proximity to SZM CBD which could be in direct competition with SZM CBD may have a material adverse effect on the result of operations of the Group's urban operations business.

Income derived from a majority of the Group's urban operations projects are allocated by the PRC government in accordance with relevant laws, regulations and policies

In general, for the Group's urban development projects, the Group receives a fixed percentage of all income generated from land grant premium upon the completion of the land development process relating to land for residential/retail use and land for commercial/other use. For the Group's infrastructure construction projects, the Group also receives (i) on-going management income of properties and (ii) revenue generated from operation of ancillary commercial facilities. The revenue and profit derived from the land grant premium of its urban operations projects may fluctuate depending on market conditions and the prevailing government policies. There can be no assurance that the percentage of income allocation may be maintained due to a change in the relevant laws, regulations and policies which could have a material adverse effect on the Group's results of operations and financial condition.

Changes in government grants or other incentives currently received by the Group from the Zhuhai government may adversely affect the Group's business, results of operations and financial condition

Certain of the Group's urban operations projects are currently entitled to government grants or other incentives from the Zhuhai government. There can be no assurance that such government grants or incentives will not be reduced or revoked, or that these urban operations projects of the Group, upon the expiration of the current preferential treatment or grant periods, will be entitled to other government grants or incentives. A reduction or discontinuance of such government subsidies may materially and adversely affect the Group's financial condition and results of operations.

The Group faces a number of development, construction and approval risks associated with its urban operations projects. The urban operations projects may not be completed according to planned schedules and may not generate the levels of expected revenue or contemplated investment returns. There are a number of construction, financing, operating and other risks associated with the Group's urban operations projects. Projects of the types undertaken by the Group typically require substantial capital expenditures during the construction phase and usually take months, sometimes years, before they become operational and generate revenue. The time taken and the costs involved in completing construction can be adversely affected by many factors, including shortages and increased costs of materials, equipment and labour, adverse weather conditions, natural disasters, labour disputes, disputes with subcontractors, accidents, changes in governmental priorities and other unforeseen circumstances. Any of these circumstances could give rise to delays in the completion of construction or to cost overruns.

In relation to the Group's urban operations projects, the development and operation of commercial properties and other ancillary commercial facilities also require certain government approvals, permits, licences or consents which will need to be obtained by the Group. Delays in the process of obtaining, or a failure to obtain, the requisite licences, permits or approvals from government agencies or authorities may increase the cost or delay or prevent the commencement of a project, which could adversely affect the financial condition of the Group. In addition, the Group collaborates with various third-party contractors, such as design companies and construction companies in its urban operations projects. Should any dispute occur with any such third-party contractor or any of these third-party contractors fails to discharge its duty properly or to the standard required for the specific projects, this may give rise to construction delays to the pre-determined project schedule.

Construction delays may result in the loss of revenue. The failure to complete construction according to specifications may result in liabilities, reduced efficiency and lower financial returns. There can be no assurance that the Group's projects will continue to be completed on schedule or that future projects will be completed on time, or at all, and generate satisfactory returns.

The Group may be unable to attract new key tenants and retain existing key tenants for its urban operations projects

The Group is responsible to attract tenants for its commercial properties in some of its urban operations projects, such as the SZM CBD project. Therefore, the Group competes for tenants with a number of other office and retail properties in the surrounding areas on

the basis of a wide range of factors, including location, appearance, age, construction quality, maintenance and design. The Group also competes for tenants on the basis of rent levels and other lease terms.

There can be no assurance that existing and prospective tenants will not choose to vacate their properties for those of the competitors of the Group. In addition, the rental income from investment properties may be subject to market fluctuations. As a result, the Group may lose existing and prospective tenants to their competitors and have difficulty in renewing leases or entering into new leases. An increase in the number of competing properties, particularly in close proximity to the properties of the Group, could intensify competition for tenants, reduce the relative attractiveness of its properties and force the Group to reduce rent or incur additional costs in order to make its properties more attractive. If the Group is not able to compete consistently and effectively for tenants with other property developers or operators, its occupancy rates may decline. If the Group fails to attract well-known tenants or maintain their existing anchor tenants, the overall attractiveness and competitiveness of its commercial properties may be adversely affected. This, in turn, could have a material adverse effect on the Group's business, reputation, results of operations and financial position.

Some of the Group's projects in its urban operations business are less profitable, and the Group may not be able to undertake new projects that generate higher levels of profits in the future

Some of the Group's urban operations projects and modern services projects yield a lower level of profits, such as the subsidised housing projects. The Group undertakes these projects primarily in accordance with the prevailing urban planning and development policies of local government authorities and the Group may from time to time undertake various projects in similar nature which involve high construction costs, high construction requirements and tight construction schedules, all of which would lead to an increased level of capital expenditure. The undertaking of these low-profit projects may expose the Group's urban operations business to short-term losses and could adversely affect the Group's profit-generating abilities. In addition, the increased use of sub-contractors may also erode the profitability of these projects. There can be no assurance that the Group's cost control efforts will be effective or successful, or that the Group will be able to undertake new projects that generate higher levels of profits in the future.

RISKS RELATING TO THE GROUP'S FINANCIAL SERVICES AND TECHNOLOGY INDUSTRY BUSINESSES

New legislation or changes in the PRC regulatory requirements in the financial services industry may affect the Group's business and prospects

The PRC financial services industry is highly regulated and securities firms are subject to regulations on various perspectives, including capital requirement, business licences as well as scope of products and services. As the PRC financial services industry is still evolving, relevant rules and regulations could be changed from time to time based on the developments of the PRC securities markets. There are uncertainties regarding the enforcement of existing rules and regulations in relation to the new financial services businesses into which the Group has expanded. Any changes in regulatory requirements may have a material and adverse effect on the Group's business, financial condition and results of operations.

In recent years, the CSRC has gradually relaxed certain regulations and encouraged business innovation and product diversification, including a gradual launch of pilot programs to develop emerging businesses such as direct investment, stock-index futures trading, margin financing and securities lending, securities-based lending transactions and dealer-quoted bond repurchase transactions. In addition, the CSRC has implemented policies to support securities firms' leveraged operations. On 23 January 2020, the CSRC published the Regulation in Relation to the Calculation Basis for the Risk Capital Reserve of Securities Companies (證券公司風險控制指標計算標準規定(2020)), which came into effect on 1 June 2020. Changes in the interpretation or enforcement of rules and regulations for these new businesses may result in changes in, or the suspension of, certain of the Group's new businesses, which could have a material adverse effect on its business and prospects. Furthermore, the relaxation of regulations by the regulatory authorities may intensify competition in the securities industry. On the other hand, regulatory authorities may promulgate new laws and regulations that strengthen securities regulations on, impose additional restrictions on, or even terminate, any part of the Group's existing business or operations in its financial services business. Any of these actions may have a material and adverse effect on the Group's business, financial condition and results of operations.

The Group's risk management policies and procedures and internal controls for its financial services business, as well as the risk management tools available, may not be adequate to fully protect the Group against various risks inherent in its financial services business

The Group's risk management policies, procedures and internal controls may not be adequate or effective in mitigating its risk exposures or protecting it against unidentified or unanticipated risks. In particular, the Group currently does not adopt any hedging policy and some risk management methods are based upon observed historical market behaviour and the Group's limited experience in the securities industry. These risk management methods may fail to predict future risk exposures, which could be significantly greater than those indicated by the Group's risk management measures. Other risk management methods depend upon an evaluation of available information regarding operating and market conditions and other matters, which may not be accurate, complete, up-to-date or properly evaluated. In addition, in markets that are rapidly developing, the information and experience data that the Group relies on for its risk management methods may become quickly outdated as markets and regulations continue to evolve.

The Group's development of its financial services business is still in its initial stages compared to the Group's more established business, such as property development and urban operations. There can be no assurance that the Group's risk management policies and procedures and internal controls for its financial services business, as well as the risk management tools available and any hedging policies developed in the future, will be adequate to fully protect the Group against various risks inherent in its financial services business.

RISKS RELATING TO THE GROUP'S PROPERTY DEVELOPMENT BUSINESS

The Group's business prospects depend heavily upon the performance of the PRC property market, particularly in Zhuhai and other cities where the Group develop property projects

The Group engages in property development in the PRC and the Group's business and prospects are heavily dependent on the performance of the real estate market in the PRC, particularly in Zhuhai and other cities where the Group develops property projects. Any

housing market downturn in the PRC generally or in the regions where the Group operates could adversely affect its business, results of operations and financial condition. Since the latter half of 2021, Chinese property developers have increasingly faced difficulties in accessing onshore capital as a result of reduced bank lending for real estate development. Reduced bank lending for mortgage finance for buyers, combined with buyers' concerns about the ability of property developers to complete projects, has also adversely affected property sales. To exacerbate the situation, use of pre-sale proceeds is restricted under applicable PRC laws. In 2023, the property sector in China continues to experience volatility. In particular, in the first half of 2023, while the real estate market as a whole was still in a bottom-out phase, the market was highly volatile. Due to the release of pent-up demand during the COVID-19 pandemic and the cumulative effect of the PRC government's easing policies, real estate sales rebounded initially, but the market subsequently began to cool down as buyers became more prudent about purchasing properties in light of the lack of confidence in the PRC economy and the market. As a result, the real estate market had a strong wait-and-see sentiment, and property sales continued to decline. According to the National Bureau of Statistics, the area and value of national commodity housing sales for 2023 reported a period-to-period decrease of 8.2 per cent. and a period-to-period decrease of 6.5 per cent., respectively, and investment in real estate development decreased by 9.6 per cent. period-to-period. Despite increasing policy support, the overall real estate market was still in a bottoming-out phase as market confidence and expectations are yet to be restored. However, in 2023, the differentiation between land markets and regions in the PRC was also obvious. Tier-1 cities maintained enhanced market potential and investment attractiveness, whereas the land markets of tier-2, tier-3 and tier-4 cities recorded overall depressed performance due to sluggish sales in the real estate market and weak market confidence and expectations. As at 31 December 2023, a majority of the Group's property projects are located in first and second-tier cities in the PRC. There can be no assurance that the demand for new properties in the regions and cities in the PRC where the Group operates or intends to expand will continue to grow or that prices for properties will not deteriorate. Any decreased property demand is likely to affect the selling prices of the Group's properties as well as the time the Group may take to pre-sell or sell its properties. Lower selling prices, without a corresponding decrease in costs, will also adversely affect the Group's gross profit and reduce cash flows generated from the sale of its properties, which may increase the Group's reliance on external financing and negatively impact the Group's ability to finance the growth of its business.

In addition, fluctuations of supply and demand in the PRC real estate market are caused by economic, social, political, regulatory and other factors that are outside of the Group's control and there is no assurance that there will not be over-supply of properties or an economic downturn in the property sector in the regions and cities in the PRC where the Group operates. The real estate market will also continue to be affected by economic, monetary, fiscal or other policies and measures implemented by the PRC government or the local governments. See "*— Risks Relating to the Group's Property Development Business — The Group's property development business is subject to PRC government regulations and policies on the acquisitions of sites for development, including restrictive measures to cool down the property market*" Government policies aimed at reducing local government and corporate debt levels could also reduce liquidity in the economy, which in turn may affect the property market. If the PRC government implements macro-economic control or other measures that aim to curtail, or have the effect of curtailing, property demand or property development in the PRC, or if the Group fails to respond to changes in market conditions

and government policies, in particular those related to its target markets, in a timely manner, the Group's business, prospects, financial condition and results of operations would be materially and adversely affected.

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

The PRC property market is, and is expected to continue to be, cyclical. Since the late 1990s, the number and price of residential property development projects have increased in major cities as a result of an increase in demand driven by domestic economic growth. The property market in China experienced fluctuations since 2021. In the first half of 2021, the market was buoyant as both supply and demand were booming. The situation took a sharp dive since July 2021 into a drastic correction period where persistent tightening governmental policies, multiple credit events and deteriorating consumer sentiment have resulted in temporary shut-down of various refinancing venues for the sector and put enormous pressure on property developers' short-term liquidity. In response to the market downturn and the demand for pandemic prevention and control, and for the purpose of maintaining stable economic growth, local governments have introduced a large number of policies on both supply and demand to support the stable development of the real estate market. The regulatory policy environment for the property market has gradually relaxed. The "16 Supportive Financial Measures for the Real Estate Market" was introduced in the fourth quarter of 2022, and supportive policies for credit, bonds and equity financing were launched to ensure the real estate market's stable development, which is conducive to further stabilising the expectations of home buyers and maintaining consumers' confidence in the real estate market. On 24 July 2023, the Political Bureau of the Central Committee of the Communist Party of China convened a meeting, clearly proposing to effectively prevent and resolve key risks in the real estate sector, adapt to the new situation where significant changes have occurred in relation to the relationship between market supply and demand in China's real estate market, adjust and optimise real estate policies in due course, and make good use of policy tools, including region-specific regulatory policies, so as to better meet residents' rigid and improved housing demands and facilitate the steady and healthy development of the real estate market.. However, there can be no assurance that oversupply and falling property prices will not recur in the PRC property market, and the recurrence of such problems could adversely affect the Group's property development business and financial condition.

The cyclical property market in the PRC affects the timing for both the acquisition of sites and the sale of completed development properties. This cyclicity, combined with the lead time required for the completion of projects and the sale of properties, means that the results of operations relating to property development activities may be susceptible to significant fluctuations from year to year.

To the extent that supply in the overall property market significantly exceeds demand, the property development business may be subject to significant downturns and disruptions in the market for a sustained period. Alternatively, should a serious downturn in regional or global market conditions occur, this may significantly affect and disrupt the property market in the PRC. If any of these events were to occur, the financial condition and results of operations of the Group's property development business would be materially and adversely affected.

The Group may not always be able to replenish its land bank

The Group derives a substantial portion of its revenue from the sale of properties that it has developed. To have a steady stream of developed properties available for sale and growth in the long term, the Group needs to replenish and increase its land bank with properties that are suitable for development. Its ability to identify and acquire suitable development sites is subject to a number of factors, some of which are beyond its control.

Substantially all of the land in the PRC is controlled by the PRC government. Thus, the PRC government's land policies have a direct impact on the Group's ability to acquire land use rights for development and its costs of acquisition. In recent years, the PRC central and local governments have implemented various measures to regulate the means by which property developers obtain land for property development. The PRC government also controls land supply through zoning, land usage regulations and other means. All these measures further intensify the competition for land in the PRC among property developers. For example, any subsequent re-zoning by the PRC government could adversely affect the Group's ability to obtain land use rights. If the Group fails to acquire sufficient land bank suitable for development in a timely manner and at acceptable prices, its prospects and competitive position may be adversely affected and its growth potential and performance may be materially and adversely affected.

The Group's property development business is subject to PRC government regulations and policies on the acquisitions of sites for development, including restrictive measures to cool down the property market

The Group's property development business is subject to extensive government regulation. As with other PRC property developers, the Group must comply with various requirements mandated by PRC laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations. In particular, the PRC government exerts considerable influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment.

The revenue stream of the Group's property development business is dependent on its ability to complete and sell its property developments. To maintain or grow its business in the future, the Group will be required to replenish its land reserve with suitable sites for developments. Its ability to identify and acquire a sufficient number of suitable sites is subject to a number of factors that are beyond its control. The PRC government's land supply policies affect the Group's ability to acquire land use rights for sites it identifies and the costs of any acquisition. Although these regulations do not prevent privately held land use rights from being traded in the secondary market, the PRC government's policy to grant state-owned land use rights through a bidding system is likely to increase the acquisition cost of land reserves generally in the PRC. If the Group fails to acquire sufficient land reserves in a timely manner and at acceptable prices, or at all, its business prospects, financial condition and results of operations may be materially and adversely affected.

From time to time, the PRC government adjusts its regulation of the property market depending on macroeconomic conditions to achieve policy goals, such as preventing the overheating of the property market or stimulating the property market during and after an economic downturn. In recent years, various administrative bodies launched a series of

measures to discourage speculation and control the growth of the PRC property market. For instance, many cities where the Group's property projects are located have promulgated measures to restrict the number of properties a household is allowed to purchase. Other cities where the Group's property projects are located may promulgate similar restrictive measures in the near future.

In late August 2020, the Ministry of Housing and Urban Rural Development (the "MOHURD") and the PBOC held a meeting with the key real estate enterprises to discuss a long-term mechanism for regulation of the real estate market. MOHURD and PBOC then introduced several capital and financing management rules, commonly known as the "three red lines", to regulate the real estate market, requiring some real estate enterprises to maintain (i) a debt-to-asset ratio of no greater than 70 per cent. after exclusion of the deposits received; (ii) a net debt ratio of no greater than 100 per cent.; and (iii) a cash to short-term debt ratio of no less than one. However, MOHURD and PBOC have not officially promulgated regulations to the public, and the Group has not received any notice from relevant authorities that requires us to follow the foregoing rules. It is uncertain whether or not, when and how the "three red lines" policy may apply to the Group, and if it applies to the Group, the Group cannot assure you that it will be successful in adapting its operations to the "three red lines" policy, and such policy may disrupt the Group's business prospects, or causes it to incur additional costs, and the Group's business, prospects, financial condition and results of operations may be materially and adversely affected.

As a result of tightening financing policies and excessive curtailing of bank mortgage loans since the second half of 2021, property developers were under massive funding pressure or even liquidity crisis. Forecast of a downward trend has led to the customers' decision in delaying their purchase, which caused transactions to plummet and further squeezed property developers' cash flow. Local authorities stepped up monitoring of pre-sale funds which in turn caused more developers to collapse, customers to lose confidence and the market to go into a downward spiral. In the fourth quarter of 2021, despite policy adjustments, market sentiments were not reversed yet. These policies might have the effect of controlling and discouraging the investments in and development of real estate projects, and might in turn decrease the number of construction projects.

The Group cannot assure that the PRC government will not adopt more stringent industry policies and measures in the future. It is difficult to predict the impact these policies and measures may have on the Group's sales volume and revenue. If the Group fails to adapt its operations to new policies or measures that may come into effect from time to time, or if the Group's marketing and pricing strategies are not effective, the contracted sales and selling prices may decline, or the Group may incur additional costs, in which case the Group's operating cash flows, business prospects, results of operations and financial condition may be materially and adversely affected.

The Group faces risks relating to the calculation and enforcement of LAT by the PRC tax authorities, which may materially and adversely affect the Group's profitability and cash flow position

In accordance with the provisions of the Provisional Regulations of the PRC on Land Appreciation Tax (the "LAT") (中華人民共和國土地增值稅暫行條例), which was promulgated on 13 December 1993 and amended on 8 January 2011, and the related implementation rules, all entities and individuals that receive income from the sale or transfer of stated-owned land use rights, buildings and ancillary facilities are subject to

LAT at progressive rates at 30 per cent., 40 per cent., 50 per cent., or 60 per cent. of the appreciation value of such properties, with certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20 per cent. of the total deductible items as defined in the relevant LAT regulations. Sales of luxury residential properties, villas and resorts are not eligible for such exemption.

The Group estimates and makes provisions for the full amount of applicable LAT in accordance with the requirements set forth in the relevant PRC tax laws and regulations. The Group's provisions for LAT are based on the Group's management's best estimates according to their understanding of the requirements discussed above. However, actual LAT liabilities are subject to determination by the tax authorities upon the completion of the property development projects and PRC tax authorities may not agree with the basis on which the Group has calculated its LAT obligations. There can be no assurance that the current provisions for LAT are adequate or that the final outcome will not be different from the amounts initially recorded. In the event that the Group is required to settle any or all unpaid LAT, the Group's cash flow and results of operations during the related period may be adversely affected.

The Group may be forced to forfeit its land use rights without compensation if the Group fails to comply with the terms of the land grant contracts

Under PRC laws, if a developer fails to develop land according to the terms of the land grant contract (including those relating to payment of fees, land use or the time for commencement and completion of the development of the land), the relevant local government authority may give a warning to or impose a penalty on the developer or forfeit the land granted to the developer. Any violation of the land grant contract may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Under the current PRC laws and regulations, if a developer fails to pay any outstanding land premium by the stipulated deadline, it may be subject to an overdue payment penalty calculated on a per-day basis. In addition, Pursuant to the Measures for the Disposal of Idle Land (閒置土地處置辦法) issued by the Ministry of Land and Resources in June 2012, if a developer fails to commence development for more than one year from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may issue a decision and impose an idle land fee of up to 20 per cent. of the land premium unless the delay in development is caused by government actions or force majeure. If a developer fails to commence the development for more than two years from the commencement date stipulated in the land grant contract, the land use rights are subject to forfeiture by the PRC government unless the delay in development is caused by government actions or force majeure. Even if the commencement of the land development complies with the land grant contract, if the developed GFA on the land is less than one-third of the total GFA of the project or if the total capital expenditure is less than 25 per cent. of the total investment of the project and the suspension of the development of the land is more than one year without government approval, the land will still be treated as idle land. If a developer fails to commence such development for more than two years, the land is subject to forfeiture without compensation to the PRC government unless the delay in development is caused by government actions or force majeure. There can be no assurance that circumstances leading to possible forfeiture of land or delays in the completion of a project may not arise in the future.

The Group may not be able to obtain, or experience delays in obtaining, necessary government approvals for certain existing properties or properties acquired in the future

In order to develop and sell real estate in the PRC, property developers are required to obtain necessary government approvals, such as land use rights certificates from the relevant government authorities. The land use rights certificate in respect of a piece of land will not be issued until the developer has executed the land use rights contract with the relevant authorities, made full payments of the land grant premium and complied with the land use rights and any other land grant conditions. As at the date of this Offering Circular, there were several parcels of land for which the Group has obtained a land grant confirmation letter but has not entered into land grant contracts, or has entered into land grant contracts but has not obtained the land use rights certificates with respect to all or part of the land. There can be no assurance that the Group will enter into formal land grant contracts, or that the relevant PRC government authorities will grant the appropriate land use rights or issue the relevant land use rights certificates in respect of these parcels of land or in respect of other land the Group may contract to acquire in the future, in a timely manner, or at all. If the Group fails to obtain, or experiences material delay in obtaining, the necessary government approvals with respect to any parcels of land the Group has contracted or may contract to acquire in the future, in a timely manner, or at all, the Group's business, results of operations and financial condition may be materially and adversely affected. Furthermore, there can be no assurance that if the transactions as contemplated in the relevant agreements can be completed, any refund of the Group's prepayments will be provided in a timely manner or at all. If the Group fails to obtain refunds, its financial condition, cash flow and results of operations may be materially and adversely affected.

The Group faces contractual and legal risks relating to the pre-sales of properties

The Group faces contractual risks relating to the pre-sales of properties. For example, if the Group fails to meet the completion time as stated in the pre-sale contracts, purchasers of pre-sold units have the right to claim damages under the pre-sale contracts. If the Group still fails to deliver the properties to the purchasers within the grace period stipulated in the pre-sale contracts, the purchasers have the right of termination. If the actual development of a property differs from the approved development plan, or if the total GFA of the property development differs from the original authorised area, or if the services rendered by of the third-party contractors engaged by the Group are unsatisfactory or not within the originally tendered budget, the Group may become involved in disputes. For example, if the actual GFA of a completed property delivered to purchasers deviates by more than 3 per cent. from the GFA originally stated in the pre-sale contracts, purchasers have the right of termination or the right to claim damages. There can be no assurance that the Group will not experience delays in the completion and delivery of its projects, nor that the GFA for a delivered unit will not deviate more than 3 per cent. from the GFA set out in the relevant contract. Any termination of the purchase contract as a result of the Group's late delivery of properties will have a material and adverse effect on its business, financial condition and results of operations.

Resettlement arrangements relating to the Group’s future and potential property development or urban operations projects may be subject to negotiation and any failure to reach agreement may affect the Group’s schedule to develop the relevant projects

The Group may, under certain land clearance agreements with relevant land authorities, be required to assist local governments with clearing land and relocating original residents with respect to some of its property development projects or its urban operations projects in accordance with the relevant PRC laws and regulations. The complicated administrative process and possibility of unfavourable settlement regarding the amount of compensation may increase the cost of the Group’s property development and urban operations projects and materially and adversely affect the Group’s cash flow, the progress of its property development and urban operations projects, business operations and financial condition. The party responsible for the demolition and removal and the party which is subject to the demolition and removal are required to enter into a written agreement for compensation for resettlement. If the parties fail to reach an agreement, any party may apply for a ruling or initiate proceedings in the People’s Court in the PRC which may cause a delay to the Group’s development schedule for the relevant project. Moreover, there is a possibility that the PRC authorities could alter the formulae for determining compensation for resettlement in a manner that may be adverse to the Group.

The Group’s business will be adversely affected if mortgage financing becomes more costly or otherwise less attractive or available

Most of the Group’s purchasers rely on mortgages to fund their purchases. An increase in interest rates may significantly increase the cost of mortgage financing, thus reducing the attractiveness of mortgages as a source of financing for property purchases and adversely affecting the affordability of residential properties. In addition, the PRC government and commercial banks may also increase the down payment requirements, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive to potential property purchasers.

Each of the CBIRC and the PBOC has issued regulations on, among other things, the minimum interest rate, down payment and minimum interest for mortgage facilities. For example, according to the Notice on Optimizing the Standards for Identifying the Number of Housing Units in Connection with Individual Housing Loans (住房城鄉建設部中國人民銀行金融監管總局關於優化個人住房貸款中住房套數認定標準的通知) issued by and effective from 18 August 2023 (which has also been included in the policy toolkit under the “one city, one policy” arrangement), banking financial institutions shall implement relevant housing credit policies for first-time home buyers where a member of the relevant household (including the borrower, the borrower’s spouse and minor children) is applying for a loan to finance the purchase of residential housing and where the relevant family member does not own a housing unit under his/her name in the locality (but regardless of whether or not he/she has already purchased a housing unit with a loan). Further, according to the Notice on Adjusting and Optimizing Differentiated Housing Credit Policies (中國人民銀行國家金融監督管理總局關於調整優化差別化住房信貸政策的通告) issued by PBOC and NAFR and effective from 31 August 2023, the minimum down payment ratio for individuals’ commercial housing mortgages for first-time and second-time home purchases will be adjusted to be not lower than 20 per cent. and 30 per cent., respectively, nationwide. In addition, the interest rate floors for commercial personal mortgage loans issued to first-time home buyers shall still be governed by existing policies, while the interest rate floors for such loans to second-time home buyers shall be adjusted to levels no lower than

the loan prime rates (LPRs) for loans with the corresponding maturities plus 20 basis points. In line with the above changes, local governments can change related housing credit policies in a city-specific manner.

If there are changes in laws, regulations, policies and practices that would prohibit property developers from providing guarantees to banks in respect of mortgages offered to property purchasers and these banks would not accept any alternative guarantees by other third parties, or if no third party is available in the market to provide such guarantees, it may become more difficult for property purchasers to obtain mortgages from banks during pre-sales. If the availability or attractiveness of mortgage financing is reduced or limited, many of the Group's prospective customers may not be able to purchase their properties and, as a result, the Group's business, results of operations and financial condition may be adversely affected.

The fair value of the Group's investment properties is likely to fluctuate from time to time

The Group's investment property portfolio mainly comprises residential apartments, retail shops, car parks and offices in Zhuhai, Shanghai, Beijing and other cities in the PRC. Its investment properties are stated at their fair value on its consolidated balance sheets as non-current assets as at the end of each reporting period on the basis of valuations by an independent property valuer. The property valuation involves the exercise of professional judgment and requires the use of certain bases and assumptions by the independent property valuer. The fair value of the Group's investment properties could have been higher or lower if the valuer used a different set of bases or assumptions or if the valuation was conducted by other qualified independent professional valuers using a different set of bases and assumptions. In addition, upward revaluation adjustments reflect unrealised capital gains on the Group's investment properties as at the relevant reporting dates and are not profit generated from the sales or rentals of its investment properties, and do not generate any cash inflow to the Group until such investment properties are disposed of at similarly revalued amounts. The amount of revaluation adjustments has been, and may continue to be, significantly affected by the prevailing property markets and may fluctuate significantly. There can be no assurance that the Group will record fair value gains, or that the Group will not record fair value losses, in the future.

The amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations, which are beyond the Group's control. There can be no assurance that changes in market conditions will continue to create fair value gains on the Group's investment properties at the historical levels, or at all, or that the fair value of its investment properties will not decrease in the future. If the fair value of the Group's investment properties declines, its profitability could be materially and adversely affected.

The Group is exposed to general risks associated with the ownership and management of real property

Property investment is generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash at short notice or requiring a substantial reduction in the price that might otherwise be sought for such assets to ensure a quick sale. Such illiquidity also limits the ability of the Group to vary its portfolio in response to changes in economic or other conditions. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to its illiquidity.

Property investment is subject to risks incidental to the ownership and management of residential, office and retail properties, including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the financial statements, increased operating costs and the need to renovate, repair and re-let space periodically and to pay the associated costs.

RISKS RELATING TO THE GROUP'S SALES AND TRADING BUSINESS

Price fluctuations and supply shortages of construction materials or utilities may cause a substantial disruption to the Group's business and results of operations

The Group operates within a vertically integrated structure and the construction materials for its property development and urban operations projects are primarily source from Huafa Trading by its various contractors. Due to the Group's large scale of operations, it requires massive quantities of construction materials to support its property development and urban operations projects and therefore it is important for the Group to secure reliable supplies of raw materials in order to maintain a high level of construction materials output with high quality standard. The Group sources these raw materials externally, and purchases these raw materials based on prevailing market prices. Price volatility caused by external conditions are beyond the Group's control. These include market price fluctuations or changes in government policies. The Group also relies on a few key suppliers of raw materials and there is no assurance that these key suppliers will continue to provide the Group with raw materials at reasonable prices or at the level of quality required by the Group's property development and urban operations projects. If the prices of raw materials required for the Group's production of construction materials increase significantly or the quality of the raw materials supplied to the Group are sub-standard, or if there is any material disruption to the supply of raw materials to the Group's business, results of operations and financial condition could be materially and adversely affected.

Revenue from the Group's external sales of construction materials is derived from contractors appointed by the Group

As part of the Group's quality control measures in respect of the supply of the construction materials for its urban operations and property development projects, contractors appointed by the Group are required to either purchase construction materials directly from Huafa Trading, or source construction materials of comparable quality from other external parties. For the years ended 31 December 2021, 2022 and 2023, all of the Group's revenue from the sale of constructions material were derived from external sales to these contractors.

There can be no assurance that any of the Group's contractors will continue to purchase construction materials or raw materials from the Group at the same level they have done so historically or at all. Should any of the Group's contractors materially reduce their purchase from the Group or terminate their business relationship with the Group, the Group's results of operations from its sales and trading business may be adversely affected.

RISKS RELATING TO THE GROUP'S MODERN SERVICES BUSINESS

The Group's modern services business is exposed to general risks associated with the management and operations of hotels, exhibitions, marketing consultancy services, human resources and property management

The Group's modern services business primarily engages in the development, construction and management of facilities for MICE, such as exhibition centres and hotels, primarily for development projects operated by the Group's urban operations business, as well as the provision of various other ancillary services. The business prospects of the Group's modern services business inherently subject to the economic conditions in Zhuhai or the Pearl River Delta Region in general.

In particular, the Group's hotel operations are sensitive to changes in occupancy rates and room rates, as well as its ability to manage costs (including labour costs) and its food and beverage operations. Furthermore, the Group's exhibitions and marketing consultancy services are subject to risks incidental to the management of exhibition centres, including, among other things, competition with neighbouring cities in the Pearl River Delta Region, changes in general economic condition, increased operational costs and the reputation of Zhuhai and changes in governmental policies.

There can be no assurance that the Group will be able to successfully manage these risks incidental to its modern services business, the failure of which could have a material adverse effect on its business, results of operations and financial condition.

The Group depends significantly on the prospects of the Group's urban operations projects and the overall growth of the culture, education and tourism industries in the PRC

The Group's culture, education and tourism business complements the Group's urban operations business and involves the development, construction and operation of schools, art museums, auditoriums and music halls in various urban operations projects of the Group. The business prospects of the Group's culture, education and tourism business is subject to the success of the Group's urban operations projects as well as the overall growth of the culture, media and tourism industries in the PRC.

As these industries are still in their respective growth phases, any changes to their growth trajectories, whether or not relating to the Group's urban operation business, may adversely affect the Group's performance in its culture, education and tourism business. In addition, any material adverse developments, such as changes in government policies or the general economic conditions in Zhuhai, with respect to the culture, education and tourism industries in the PRC could have an adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATING TO THE FINANCIAL INFORMATION

Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular

The Company from time to time issues bonds in the domestic capital markets in the PRC. According to applicable PRC securities regulations on debt capital markets, the Company needs to publish its interim and annual financial information to satisfy its continuing disclosure obligations relating to its corporate bonds and short-term commercial

paper. After the Securities are issued, the Company is obligated by the terms of the Securities, among others, to provide holders of the Securities with its audited financial statements and certain unaudited but reviewed periodical financial statements. The interim financial information published by the Group in the PRC is normally derived from the Group's management accounts which have not been audited or reviewed by independent auditors. As such, this financial information published in the PRC should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any audited information. The Company is not responsible to holders of the Securities for the unaudited and unreviewed financial information from time to time published in the PRC and therefore investors should not place any reliance on any such financial information. Any such published but unaudited and unreviewed financial information is not and will not be incorporated into and does not form a part of this Offering Circular.

Changes in accounting standards and the adoption of the new accounting policy may affect the comparability of the Group's financial statements

In preparing its consolidated financial statements as at and for the years ended 31 December 2022 and 2023, the Company has adopted a new accounting standard issued by the Ministry of Finance, including the Interpretation No. 15 and the Interpretation No. 16. With the adoption of the Interpretation No. 16, certain accounting items in the balance sheet as at 1 January 2022 and in the income statement for 2022 extracted from the Company's consolidated financial statements as at and for the year ended 31 December 2023 were restated from the audited consolidated balance sheet of the Company as at 31 December 2022 and the audited consolidated income statement for 2022. As a result of the above, certain consolidated financial information of the Company as at and for the year ended 31 December 2021 is not directly comparable to that as at and for the years ended 31 December 2022 and 2023. For more information, please refer to Note V(1) — "*Change of accounting policy*" to the Company's consolidated financial statements as at and for the year ended 31 December 2022 and Note V(1) — "*Change of accounting policy*" to the Company's consolidated financial statements as at and for the year ended 31 December 2023.

Historical consolidated 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 and is sometimes adjusted or restated to address subsequent changes in accounting standards, accounting policies or applicable laws and regulations with retrospective impact on the Guarantor's financial reporting or to reflect the comments provided by the Guarantor's independent auditors during the course of their audit or review in subsequent financial 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 accounting rules and regulations and the domestic and international competitive landscape of the industries in which the Group operates its business.

GrantThornton, the auditor for the Company, was subject to the supervision and administrative sanctions by relevant PRC authorities

GrantThornton, the Group's independent auditor, is a registered accounting firm in the PRC supervised by relevant PRC regulatory agencies, including the MOF and the CSRC. In recent years, there has been a concerted effort by regulatory bodies in the PRC to enhance the efficacy of their oversight measures. As part of this initiative, the CSRC has significantly increased their scrutiny of public accountants, with centres on the auditors' independence, adherence to accounting standards, the thoroughness of professional skepticism applied in the auditing process, and the soundness of the auditors' judgments. On 2 June 2021, one of GrantThornton's clients, CITIC Guoan Information Industry Co., Ltd. (中信國安信息產業股份有限公司) (stock code: 000839.SZSE) ("CITIC Guoan"), received an administrative monetary penalty letter from the CSRC in relation to inflated profits and false disclosures of its subsidiaries for seven consecutive years (from 2009 to 2015). GrantThornton and its predecessor, Beijing Jingdu Tianhua Accountant Firm (北京京都天華會計師事務所), provided audit services to CITIC Guoan from 2009 to 2015 and provided standard unqualified audit opinions. Between 2021 and 2023, CSRC and its local branches in Beijing, Shanghai, Shenzhen, Fujian Province, Guangdong Province, Liaoning Province, Shanxi Province and Zhejiang Province issued nine administrative orders to GrantThornton and some of its employees. These orders were based on the identification of defects, non-compliance and violations that CSRC had discovered in the auditor's reports issued by GrantThornton and in its audit procedures and internal quality control systems, including but not limited to failure to properly identify internal control weaknesses, failure to maintain professional suspicion, inadequate due diligence and other deficiencies in audit procedures. Accordingly, GrantThornton and relevant individual employees received penalties including warnings.

According to GrantThornton, the aforementioned incidents are not related to the GrantThornton team serving as the Group's auditors and do not otherwise affect the GrantThornton team involved in this Offering; nor do these incidents have any impact on GrantThornton in providing audit and other services in relation to this Offering. The incidents do not disqualify its participation in this Offering.

RISKS RELATING TO THE PRC

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

The economy of the PRC differs from the economies of most developed countries in many respects, including with respect to government involvement, level of development, economic growth rate, control of foreign exchange and allocation of resources. 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 there can be no assurance that the PRC government will continue to pursue the economic reforms or that any such reforms will not have an adverse effect on the Group's business.

The Group's operations and financial results could also be affected by changes in political, economic and social conditions or the relevant policies of the PRC government, such as changes in laws and regulations (or the interpretation thereof). In addition, the growth of development in the economic and technology development zones and infrastructure construction demand in the PRC depends heavily on economic growth. If the PRC's economic growth slows down or if the economy of the PRC experiences a recession, the growth of development in Chinese economic and technology development zones and infrastructure construction demand may also slow down, and the Group's business prospects may be materially and adversely affected. The Group's operations and financial results, as well as its ability to satisfy its obligations under the Securities, could also be materially and adversely affected by changes to or introduction of measures to control changes in the rate or method of taxation and the imposition of additional restrictions on currency conversion.

The possible slowdown of the PRC economy could have an adverse effect on the Group's business results of operations and financial condition

The economy of the PRC experienced rapid growth in the past 30 years. There has been a slowdown in the growth of the PRC's GDP since the second half of 2013 and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. According to the National Bureau of Statistics of the PRC, the annual growth rate of China's GDP decreased from 7.3 per cent. in 2014 to 6.1 per cent. in 2019. In 2020, China's GDP shrank by 2.3 per cent. year-on-year, as a result of the outbreak of the COVID-19 pandemic and large-scale quarantine and shutdown measures implemented by the PRC government. For the years ended 31 December 2021, 2022 and 2023, the PRC recorded an annual GDP growth rate of 8.1 per cent., 3.0 per cent. and 5.2 per cent., respectively. On 28 June 2023, S&P affirmed its sovereign credit ratings on China at "A+" for the long term with a stable outlook on Wednesday, stating that the economic recovery will continue, albeit at a slower pace, and China's fiscal performance will start to improve over the next two to three years. On 5 December 2023, Moody's had affirmed its A1 long-term local and foreign currency rating on China with a stable outlook, citing the strength of the country's institutions and governance in mitigating credit risks. Further indication of the slowdown in the growth of China's economy is evidenced by press reports of a recent increase in bond defaults by PRC corporate issuers.

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, such as the United States and the European Union. The United Kingdom withdrew from the EU on 31 January 2020, but continued to participate in certain EU organisations (such as the customs union) during a transition period that ended on 31 December 2020. With Brexit taking full effect, there remains uncertainty about the future relationship between the United Kingdom and the EU. It is unclear how Brexit would ultimately affect the fiscal, monetary and regulatory landscape within the United Kingdom, the EU and the rest of the world. Furthermore, the Russo-Ukraine conflict has led to significant volatility in global markets. The extent and duration of such conflict, resulting sanctions and future market disruptions are impossible to predict, but could be significant and may have a severe adverse effect on the region, including a significant negative impact on the economy and the markets for certain securities and commodities, such as oil and natural gas, and on global economies. The outlook for the world economy and financial markets remains uncertain. Any volatility in the global markets and negative

economic developments could, in turn, materially adversely affect the Group's business, prospects, financial condition or results of operations. In addition, this could adversely affect the Group's access to the debt capital markets and may increase funding costs, having a negative impact on the Group's revenue and financial conditions.

In addition, in recent years there are growing tensions between the United States and the PRC. The two countries have been involved in disputes over trade barriers that have escalated into a trade war. The U.S. government has changed its trade policies towards the PRC with measures such as imposition of increased tariffs on a wide range of Chinese products and restriction on exports of certain U.S. goods to China. Even if the PRC and the United States have previously entered into some trade agreements, the resulting trade policies or the terms of any renegotiated trade agreements and their impact are uncertain. It remains to be seen whether the phase one U.S.- China trade agreement will be observed by both governments and successfully reduce trade tensions. Failure of trade negotiations between the United States and the PRC may lead to additional costs and unexpected consequences on the Group's business. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact the PRC's economy, which in turn could adversely impact the Group's business, financial condition and results of operations.

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

As substantially all of the Group's business are conducted, and substantially all of the Group's assets are located, in the PRC, the Group's operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes while prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, the promulgation of new laws, changes in existing laws and abrogation of local regulations by national laws may have an adverse effect on the Group's business, results of operations and financial condition as well as its prospects.

Additionally, given the involvement of different enforcement bodies of the relevant rules and regulations and the non-binding nature of prior court decisions and administrative rulings, the interpretation and enforcement of PRC laws and regulations involve uncertainties under the current legal environment. In addition, the enforcement of existing laws or contracts based on existing laws may be uncertain and sporadic, and it may be difficult to obtain swift and equitable enforcement or to obtain enforcement of a judgment by a court of another jurisdiction. These uncertainties relating to the interpretation and implementation of PRC laws and regulations may adversely affect the legal protections and remedies that are available to the Group in its operations and to the holders of the Securities.

The Group's operations may be affected by rising inflation rates within the PRC

Inflation rates within the PRC have been on an uptrend in recent years. Increasing inflationary rates are due to many factors beyond the Group's control, such as rising food prices, rising production and labour costs, high lending levels, PRC and foreign governmental policy and regulations, and 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 costs of its business operations may become significantly higher than the Group has anticipated for the future, and the Group may be unable to pass on such higher costs to consumers in amounts that are sufficient to cover its increasing operating costs. As a result, further inflationary pressures within the PRC may have an adverse effect on the Group's business, results of operations and financial condition, as well as its liquidity and profitability.

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.

The PRC Labour Contract Law imposes greater liabilities on employers and significantly increases the cost to an employer for workforce reduction. It formalises workers' rights concerning layoffs, employment contracts and the role of trade unions and provides for specific standards and procedures for the termination of an employment contract. In addition, the Labour Contract Law requires a statutory severance payment upon the termination of an employment contract in most cases, including in cases of the expiration of a fixed-term employment contract. In the event that the Group decides to change or decrease its workforce, the Labour Contract Law could adversely limit the Group's ability to effect such changes in a timely and cost-effective manner, and may adversely affect its business and results of operations.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against the Group and the Group's management

Most of the members of the Group are incorporated in the PRC, and a substantial part of the Group's assets are located in the PRC. In addition, most of the Guarantor's directors, supervisors and members of its senior management reside within the PRC, and the assets of the Guarantor's directors, supervisors and members of its senior management may be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon the Guarantor's directors, supervisors and members of its senior management, including for matters arising under applicable securities laws.

The Terms and Conditions and the transaction documents are governed by Hong Kong law, and parties to these documents have submitted to the jurisdiction of the Hong Kong courts. On 18 January 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**New Arrangement**"). The New Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the PRC, the Supreme People's Court promulgated a judicial interpretation to implement the New Arrangement on 25 January 2024 and came into effect on 29 January 2024 (the "**Judicial Interpretation**"). The New Arrangement applies to judgments made on or after 29 January 2024.

However, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC or meets other circumstances specified by the Arrangement. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts governed by Hong Kong law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area.

Fluctuation of the foreign exchange rates and government control of currency conversion may adversely affect the value of investors' investments

Most of the Group's operating income is denominated in Renminbi, which is also the reporting currency. Renminbi is not a freely convertible currency. Prospective investors shall take reference to the applied foreign exchange rates when making their decision to invest in the Securities.

A portion of the Group's cash may be required to be converted into other currencies in order to meet the Group's foreign currency needs, including cash payments on declared dividends, if any, on the Securities. However, the PRC government may restrict future access to foreign currencies for current account transactions at its discretion. If this were to occur, the Group might not be able to pay dividends to the holders of the Securities in foreign currencies. On the other hand, foreign exchange transactions under capital account in the PRC continue to be not freely convertible and require the approval of the SAFE. These limitations could affect the Group's ability to obtain foreign currencies through equity financing, or to obtain foreign currencies for capital expenditures.

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

The Guarantor operates most of its businesses through its operating subsidiaries in the PRC. 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 Guarantor'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 Issuer's subsidiaries may impact the Guarantor's ability to fund its operations and to service its indebtedness.

The Issuer may be subject to PRC taxes

Pursuant to the Enterprise Income Tax Law of the PRC (the "EIT Law") and its implementation regulations, enterprises that are established under the laws of foreign countries and regions but whose "de facto management bodies" are within the PRC are treated as PRC tax resident enterprises for the purposes of the EIT Law. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purposes of the EIT Law and income or gains paid with respect to the Securities may be considered to be derived from sources within the PRC.

Under the EIT Law and its implementation rules, any income derived from or accruing in the PRC by its office or premises established in the PRC, and derived from or accruing outside the PRC for which the established office or premises has a de facto relationship, corporate income tax shall be payable by a non-resident enterprise; where the non-resident enterprise has no office or premises established in the PRC or the income derived or accrued has no de facto relationship with the office or premises established, corporate income tax shall be payable by the non-resident enterprise for income derived from or accruing in 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 management function is not carried out in the PRC. Such “non-resident enterprise” does not necessarily occupy any offices or premises in the PRC but does generate income from sources within the PRC. In the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future or the Guarantor is required to discharge its obligations under the Guarantee, interest paid on the Securities or Guarantee may be considered to be PRC source, in which case the Issuer or Guarantor, as the case may be, would be required to withhold income tax at a rate of 10 per cent. from payments of interest in respect of the Securities to any non-resident enterprise holders, unless a lower rate is applicable. Any capital gain realised by a non-resident enterprise from the transfer of the Securities may be regarded as being derived from sources within the PRC and accordingly may be subject to a PRC tax of up to 10 per cent. if the Issuer is treated as a PRC tax resident enterprise. Pursuant to the Individual Income Tax Law of the PRC and its implementation regulations, if the Issuer is considered to be a PRC tax resident enterprise or in the event that the Guarantor is required to perform its obligations under the Guarantee, the Issuer or Guarantor, as the case may be, may be obliged to withhold such individual income tax at a rate of 20 per cent. on payments of interests to non-resident individual holders of the Securities. Any capital gain realised by a non-resident individual holder from transfer of the Securities may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. if the Issuer is a PRC tax resident enterprise.

Under Circular Caishui [2016] 36, Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (關於全面推開營業稅改徵增值稅試點的通知)(財稅[2016]36號)) (“**Circular 36**”) which introduced a new VAT from 1 May 2016 to replace business tax, VAT is applicable where the entities or individuals engaging in sale of services, intangible assets or immovables within the territory of the PRC. The 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 Securityholder from the Guarantor will be subject to PRC VAT at the rate of 6 per cent. in the event that the Guarantor is required to discharge its obligations under the Guarantee of the Securities.

Circular 36 and laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties, and the above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

RISKS RELATING TO THE SECURITIES AND THE GUARANTEE

Any failure to complete the relevant filings under the NDRC Administrative Measures within the prescribed timeframe following the completion of the issue of the Securities may have adverse consequences for the Issuer, the Guarantor and/or the investors of the Securities

The NDRC issued the NDRC Administrative Measures on 5 January 2023, which came into effect on 10 February 2023 and is supplemented and amended by other applicable implementation rules, regulations, certificates, circulars, notices or policies thereof as issued by the NDRC from time to time. According to the NDRC Administrative Measures, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued, with a maturity term of one year or longer, outside the PRC with the NDRC prior to the issue of the securities and submit the information report within 10 working days after the completion of the issue of the securities, file with NDRC the requisite information and documents of the relevant issues through the network system within 10 working days after both the completion of the issue of the securities and the expiration date of the examination registration certificate (審核登記證明) obtained from the NDRC. In addition, so long as any of such securities issued remain outstanding, such enterprise should file with the NDRC the requisite information and documents through the network system periodically and upon the occurrence of any material event that may affect the due performance of its obligations under the securities issued and other obligations set out in the NDRC Administrative Measures. The Guarantor has made an application for the pre-issue registration in relation to the Securities pursuant to the NDRC Administrative Measures and in connection, has received the Certificate of Examination and Registration of Foreign Debts Borrowed (企業借用外債審核登記證明) dated 7 April 2024 from the NDRC.

However, the NDRC Administrative Measures has been issued quite recently, and it may be subject to further changes upon the issuance of further clarification rules or interpretation by competent authorities. There is uncertainty as to the application of the NDRC Administrative Measures. For example, while the NDRC Administrative Measures has set out the legal consequences for debtors and professional parties in cases of non-compliance of the NDRC Administrative Measures, the NDRC Administrative Measures is silent on whether any such non-compliance would affect the validity and enforceability of the Securities. There is no assurance that failure to comply with the NDRC Administrative Measures would not result in adverse consequences on the Issuer's ability to perform its obligations under any of the Securities, the Trust Deed or in accordance with the Terms and Conditions or on the validity and enforceability of the Securities. Potential investors of the Securities are advised to exercise due caution when making their investment decisions.

If the Guarantor fails to complete the SAFE registration in connection with the Guarantee within the time period prescribed by SAFE, there may be adverse consequences for the Issuer, Guarantor and/or the investors of the Securities

Pursuant to the Deed of Guarantee executed by the Guarantor, the Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Securities and the Trust Deed. The Guarantor is required to register and cause to be registered the Deed of Guarantee with the local SAFE in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security. Although the non-registration does not render the Guarantee ineffective or invalid under PRC law, SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated time frame. The Guarantor intends to register the Guarantee as soon as practicable and in any event within the time period prescribed by the Foreign Exchange Administration Rules on Cross-border Security after the execution of the Deed of Guarantee. In addition, if the Guarantor fails to complete the SAFE registration, there may be logistical hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee) as domestic banks may require evidence of SAFE registration in connection with the Deed of Guarantee in order to effect such remittance, although this does not affect the validity of the Guarantee itself.

The Securities and the Guarantee are unsecured obligations

The Securities and the Guarantee are unsecured obligations of the Issuer and the Guarantor. The payment obligations under the Securities and the Guarantee may be adversely affected if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's or the Guarantor's future secured;
- indebtedness or other unsecured indebtedness;
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness;
- there is not enough foreign currency from domestic commercial banks for the Guarantor to purchase to fulfil its payment obligations under the Guarantee of the Securities; or
- foreign exchange authority adopts more stringent controls over cross-border foreign exchange.

If any of these events were to occur, the Issuer's or the Guarantor's assets may not be sufficient to pay amounts due on the Securities.

The Securities are perpetual securities, and Securityholders will have no right to call for their redemption. The Securities do not provide any participating rights upon a takeover, nor conversion to the ordinary shares or any other securities of the Issuer in the event of any alternation to the capital of the Issuer

The Securities are perpetual securities and have no fixed maturity date or redemption date. The Issuer is under no obligation to redeem the Securities at any time, and Securityholders will have no rights to call for their redemption. The Securities can only be disposed of by sale. Therefore, Securityholders should be aware that they may be required to bear the financial risks of an investment in Securities for an indefinite period of time. Securityholders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Securities. Furthermore, there will be no conversion right for the Securities to be converted into the ordinary shares or any other securities of the Issuer in the event of any alteration to the capital of the Issuer, and the Securityholders do not have any participating rights in the event of a takeover of the Issuer.

Securityholders may not receive Distribution payments if the Issuer elects to defer Distribution payments under the Conditions

The Issuer may, at its sole discretion and subject to certain conditions, elect to defer any scheduled Distribution payments on the Securities for any period of time. The Issuer is not subject to any limits as to the number of times Distributions can be deferred pursuant to the Conditions, subject to compliance with certain restrictions and notwithstanding any increase in the Distribution Rate which may be provided for under the Conditions.

Although, following a deferral, Arrears of Distributions are cumulative, subject to the Conditions, the Issuer may defer their payment for an indefinite period of time by delivering the relevant deferral notices to the Securityholders. Any such deferral of Distribution shall not constitute a default for any purpose. Each of the Issuer and the Guarantor is subject to certain restrictions in relation to the payment of discretionary dividends on its Junior Securities (as defined in the Conditions) and its Parity Securities (as defined in the Conditions), the discretionary redemption and repurchase of its Parity Securities (as defined in the Conditions) or Junior Securities (as defined in the Conditions) until any outstanding Arrears of Distribution and Additional Distribution Amount are satisfied or save in certain specified situations as further described in the Conditions. Such restrictions on discretionary payments act as the main deterrent against deferral of Distribution on the Securities. However, the effectiveness of such restrictions as a deterrent against deferral of Distribution is limited and uncertain.

A breach of such restrictions on discretionary payments and discretionary redemption and repurchase by the Issuer or the Guarantor will not obligate the Issuer nor the Guarantor to satisfy any Arrears of Distributions or Additional Distribution Amount accrued at the time of the breach although it may result in a Dividend Stopper Breach Event. Any Distribution at the increased Distribution Rate may be further deferred by the Issuer at its discretion indefinitely in accordance with the Conditions.

Any deferral of Distribution will likely have an adverse effect on the market price of the Securities. In addition, as a result of the Distribution deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of

other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Group's financial condition.

Deferral of Distribution payments and other characteristics of the Securities could adversely affect the market price of the Securities

The Securities contain provisions that permit the Issuer to defer, at its sole discretion and subject to certain conditions, any scheduled Distribution payments on the Securities for any period of time. As a result of these deferral provisions, the market price of the Securities may be more volatile than the market price of other securities that are not subject to such provisions. Further, if Distribution payments on the Securities are deferred due to the exercise of such right or due to the occurrence of certain specified events, the market price of the Securities is likely to be affected. If a Distribution payment is deferred and the Securityholder elects to sell its Securities during the period of that deferral, it may not receive the same return on its investment as a securityholder that continues to hold its Securities until the Issuer pays such deferred Distributions. Distributions that have been deferred, if paid, will be paid to the holder of record at the time of payment, not the holder of record at the time of deferral.

The Securities may be redeemed at the Issuer's option on the First Reset Date and on each Distribution Payment Date after the First Reset Date or the occurrence of certain other events

The Securities are redeemable at the option of the Issuer on the First Reset Date and on each Distribution Payment Date after the First Reset Date at their principal amount together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

In addition, the Issuer also has the right to redeem the Securities upon the occurrence of (i) a Gross-up Event, (ii) an Equity Disqualification Event, (iii) a Change of Control Event, (iv) a No Registration Event, (v) a Breach of Covenants Event, (vi) a Relevant Indebtedness Default Event or (vii) a Dividend Stopper Breach Event. The Securities may also be redeemed at the option of the Issuer if prior to the date fixed for redemption at least 80 per cent. in principal amount of the Securities issued on the Issue Date has already been cancelled. The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual Securityholders. This may be disadvantageous to the Securityholders in light of market conditions or the individual circumstances of the Securityholders of the Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

The PRC government shall under no circumstances have any obligation arising out of or in connection with the Securities or the transaction documents in relation to the Securities which are solely to be fulfilled by the Issuer and the Guarantor

The PRC government is not an obligor and Securityholders shall have no recourse to the PRC government in respect of any obligation arising out of or in connection with the Securities in lieu of the Issuer and/or the Guarantor. This position has been reinforced by the Notice on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (Cai Jin [2018] No. 23) (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**”), issued by

the MOF on 28 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 on 11 May 2018; 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)) (“**Circular 666**”), issued by the General Office of NDRC on 6 June 2019. Any ownership or control by the PRC government does not necessarily correlate to, or provide any assurance as to, the Issuer’s, the Guarantor’s and the Group’s financial condition.

The PRC government has no payment or other obligation under the Securities or the transaction documents relating to the Securities. Investments in the Securities are on the credit risk of the Issuer and the guarantee of the Guarantor rather than that of the PRC government. The Securities are solely to be repaid by the Issuer and the Guarantor as obligors and the obligations of the Issuer under the Securities and the Guarantor under the Securities and the Guarantee shall solely be fulfilled by the Issuer and the Guarantor as an independent legal person. In the event that the Issuer and the Guarantor do not fulfil their respective obligations under the Securities or the Guarantee, investors will only be able to claim as an unsecured creditor against the Issuer and the Guarantor and their respective assets, and not any other person, including the PRC government and any other local or municipal government. The Securityholders shall have no recourse to the PRC government or any other local or municipal government in respect of any obligation arising out of or in connection with the Securities and the transaction documents relating to the Securities. As Circular 23, Circular 706 and Circular 666 are relatively new and given the limited volume of published decisions related to these circulars, the interpretation and enforcement of these laws and regulations involve uncertainties.

Potential investors should base their investment decision only on the financial condition of the Issuer and the Guarantor and base any perceived credit risk associated with an investment in the Securities only on the Issuer’s and the Guarantor’s respective financial information reflected in its financial statements.

Third parties, including holders of the Securities, may be hindered or prevented from enforcing their rights with respect to the assets of the Company because of the doctrine of sovereign immunity or state secret privilege

The Company is controlled by the PRC government, directly and indirectly, through the Zhuhai SASAC and Guangdong Provincial Department of Finance. All assets relating to the operation of the Company’s business are either owned or controlled by the Company itself or by companies wholly or majority owned by the Company. Where a third party brings a legal action against the Company, its subsidiaries or their assets based on a contract dispute with them, the legal proceeding, particularly the enforcement of judgments or any arbitral awards with respect to the assets of the Company and its subsidiaries in China, may be subject to the law and legal systems and the jurisdiction of PRC courts or tribunal. While the Company can be sued in its own capacity in a civil proceeding in a court or tribunal, the assets of the Company could be immune from enforcement proceedings on the grounds of sovereign immunity or state secret privilege. If such immunity or privilege is

invoked to dismiss judgments from the court or tribunal, it may be difficult for the third party plaintiffs (such as holders of the Securities) to enforce their contractual rights against the Company, its subsidiaries or their assets in China.

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

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

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

The market price of the Securities may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Securities is, to varying degrees, influenced by economic and market conditions in other markets, including interest rates globally. 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. While global economic conditions have improved and certain markets have shown signs of recovery in 2011 due, in large part, to stimulus measures adopted by various governments, there can be no assurance that these credit markets will continue to recover or that the various governments will maintain their stimulus measures. The global economy and financial markets have been affected by the ongoing sovereign debt crises in several member countries of the European Union in late 2011 to the present, and more recently, the tapering of the stimulative quantitative easing policy, and the potential interest rate increase, by the US Federal Reserve, the economic slowdown of the PRC and the enhanced market volatility stemming from the referendum passed on 23 June 2016 for the United Kingdom to leave the European Union. The United Kingdom withdrew from the EU on 31 January 2020, but continued to participate in certain EU organisations (such as the customs union) during a transition period that ended on 31 December 2020. With Brexit taking full effect, there remains uncertainty about the future relationship between the United Kingdom and the EU. Although a new trade and cooperation agreement between the United Kingdom and EU was agreed upon on 24 December 2020 and will apply on a provisional basis for a limited time until 28 February 2021, there is substantial uncertainty relating to the United Kingdom's exit from the European Union or its impact on the economic conditions of other part of the world, such as the PRC, 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 2022, the global economy became increasingly uncertain in the face of risks related to the Russo-Ukraine conflicts, high global energy and commodity prices, significant global inflation and financial market volatility.

The PRC's economic growth may also slow down due to weakened exports, slow recovery from COVID-19 as well as recent developments surrounding the trade-war with the United States. Starting in April 2018, both countries have increased tariffs on certain products in their bilateral trade. On 14 January 2020, China and the United States formally

signed the Phase One Economic and Trade Agreement. However, the economic and trade consultations still remain. On 27 August 2020, the US Commerce Department's Bureau of Industry and Security issued a final rule adding 24 Chinese state-owned entities to the Entity List. In response, MOFCOM published the Unreliable Entity List Provisions on 19 September 2020. As at the date of this Offering Circular, an amicable resolution of such a trade war remains elusive, and the lasting impacts any trade war may have on the PRC economy and the PRC real estate industry uncertain. Even if the PRC and the United States have previously entered into some trade agreements, the resulting trade policies or the terms of any renegotiated trade agreements and their impact are uncertain. It remains to be seen whether the phase one U.S.-China trade agreement will be observed by both governments and successfully reduce trade tensions. Should the trade war between the United States and the PRC begin to materially impact the PRC economy, the purchasing power of the Group's customers in the PRC would be negatively affected. In addition, the PBOC cut interest rates three times, while the United States intensified and accelerated interest rate increase to combat inflation, and the interest rate gap between China and the United States widened. Any further increase in these interest rates will increase the Group's financing costs and may materially and adversely affect its business, financial condition and results of operations.

These and other issues resulting from the global economic slowdown and financial market turmoil have adversely affected, and may continue adversely affecting, the Group's business operation. In addition, any further tightening of liquidity in the global financial markets may negatively affect the Group's liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets continue the Group's business, financial condition and results of operations may be adversely affected.

A trading market for the Securities may not develop

The Securities are a new issue of securities for which there is currently no trading market. Although application will be made to the SEHK for the listing of the Securities on the SEHK, we cannot assure you that we will obtain or be able to maintain a listing on the SEHK or that if listed, a liquid trading market will develop. There can be no assurance as to the liquidity of the Securities or that an active trading market will develop. If such a market were to develop, the Securities could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. None of the Joint Lead Managers are obligated to make a market in the Securities and any such market making, if commenced, may be discontinued at any time at the sole discretion of such Joint Lead Manager. Further, the Securities may be allocated to a limited number of investors and a limited number of investors may hold a significant proportion of the Securities, in which case liquidity may be limited. In addition, the Securities are being offered pursuant to exemptions from registration under the Securities Act and, as a result, the holders of the Securities will only be able to resell the Securities 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 the investors' obligation to ensure that offers and sales of the Securities within the United States and other countries comply with applicable securities laws. Please see "*Subscription and Sale*". The Company cannot predict whether an active trading market for the Securities will develop or be sustained.

Certain initial investors or a single initial investor may purchase a significant portion of the Securities and may potentially be able to exercise certain rights and powers on their own. Additionally, this may reduce the liquidity of the Securities in the secondary trading market

Certain initial investors, including the Company's affiliates, or a single initial investor may purchase a significant portion of the aggregate principal amount of the Securities in this offering. Any holder of a majority of the aggregate principal amount of the Securities will be able to exercise certain rights and powers on its own under the Terms and Conditions of the Securities and Trust Deed, which will be binding on holders of the Securities. For example, holders of at least 75 per cent. (and at adjourned meetings 25 per cent.) of the aggregate principal amount of the Securities will be able to vote on reserved matters, including the reduction or cancellation of the Securities and the reduction or variation of Distribution of the Securities, which decision will be binding on all holders of the Securities. Accordingly, any holder of a significant portion of or majority of the aggregate principal amount of the Securities may be able to exercise such rights and powers on its own, which will be binding on all holders of the Securities and control the outcome of votes on such matters. Any holder of a significant percentage of the Securities, even if less than a majority, will be able to exercise certain rights and powers and will have significant influence on matters voted on by Securityholders. For example, holders of at least 25 per cent. of the aggregate principal amount of the Securities may, subject to the provisions of the Trust Deed, direct the Trustee (subject to first receiving indemnity, prefunding and/or security satisfactory to the Trustee) take any such proceedings against the Issuer and/or the Guarantor or any other action to enforce the Securities.

Further, Condition 5(j) (*Redemption for minimum outstanding amount*) allows the Securities to be redeemed in whole at the option of the Company if at least 80 per cent. in principal amount of the Securities originally issued has already cancelled. Therefore, if the Company purchases and cancels all such Securities held by the Company's affiliates, it may be easier for the Company to exercise the redemption option under Condition 5(j) (*Redemption for minimum outstanding amount*).

Lastly, the existence of any such significant Securityholders may reduce the liquidity of the Securities in the secondary trading market. Additionally, as the Company's affiliates may subscribe for a substantial majority of the Securities, circumstances may occur in which the Company's interests or those of the Company's affiliates may be in conflict with the interest of other holders of the Securities. If such holder or any of the Company's affiliates sells a material portion of the Securities in the secondary market, it may materially and adversely affect the trading price of the Securities. The negative effect of such sales on the prices of the Securities could be more pronounced if secondary trading in the Securities is limited or illiquid.

The Group will follow the applicable corporate disclosure standards for debt securities or perpetual securities listed on the SEHK, which standards may be different from those applicable to companies in certain other countries

The Group will be subject to reporting obligations in respect of the Securities to be listed on the SEHK. The disclosure standards imposed by the SEHK may be different than those imposed by securities exchanges in other countries or regions such as the United States. As a result, the level of information that is available may not correspond to what investors in the Securities are accustomed to.

The Securities may not be a suitable investment for all investors

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

Each potential investor in any Securities 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 Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities 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 Securities, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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) the Securities are suitable legal investments for it, (b) the Securities can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

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

The Securities and the Guarantee of the Securities will be structurally subordinated to any debt and other liabilities and commitments of the Issuer's and the Guarantor's existing and future subsidiaries (in the case of the Guarantor's subsidiaries, other than the Issuer), whether or not secured. The Securities will not be guaranteed by any of the Issuer's and the Guarantor's subsidiaries, and the Issuer and the Guarantor may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to

the Issuer or the Guarantor. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer and the Guarantor is subject to various restrictions under applicable laws and contracts to which they are a party. Each of the Issuer's and the Guarantor's subsidiaries is a separate legal entity that has no obligation to pay any amounts due under the Securities or the Guarantee of the Securities or make any funds available therefor, whether by dividend, loans or other payments. The Issuer's and the Guarantor's right to receive assets of any of the Issuer's and the Guarantor's subsidiaries, respectively, upon that subsidiary's liquidation or reorganisation will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Issuer or the Guarantor are creditors of that subsidiary). Consequently, the Securities and the Guarantee will be effectively subordinated to all liabilities of any of the Issuer's and the Guarantor's subsidiaries, other than the Issuer, and any subsidiaries that the Issuer or the Guarantor may in the future acquire or establish.

The payments with respect to the Securities are dependent upon the Issuer and the Group's future business, financial condition and results of operations and cash flow from other members of the Group. The Issuer has limited assets, which affects its ability to make payments under the Securities

As at the date of this Offering Circular, the Issuer has no business operations or substantial assets, other than the issue of securities and those incidental to the issue of securities. The Issuer's ability to pay principal and Distribution on the Securities will depend upon its future business, financial condition and results of operations, which cannot be predicted. The Issuer may on-lend the proceeds from the issues to other members of the Group. If the Issuer cannot make payments under the Securities with its own cash flows, its ability to make payments under the Securities will depend upon its receipt of timely remittance of funds from the Guarantor and/or other members of the Group. In the event that the Guarantor and/or other members of the Group do not provide such funds to the Issuer due to lack of available cash flows or other factors, the Issuer's ability to make payment under the Securities may be adversely affected.

Changes in accounting standards may impact the Group's financial condition or the characterisation of the Securities

MOF has issued and may in the future further issue new and revised standards, guideline and interpretations, including the 2018 application guideline for "Accounting Standards for Business Enterprises in China No. 37 — Presentation of Financial Instrument" issued in July 2018 and Provisions on Accounting Treatment of Perpetual Bonds issued in January 2019. Such factors may require adoption of new accounting policies by the Group. There can be no assurance that the adoption of new accounting policies or new PRC GAAP will not have a significant impact on the Group's financial condition and results of operations. In addition, any change or amendment to, or any change or amendment to the general application or interpretation of, PRC GAAP may result in the reclassification of the Securities such that the Securities must not or must no longer be recorded as "equity" of the Issuer, Hong Kong Huafa Investment Holdings Limited or the Guarantor, and will give the Issuer the right to elect to redeem the Securities. See "*Terms and Conditions — Redemption and Purchase — Condition 6(d) (Redemption for Accounting Events)*".

Similarly, any change or amendment to, or any change or amendment to the general application or interpretation of any other generally accepted accounting standards that may be adopted by the Issuer, Hong Kong Huafa Investment Holdings Limited or the Guarantor for the purposes of preparing their respective consolidated financial statements may result in the reclassification of the Securities such that the Securities must not or must no longer be recorded as “equity” of the Issuer, Hong Kong Huafa Investment Holdings Limited or the Guarantor and will give the Issuer the right to elect to redeem the Securities. See “*Terms and Conditions — Redemption and Purchase — Condition 6(d) (Redemption for Accounting Events)*”.

There are limited remedies for non-payment under the Securities

Any scheduled Distribution will not be due if the Issuer elects to defer that Distribution pursuant to the Conditions. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings (a) against the Issuer is limited to circumstances where a winding-up proceeding has been initiated against the Issuer or where payment has become due under the Securities and the Issuer fails to make such payment for a period of 14 days or more after the date on which such payment is due, and (b) against the Guarantor alone is limited to circumstances where a winding-up proceeding has been initiated against the Guarantor or where payment has become due under the Guarantee and/or the Securities and the Guarantor fails to make such payment for a period of 14 days or more after the date on which such payment is due. Holders of the Securities would need to prove in such winding-up or claim in the liquidation of the Issuer or the Guarantor (as the case may be) for such payments.

The Securities are redeemable in the event of certain withholding taxes being applicable

Pursuant to the Conditions of the Securities, the Issuer or, as the case may be, the Guarantor is required to make gross up payments on account of withholding taxes or deductions withheld or assessed by or within the British Virgin Islands or the PRC or any political subdivision or any authority therein or thereof having power to tax, as further described in Condition 8. However, the Issuer also has the right to redeem the Securities at any time in the event that it, or as the case may be, the Guarantor has or will become obliged to pay such additional tax amounts and cannot take reasonable measures to avoid such obligation. See “*Terms and Conditions — Redemption and Purchase — Condition 6(c) Redemption for Taxation Reasons*”.

The Securities confer Securityholders with limited rights upon the occurrence of a Change of Control Event, No Registration Event, Breach of Covenants Event, Relevant Indebtedness Default Event or a Dividend Stopper Breach Event

The Securities confer Securityholders with limited rights upon the occurrence of a Change of Control Event, No Registration Event, a Breach of Covenants Event, Relevant Indebtedness Default Event or a Dividend Stopper Breach Event (as defined in the Conditions). The Issuer may, at any time, on giving irrevocable notice to the Trustee, the Agents and Securityholders, redeem in whole, but not in part of the Securities if any of such events occurs. The Issuer is, however, not obliged to redeem the Securities upon the occurrence of any of such events under the Securities. If the Issuer elects not to redeem the Securities upon the occurrence of such events, the Distribution Rate will increase by a certain percentage per annum pursuant to Condition 5(e) of the Conditions.

Investment in the Securities is subject to exchange rate risks

The Securities are denominated and payable in RMB. If a Securityholder measures its investment returns by reference to a currency other than RMB, an investment in the Securities entails foreign exchange related risks, including changes in the value of RMB relative to the currency by reference to which an investor measures its investment returns. Depreciation of the RMB against such currency could cause a decrease in the effective yield of the Securities below their stated coupon rates and could result in a loss when the return on the Securities is translated into such currency. In addition, there may be tax consequences for Securityholders as a result of any foreign currency gains resulting from any investment in the Securities.

The ratings of the Securities may be downgraded or withdrawn and may adversely affect the market price of the Securities

The Securities are expected to be rated “BBB-” by Fitch and “A +” by Lianhe Global, upon issuance. Fitch has assigned a corporate rating of “BBB” with a stable outlook to the Guarantor and Lianhe Global has assigned “A +” global scale long-term issuer credit rating with stable outlook to the Guarantor. The ratings represent opinions of the rating agency and its assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Securities and the Guarantee and credit risks in determining the likelihood that payments will be made when due under the Securities. A rating is not a recommendation to buy, sell or hold the Securities. The ratings can be lowered or withdrawn at any time. No assurance can be given that a rating will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by an assigning rating agency. Any decline in the financial position of the Issuer, the Guarantor, or any of its subsidiaries may impair the ability of the Issuer or the Guarantor to make payments to the Securityholders under the Securities and/or result in the rating of the Securities being lowered, suspended or withdrawn entirely. If the rating initially assigned to the Securities is subsequently lowered or withdrawn for any reason, no person or entity will be obliged to provide any additional credit enhancement with respect to the Securities. Neither the Guarantor nor the Issuer is obliged to inform the holders of the Securities if the ratings are lowered or withdrawn. A reduction or withdrawal of the ratings may adversely affect the market price of the Securities and the Issuer’s and the Guarantor’s ability to access debt capital markets.

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

As the Issuer was incorporated under the laws of the British Virgin Islands and the Guarantor was incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer or, as the case may be, the Guarantor would likely involve the British Virgin Islands or PRC insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Securities are familiar.

The Trustee may request holders of the Securities to provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances the Trustee may, at its sole and absolute discretion, request holders of the Securities to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes any steps and/or actions and/or institute any proceedings on behalf of holders of the Securities. The Trustee shall not be obliged to take any such steps and/or actions and/or institute such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed (as defined in the Conditions) or the Conditions and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Securities to take such steps and/or actions and/or institute such proceedings directly.

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

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

Modifications and waivers may be made or agreed to in respect of the Conditions, the Trust Deed and the Agency Agreement and/or the Deed of Guarantee by the Trustee

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

The Conditions provide that the Trustee may (but shall not be obliged to), without the consent of Securityholders, agree to any modification of the Trust Deed, the Deed of Guarantee, the Agency Agreement or the Conditions (other than in respect of a reserved matter) which in the opinion of the Trustee will not be materially prejudicial to the interests of Securityholders and to any modification of the Trust Deed, the Deed of Guarantee, the Agency Agreement or the Conditions which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law. In addition, the Trustee may (but shall not be obliged to), without the consent of the Securityholders, authorise or waive any proposed breach or breach of the provisions of the Securities, the Deed of Guarantee, the Agency Agreement or the Trust Deed (other than a proposed breach, or a breach relating to the subject of certain reserved matters) if, in the opinion of the Trustee, the interests of the Securityholders will not be materially prejudiced thereby.

In addition, if a Special Event (as defined in the Conditions, i.e. a Gross-Up Event, an Equity Disqualification Event or any combination of the foregoing) has occurred and is continuing, then the Issuer may at its option, subject to satisfaction of Condition 5 (*Distribution*), Condition 12(c) (*Substitution or Variation*) and on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 (*Notices*) and to the Trustee and the CMU Lodging and Paying Agent in writing, at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities (as defined in the Conditions), and the Trustee shall (subject to provisions in Condition 12(c)) agree to such substitution or variation. Any such substitution or variation agreed to by the Trustee as aforesaid shall be binding on the Securityholders. The Trustee shall be entitled to accept, without any liability for so doing, such certificates as sufficient evidence of the matters required for such substitution or variation.

The Guarantor's financial statements were prepared in conformity with PRC GAAP, which differs from IFRS in certain aspects

The audited consolidated financial statements of the Guarantor included elsewhere in this Offering Circular were prepared in conformity with PRC GAAP which differs in certain aspects from IFRS. As such, investors who are more familiar with IFRS should consult their own professional advisers for an understanding of any difference and how they may affect the financial information of the Guarantor included elsewhere in this Offering Circular. For details, see "*Summary of Certain Differences Between PRC GAAP and IFRS*".

The Securities will initially be represented by the Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the CMU

Securities will initially be represented by the Global Certificate. Such Global Certificate will be registered in the name of, and deposited with a sub-custodian for, the HKMA as operator of the CMU. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Securities. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU.

While the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will then make payments to each CMU participant who is for the time being shown in the records of the Operator as the holder of a particular principal amount of Securities (each an "**accountholder**").

A holder of an interest in a Global Certificate must rely on the procedures of the CMU to receive payments under the Securities. None of the Issuer, the Guarantor, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers 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.

Securityholders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Securities. Instead, such Securityholders will be permitted to act only to the extent that they are enabled by the CMU to appoint appropriate proxies.

Similarly, holders of interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer or the Guarantor in the event of a default under the Securities or the Deed of Guarantee (as the case may be) but will have to rely upon their rights under the Trust Deed.

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

The Securities will carry a fixed interest rate. Consequently, investment in the Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Securities. Generally, a rise in interest rates may cause a fall in the prices of the Securities, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Securities may rise. The Securityholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates. As the Securities will carry a fixed interest rate, the trading price of the Securities will consequently vary with fluctuations in interest rates. If the Securityholders sell the Securities they hold before the maturity of such Securities, they may receive an offer less than their investment.

A change in Hong Kong law which governs the Securities may adversely affect holders of the Securities

The Conditions are governed by Hong Kong law. No assurance can be given as to the impact of any possible judicial decision or change to Hong Kong law or administrative practice after the date of issue of the Securities and any such change could materially adversely impact the value of any Securities affected by it.

International financial markets and world economic conditions may adversely affect the market price of the Securities

The market price of the Securities may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatility. In March 2022, the U.S. Federal Reserve raised its benchmark federal-funds rate by a quarter percentage point to a range between 0.25 per cent. and 0.5 per cent., the first rate increase since 2018, following by successive upward interest rate adjustments by the U.S. Federal Reserve as well as central banks around the world, which may materially impact the outlook of global economy. Moreover, there are ongoing concerns about European sovereign debt levels, negative interest rate and the consequences for economic growth and investor confidence in the Eurozone, political gridlock in the United States over government spending, debt levels and civil rights issues and the consequences for economic growth and investor confidence in the United States, and the uncertainty around the Federal Reserve's future monetary policies. If similar developments occur in the international financial markets in the future, the market price of the Securities could be adversely affected. Furthermore, global economic conditions are sensitive to material changes in the global economic and political environment, such as the U.S.-China trade friction and the ongoing Israeli-Hamas and Russo-Ukraine conflicts. It is impossible

to predict how such economy will develop in the future and whether it might slow down due to the global economic crisis or experience a financial crisis in a manner and scale similar to that in the United States and the European countries.

In addition, Russia's invasion of Ukraine in February 2022 and the resulting conflict have caused significant instability in global financial markets and have increased the threat of cyberattacks, nuclear incidents, environmental damage and further escalation of geopolitical tensions. The invasion has also led to multiple countries imposing economic sanctions and enhanced export controls on the activities of certain individuals and Russian entities, and to numerous market participants voluntarily ceasing, suspending or reducing business with counterparties connected to Russia. Global and local macroeconomic impacts including increased inflationary pressures, volatility in the price and supply of energy and other commodities, disruption to supply chains, economic pressure caused by movement of displaced persons and significant uncertainty in the commercial, legal and political environment are likely to further adversely impact individuals and businesses. As a result, the global economy is facing significant uncertainties and the global financial markets are experiencing significant volatilities, which may adversely affect the market price of the Securities. Investors must exercise caution before making any investment decisions.

Income or gains from the Securities may be subject to income tax or VAT under PRC tax laws

The Issuer is incorporated under the laws of the British Virgin Islands. Pursuant to the Enterprise Income Tax Law of the PRC (the "EIT Law") and its implementation regulations, enterprises that are established under the laws of foreign countries and regions but whose "*de facto* management bodies" are within the PRC are treated as PRC tax resident enterprises for the purposes of the EIT Law. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "*de facto* management body" of the Issuer is within the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purposes of the EIT Law and income or gains paid with respect to the Securities may be considered to be derived from sources within the PRC.

Under the EIT Law and its implementation rules, any income or gains realised by non-resident enterprises may be subject to PRC enterprise income tax if such income or gains are regarded as 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. In the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, interest paid on the Securities may be considered to be PRC sourced, in which case the Issuer would be subject to enterprise income tax (withholding tax) at a rate of 10 per cent., unless a preferential rate is provided by tax treaties or arrangements entered into between the country or region where the Issuer is established and the PRC. Any capital gain realised by a non-resident enterprise from the transfer of the Securities may be regarded as being derived from sources within the PRC and accordingly may be subject to a PRC tax of up to 10 per cent. if the Issuer is treated as a PRC tax resident, unless a preferential rate is provided by tax treaties or arrangements entered into between the country or region where the Securityholder is established and the PRC. Pursuant to the Individual Income Tax Law of the PRC and its implementation regulations, if the Issuer is considered to be a PRC tax resident enterprise and the payment of interests is regarded as being derived from sources within the PRC, the Issuer may be obliged to withhold such individual income tax on

payments of interests to non-resident individual Securityholders at a rate of 20 per cent. Any capital gain realised by a non-resident individual Securityholder from transfer of the Securities may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. if the Issuer is a PRC tax resident enterprise, unless a preferential rate is provided by tax treaties or arrangements entered into between the country or region where the Securityholder is established and the PRC.

Under the EIT Law, the Guarantor is a “resident enterprise” for PRC tax purposes. Pursuant to the EIT Law, the interest and other amounts may be regarded as being derived from sources within the PRC when the Guarantor perform its obligations under the Securities. As such, a PRC withholding tax generally at the rate of 10 per cent. (if a non-PRC Securityholder is an enterprise which does not have an establishment or place of business in the PRC or, the relevant income is not effectively connected with its establishment or place of business in the PRC) or 20 per cent. (if a non-PRC resident Securityholder is an individual) will be imposed by relevant tax authorities on the amount of interest payable by the Company to the non-PRC Securityholder unless a preferential rate is provided by tax treaties or arrangements entered into between the country or region where the Securityholder is established and the PRC.

On 23 March 2016, MOF and SAT issued the Circular of Full Implementation of Business Tax to VAT Reform Caishui [2016] No. 36 (“**Circular 36**”), which introduced a new VAT from 1 May 2016. VAT is applicable where the entities or individuals provide services within the PRC. It is further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. It is not clear from the interpretation of Circular 36, if the provision of loans to the Issuer or the Guarantor could be considered as financial services provided within the PRC, which thus could be subject to VAT. Furthermore, there is no assurance that the Issuer will not be treated as Chinese tax residents. the PRC’s tax authorities could take the view that the holders of the Securities are providing loans within the PRC because the Issuer is treated as Chinese tax residents. In which case, the issuance of the Securities could be regarded as the provision of financial services within the PRC that is subject to VAT. If the Issuer or the Guarantor pays interest income to Securityholders who are located outside of the PRC, the Issuer (if VAT applicable) or the Guarantor, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT from the payment of interest income to Securityholders who are located outside of the PRC.

VAT is unlikely to apply to any transfer of the Securities between entities or individuals located outside of the PRC and therefore unlikely to apply to gains realised upon such transfers, but there is uncertainty as to the applicability of VAT if either the seller or buyer of the Securities is located inside the PRC. Circular 36 and laws, and the interpretation and enforcement of such laws and regulations involve uncertainties. If a Securityholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax or VAT on gains on the transfer of the Securities, the value of the relevant Securityholder’s investment in the Securities may be materially and adversely affected.

Securityholders 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 Security which has a principal amount consisting of a minimum specified denomination plus a higher integral multiple of another smaller amount, it is possible that the Securities 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 Securityholder 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 Security be printed) and would need to purchase a principal amount of Security such that it holds an amount equal to one or more specified denominations. If definitive Security 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 Group may issue additional Security in the future

The Issuer or the Guarantor may issue additional bonds which may affect the price of the Securities. The Issuer or the Guarantor may raise additional capital through the issue of other bonds or other means. Other than certain restrictions on issuing certain secured indebtedness as set out in Condition 4(a) of the Conditions, there is no restriction, contractual or otherwise, on the amount or type of securities or other liabilities which the Issuer or the Guarantor may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on a winding-up of the Issuer or the Guarantor. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Securities and/or the ability of Securityholders to sell their Securities.

The Distribution Rate (as defined in the Conditions) on the Securities will be reset on each Reset Date (as defined in the Conditions), with such Relevant Reset Distribution Rate (as defined in the Conditions) mechanism being novel in the market and which may affect the market value of the Securities

The Securities will have an Initial Distribution Rate (as defined in the Conditions) from and including the Issue Date to the First Reset Date (as defined in the Conditions). Thereafter, the Distribution Rate on the Securities will be reset on three-year intervals on each Reset Date to a percentage per annum equal to the sum of (a) the Initial Spread (as defined in the Conditions), (b) the Sovereign Bond Rate (as defined in the Conditions), and (c) a margin of 3.00 per cent.

The Relevant Reset Distribution Rate (as defined in the Conditions) will be determined by reference to the applicable Sovereign Bond Rate at the relevant Reset Determination Date (as defined in the Conditions), as more particularly described in Condition 5(b).

In short, the Sovereign Bond Rate means (i) the rate in per cent. per annum equal to the bid yield of the CNH GOV 3Y Index (as reported on the Bloomberg Screen CNHBYR3 Page (as defined in the Conditions), which tracks generic CNH China government dim sum bonds with years to maturity of around three years), (ii) (if the rate under (i) is not available) the rate in per cent. per annum equal to the bid yield of the Comparable

Sovereign Bond Issue (as defined in the Conditions), which means any RMB-denominated and settled fixed-rate sovereign bond issued by MOF and distributed outside of the PRC mainland selected by an Investment Banking Firm (as defined in the Conditions) as having years to maturity of around three years, or (iii) (if the rate under (i) and (ii) is not available) the preceding distribution rate, all as more particularly described in Condition 5(b).

Investors should note the CNH GOV 3Y Index has a relatively short period of existence. As such, there is no assurance that such index will continue to exist and accurately reflect the market recognised yield of the CNH China government dim sum bonds with years to maturity of around three years on each Rest Date. Furthermore, there is no assurance that the Issuer will be able to appoint an Investment Banking Firm and that such Investment Banking Firm will be able to select the Comparable Sovereign Bond on terms of the Conditions.

Investors should be aware of the uncertainties involved in the determination of the Relevant Reset Distribution Rate and that following any such reset of the Relevant Reset Distribution Rate, the Relevant Reset Distribution Rate may be lower than the Initial Distribution Rate or any previous Relevant Reset Distribution Rate, which may affect the amount of any distribution under the Securities and, by extension, could affect the market value of the Securities.

The Terms and Conditions provide only limited protection against significant corporate events that could adversely impact the investors' investment in the Securities

While the Terms and Conditions contain terms intended to provide protection to Securityholders upon the occurrence of certain events involving significant corporate transactions and the creditworthiness of the Issuer or the Guarantor, these terms are limited and may not be sufficient to protect the investors' investment in the Securities.

The Trust Deed for the Securities also do not:

- require the Guarantor or the Group to maintain any financial ratios or specific levels of net worth, revenue, income, cash flows or liquidity;
- restrict the Guarantor's or any of its subsidiaries' ability to issue unsecured securities;
- restrict the incurring of indebtedness that would be senior to the Issuer's equity interests and therefore rank effectively senior to the Securities;
- limit the ability of the Guarantor or any of its subsidiaries to service indebtedness;
- restrict the Issuer's or the Guarantor's ability to redeem or prepay any other of the Issuer's or the Guarantor's securities or other indebtedness; or
- restrict the Guarantor's ability to make investments or to repurchase or pay dividends or make other payments in respect of any securities ranking junior to the Securities.

As a result of the foregoing, when evaluating the terms of the Securities, the investors should be aware that the terms of the Securities do not restrict the Issuer's or the Guarantor's ability to engage in, or to otherwise be a party to, a variety of corporate transactions, circumstances and events that could have an adverse impact on the investors' investment in the Securities.

RISKS RELATING TO SECURITIES 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 Securities 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 (1) the Investor's Currency equivalent yield on the Securities, (2) the Investor's Currency equivalent value of the principal payable on the Securities and (3) the Investor's Currency equivalent market value of the Securities. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Securities.

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 Securities

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 ("SDR") basket created by the International Monetary Fund (the "IMF") and the IMF further announced an increase in the weighting of Renminbi in the SDR currency basket in May 2022, 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 Group to source Renminbi to finance its obligations under the Securities denominated in Renminbi.

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

The Issuer' ability to remit some or all of the proceeds into the PRC in Renminbi will be subject to the Guarantor 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 government authorities will be obtained by the Guarantor 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. In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds outside the PRC in Renminbi, the Group will need to source Renminbi outside the PRC to finance its obligations under the Securities, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

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

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 (the “**Renminbi Clearing Banks**”), and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the “**Settlement Arrangements**”), the current size of Renminbi denominated financial assets outside the PRC is limited. There are restrictions imposed by 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. 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 that 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 Securities. To the extent the Group is required to source Renminbi outside the PRC to service the Securities, there can be no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

USE OF PROCEEDS

The net proceeds from the offering of the Securities, after deducting commissions and other estimated expenses payable in connection with the offering of the Securities, will be approximately CNH1,890 million. The Company intends to use such proceeds from this offering for refinancing existing offshore indebtedness.

CAPITALISATION

The following table sets forth the consolidated total borrowings (both short-term and long-term borrowings), total equity and total capitalisation of the Group as at 31 December 2023 and as adjusted to give effect to the aggregate principal amount of the Securities (without deduction of commission and other estimated expenses in connection with this offering).

The summary consolidated financial information below should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2023 and the notes to the financial statements included elsewhere in this Offering Circular.

	As at 31 December 2023			
	Actual		As adjusted	
	(RMB'000)	(US\$'000)	(RMB'000)	(US\$'000) ⁽¹⁾
	(audited)	(unaudited)	(audited)	(unaudited)
Short-term borrowings				
Short-term loans	38,245,691	5,386,793	38,245,691	5,386,793
Non-current liabilities due within				
one year	66,874,620	9,419,093	66,874,620	9,419,093
Other current liabilities ⁽²⁾	<u>19,953,666</u>	<u>2,810,415</u>	<u>19,953,666</u>	<u>2,810,415</u>
Total short-term borrowings	<u>125,073,977</u>	<u>17,616,301</u>	<u>125,073,977</u>	<u>17,616,301</u>
Long-term borrowings				
Long-term loan	124,695,877	17,563,047	124,695,877	17,563,047
Bonds payable	67,207,457	9,465,972	67,207,457	9,465,972
Other non-current liabilities ⁽³⁾	<u>21,529,691</u>	<u>3,032,394</u>	<u>21,529,691</u>	<u>3,032,394</u>
Total long-term borrowings	<u>213,433,025</u>	<u>30,061,413</u>	<u>213,433,025</u>	<u>30,061,413</u>
Total borrowings⁽⁴⁾	<u>338,507,002</u>	<u>47,677,714</u>	<u>338,507,002</u>	<u>47,677,714</u>
Total shareholders' equities	<u>175,248,228</u>	<u>24,683,197</u>	<u>177,148,228</u>	<u>24,950,806</u>
Including: Securities to be issued ⁽⁵⁾	—	—	1,900,000	267,609
Total capitalisation⁽⁶⁾	<u>513,755,230</u>	<u>72,360,911</u>	<u>515,655,230</u>	<u>72,628,520</u>

Notes:

- (1) Calculated at the exchange rate of US\$1.00 = RMB7.0999 on 29 December 2023 as set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) This amount represents the aggregate amount payable under the Group's super-short term financial bond, short term corporate bond, U.S. denominated private placement bond, asset-backed special programs and short-term earning certificate. See Note. VIII — 55 to the Group's consolidated financial statements as at and for the year ended 31 December 2023 included elsewhere in this Offering Circular.
- (3) This amount represents the aggregate amount payable under asset-backed special program and real estate mortgaged loan backed notes. See Note. VIII — 61 to the Group's consolidated financial statements as at and for the year ended 31 December 2023 included elsewhere in this Offering Circular.
- (4) Total borrowings equal total short-term borrowings and long-term borrowings.
- (5) Securities to be issued represent the aggregate principal amount of the Securities, before deduction of the commission and other estimated expenses in connection with this offering.

(6) Total capitalisation equals total borrowings plus total shareholders' equities of the Company.

Subsequent to 31 December 2023, the Group has, in the ordinary course of business, entered into additional financing arrangements to finance the Group's business development. For details on certain corporate bonds, notes, commercial papers issued by the Group subsequent to 31 December 2023, see "*Description of the Group — Recent Developments*".

Save as otherwise disclosed in this Offering Circular, there has been no material change in the consolidated capitalisation and indebtedness of the Group since 31 December 2023.

TERMS AND CONDITIONS OF THE SECURITIES

The following are the terms and conditions of the Securities substantially in the form in which they (subject to modification and other than the text in italics) will be endorsed on the definitive Certificates and referred to in the Global Certificate.

The CNH1,900,000,000 in aggregate principal amount of 6.000 per cent. senior guaranteed perpetual capital securities (the “**Securities**”, which expression, unless the context requires otherwise, includes any further securities issued pursuant to Condition 15 and forming a single series therewith) of Huafa 2024 I Company Limited (the “**Issuer**”) are constituted by a trust deed (as amended or supplemented from time to time, the “**Trust Deed**”) dated on or about 30 July 2024 made between the Issuer, Zhuhai Huafa Group Co., Ltd. (the “**Guarantor**”) and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) (the “**Trustee**”, which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the holders of the Securities. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. The issue of the Securities was authorised by a written resolution of the board of directors of the Issuer passed on 8 July 2024.

The Securities have the benefit of a deed of guarantee dated on or about 30 July 2024 (as amended or supplemented from time to time, the “**Deed of Guarantee**”) entered into by the Guarantor and the Trustee relating to the Securities. The giving of the Guarantee (as defined in Condition 2(b)) was authorised by resolutions of the board of directors of the Guarantor on 23 January 2024. Copies of the Trust Deed, the Deed of Guarantee and the agency agreement dated on or about 30 July 2024 (as amended or supplemented from time to time, the “**Agency Agreement**”) made between the Issuer, the Guarantor, the Trustee, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the “**Registrar**”, which expression shall include any successors appointed under the Agency Agreement), as CMU lodging and paying agent (the “**CMU Lodging and Paying Agent**”, which expression shall include any successors appointed under the Agency Agreement), as calculation agent (the “**Calculation Agent**”, which expression shall include any successors appointed under the Agency Agreement) and as transfer agent (the “**Transfer Agent**”, which expression shall include any successors appointed under the Agency Agreement and, together with the Registrar, the CMU Lodging and Paying Agent, the Calculation Agent and any other agents appointed thereunder, the “**Agents**”) are available for inspection by the Holders during normal business hours (being between 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (on Hong Kong business days)) at the specified office (as defined in the Trust Deed) of the CMU Lodging and Paying Agent (being as at the Issue Date at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) by the Holders following prior written request and proof of holding and identity to the satisfaction of the CMU Lodging and Paying Agent. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Guarantee and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these terms and conditions (these “**Conditions**”) will have the meanings given to them in the Trust Deed. The Securities, the Deed of Guarantee, the Trust Deed and the Agency Agreement are collectively known as the “**Transaction Documents**”.

1. FORM, SPECIFIED DENOMINATION AND TITLE

The Securities are issued in the specified denomination of CNH1,000,000 and higher integral multiples of CNH 10,000 in excess thereof.

The Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 3(b), each Certificate shall represent the entire holding of Securities by the same Holder.

Title to the Securities passes only by transfer and registration in the Register as described in Condition 3. The holder of any Securities will (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 or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

In these Conditions, “**Securityholder**” and “**Holder**” means the person in whose name a security is registered (or, in the case of a joint holding, the first named thereof).

*Upon issue, the Securities 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 while any of the Securities are represented by the Global Certificate.*

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

*For so long as any of the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will make payments to each CMU participant who is at the relevant time shown in the records of the Operator as the holder of a particular principal amount of Securities (each an “**acountholder**”). 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, and the Trustee, the CMU Lodging and Paying Agent and the other Agents shall have no liability to the Holders, the Issuer, the Guarantor, the CMU participants, the acountholder, the indirect participants or any other person in respect of any such payment.*

2. STATUS AND GUARANTEE

(a) Status

The Securities constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally

with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

(b) Guarantee

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Securities and the Trust Deed. The Guarantor's obligations in respect of the Securities and the Trust Deed (the "**Guarantee**") are contained in the Deed of Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations (including Parity Securities), but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

In these Conditions, "**Parity Securities**" means (a) in respect of the Issuer, any instrument or security issued, entered into or guaranteed by the Issuer which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities; (b) in respect of the Guarantor, any instrument or security issued, entered into or guaranteed by the Guarantor which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the obligations under the Guarantee.

3. TRANSFERS OF SECURITIES AND ISSUE OF CERTIFICATES

(a) Register

The Issuer will cause the register (the "**Register**") to be kept outside of Hong Kong and in accordance with the terms of the Agency Agreement, on which shall be entered the names and addresses of the Holders and the particulars of the Securities held by them and of all transfers of the Securities. Each Holder shall be entitled to receive only one Certificate in respect of its entire holding of Securities.

(b) Transfer

Subject to the Agency Agreement and Conditions 3(e) and 3(f) herein, a Security may be transferred by depositing the Certificate issued in respect of that Security, with the form of transfer on the back of the Certificate duly completed and signed, at the specified office of the Registrar or any Transfer Agent. No transfer of title to a Security will be valid unless and until entered on the Register.

(c) Delivery of New Certificates

Each new Certificate to be issued upon transfer of Securities pursuant to Condition 3(b) shall be made available for delivery within seven business days of receipt by the Registrar or (as the case may be) any Transfer Agent, of a duly completed form of transfer and surrender of the existing Certificate(s) and provision of any other evidence required by the Transfer Agent or the Registrar pursuant to Condition 3(b). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer 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 in writing 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 the relevant Transfer Agent or the Registrar (as the applicable) may specify. In this Condition 3(c) and in Condition 3(e), “business day” means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) Formalities Free of Charge

Registration of transfer of Securities and issuance of new Certificates will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but upon (i) payment (or the giving of such indemnity and/or security and/or prefunding as the Issuer, the Registrar or the Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar being satisfied in its sole and absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the Transfer Agent being satisfied that the regulations concerning transfer of Securities have been complied with.

(e) Closed Periods

No Holder may require the transfer of a Security to be registered (i) during the period of seven business days ending on (but excluding) the due date for any payment of principal or Distribution (including Arrears of Distribution, Additional Distribution Amount and premium) in respect of that Security; or (ii) during the period of seven business days ending on (and including) any Record Date (as defined in Condition 7(a)); or (iii) during the period of seven days prior to (and including) any date on which Securities may be called for redemption by the Issuer pursuant to Condition 6.

(f) Regulations

All transfers of Securities and entries on the Register will be made subject to the detailed regulations concerning transfer of Securities the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be mailed (free of charge to the Holders and at the Issuer’s expense) by the Registrar to any Holder who following prior written request and proof of holding and identity to the satisfaction of the Registrar.

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

4. COVENANTS

(a) Negative Pledge

So long as any Security remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and each of the Issuer and the Guarantor will ensure that none of their respective Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto affording to the Securities the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders.

(b) Undertakings relating to the Guarantee

The Guarantor undertakes that it will (i) register or cause to be registered the Deed of Guarantee with SAFE in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 and its implementation rules (“**Cross-border Security Registration**”), (ii) use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee. In addition, the Guarantor shall procure the Agent to, within five Registration Business Days after such delivery to the Trustee, give a notice to the Holders confirming the completion of the Cross-border Security Registration. The Trustee shall have no obligation to monitor or ensure the registration of the Deed of Guarantee with SAFE on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Cross-Border Security Registration or to give notice to the Securityholders confirming the completion of the Cross-Border Security Registration and shall not be liable to Holders, the Issuer, the Guarantor or any other person for not doing so.

(c) Issuer Activities

The Issuer shall not, and the Guarantor will procure that the Issuer will not, so long as any Security remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of Holders, conduct any business or any activities other than the issue of the Securities and other debt securities and the lending of the proceeds of the issue of the Securities and other debt securities to any of the Guarantor’s Subsidiaries and affiliates and any other activities reasonably incidental thereto.

(d) Financial Information

So long as any Security remains outstanding (as defined in the Trust Deed):

- (i) the Guarantor will furnish the Trustee with:
 - (A) a Compliance Certificate of the Guarantor (on which the Trustee may rely conclusively without liability and without investigation or inquiry and the Trustee shall not be liable to any Holder, the Issuer, the Guarantor or any other person for such reliance as to such compliance) within 30 days of a request by the Trustee and at the same time as the Guarantor Audited Financial Reports and the Guarantor Unaudited Financial Reports (where applicable) pursuant to Conditions 4(d)(i)(B) and 4(d)(i)(C) below;
 - (B) a copy of the relevant Guarantor Audited Financial Reports in Chinese within 150 days of the end of each Relevant Period prepared in accordance with the Accounting Standards for Business Enterprises in China (“**PRC GAAP**”) (audited by a nationally recognised firm of independent accountants) of the Guarantor and its Subsidiaries; and
 - (C) a copy of the Guarantor Unaudited Financial Reports (if any) in Chinese within 90 days of the end of each Relevant Period prepared on a basis consistent with the audited consolidated financial statements of the Guarantor and its Subsidiaries;
 - (D) *provided* that, if at any time the capital stock of the Guarantor is listed for trading on a recognised stock exchange, the Guarantor may furnish the Trustee, as soon as they are available but in any event not more than ten calendar days after any financial reports of the Guarantor are filed with the exchange on which the Guarantor’s capital stock is at such time listed for trading, with true and correct copies of any financial reports filed with such exchange in lieu of the reports identified in Condition 4(d)(i)(B) and 4(d)(i)(C) above; and
- (ii) the Issuer will furnish the Trustee with a Compliance Certificate of the Issuer (on which the Trustee may rely conclusively without liability and without investigation or inquiry and the Trustee shall not be liable to any Holder, the Issuer, the Guarantor or any other person for such reliance as to such compliance) within 30 days of a request by the Trustee and at the same time as the Guarantor Audited Financial Reports and the Guarantor Unaudited Financial Reports (where applicable) provided pursuant to Conditions 4(d)(i)(B) and 4(d)(i)(C) above.

(e) NDRC Registration

Each of the Issuer and the Guarantor undertakes:

- (i) (A) to report or cause to be reported the relevant information in connection with the Securities to the National Development and Reform Commission (the “**NDRC**”), within ten PRC Business Days after the Issue Date (the “**NDRC Registration Deadline**”) and in accordance with the Administrative

Measures for the Review and Registration of Medium- and Long- Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法) issued by the NDRC and which came into effect on 10 February 2023 (the “**Post-Issuance Reporting**”); and (B) use its best endeavours to comply with all applicable PRC laws and regulations in relation to the Securities,

(together, the “**NDRC Registration**”); and

- (ii) The Trustee shall have no obligation to monitor or ensure the registration with the NDRC before the NDRC Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Registration or to give notice to the Securityholders confirming the completion of the NDRC Registration and shall not be liable to Holders, the Issuer, the Guarantor or any other person for not doing so.

In these Conditions:

“**Authorised Signatory**” means any director or any other authorised person of the Issuer or the Guarantor (as the case may be) notified to the Trustee from time to time by any director of the Issuer or the Guarantor (as the case may be) as being an authorised signatory;

“**Compliance Certificate**” means a certificate in English of the Issuer or the Guarantor (as the case may be) signed by any one of their respective Authorised Signatories that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer or the Guarantor (as the case may be) as at a date (the “**Certification Date**”) not more than five days before the date of the certificate, each of the Issuer and the Guarantor (as the case may be) has complied with all its obligations under the Trust Deed, the Deed of Guarantee (in the case of the Guarantor) and the Securities;

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

“**Guarantor Unaudited Financial Reports**” means the interim unaudited consolidated balance sheet, income statement, statement of cash flows and statements of changes in owners’ equity of the Guarantor;

“**Issue Date**” means 30 July 2024, or in respect of any Security issued pursuant to Condition 15, the issue date of such Security;

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

“**PRC Business Day**” means a working day, other than a Saturday or Sunday or other public holiday in the PRC, on which commercial banks are generally open for business in the PRC;

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

“**Registration Deadline**” means the day falling 90 Registration Business Days after the Issue Date;

“**Relevant Indebtedness**” means any present or future indebtedness incurred outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market. For the avoidance of doubt, Relevant Indebtedness shall not include any indebtedness under any transferrable loan facility, bilateral bank loan or syndicated bank loan (including any drawing down of any existing credit line or facility of the Guarantor or any of its Subsidiaries);

“**Relevant Period**” means (i) in relation to the Guarantor Audited Financial Reports, each period of twelve months ending on the last day of the Guarantor’s financial year (being December 31 of that financial year); (ii) in relation to the Guarantor Unaudited Financial Reports, each period of six months ending on the last day of its first half financial year (being June 30 of that financial year);

“**SAFE**” means the State Administration of Foreign Exchange of the PRC or its local branch; and

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

5. DISTRIBUTION

(a) Distributions

Subject to Condition 5(d), the Securities confer a right to receive distribution (each a “**Distribution**”) from the Issue Date at the applicable Distribution Rate in accordance with this Condition 5. Subject to Condition 5(d), Distributions shall be payable on the Securities semi-annually in arrear on 30 January and 30 July of each year (each, a “**Distribution Payment Date**”), with the first payment of Distribution being made on 30 January 2025.

Distributions in respect of any Security shall be calculated per CNH10,000 in principal amount of the Securities (the “**Calculation Amount**”). The amount of Distribution payable per Calculation Amount for any period shall be equal to the product of the rate of Distribution specified above, the Calculation Amount and the actual number of days in the relevant period divided by 365, rounding the resulting figure to the nearest CNH0.01 (CNH0.005 being rounded upwards).

(b) Rate of Distribution

Subject to any increase pursuant to Condition 5(e), the rate of Distribution (“**Distribution Rate**”) applicable to the Securities shall be:

- (i) in respect of the period from, and including, the Issue Date to, but excluding, 30 July 2027 (the “**First Reset Date**”), the Initial Distribution Rate; and
- (ii) in respect of the period (A) from, and including the First Reset Date, to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

In this Condition 5(b):

“**Bloomberg Screen CNHBYR3 Page**” means the Bloomberg screen designated “**CNHBYR3**” (CNH GOV 3Y Index) (or any successor page or service which tracks generic CNH China government dim sum bonds with years to maturity of around three years);

“**Comparable Sovereign Bond Issue**” means any RMB-denominated and settled fixed-rate sovereign bond issued by The Ministry of Finance of the People’s Republic of China (中華人民共和國財政部) and distributed outside of the PRC mainland selected by the Investment Banking Firm as having years to maturity of around three years that would, at the time of selection and in accordance with customary financial practice, be used as benchmark rate in pricing new issues of corporate debt securities with a maturity of three years, and as notified by the Issuer to the Calculation Agent before 12:00 p.m. (Hong Kong time) on the Reset Determination Date;

“**Initial Distribution Rate**” means 6.000 per cent. per annum;

“**Investment Banking Firm**” means an investment banking firm of recognised standing in Hong Kong selected and appointed by the Issuer in good faith;

“**Reset Date**” means the First Reset Date and each day falling every three calendar years after the First Reset Date;

“**Reset Determination Date**” means the day falling three business days prior to each Reset Date for calculating the Relevant Reset Distribution Rate under Condition 5(b)(ii);

“**Relevant Reset Distribution Rate**” means a rate of distribution expressed as a percentage per annum equal to the sum of (a) the initial spread of 3.707 per cent (the “**Initial Spread**”), (b) the Sovereign Bond Rate, and (c) a margin of 3.00 per cent.; and

“**Sovereign Bond Rate**” means the rate notified by the Calculation Agent to the Issuer, the Trustee and the CMU Lodging and Paying Agent and confirmed and notified by the Issuer to the Securityholders (in accordance with Condition 16) in per cent. per annum equal to the bid yield as reported on the Bloomberg Screen CNHBYR3 Page as at or around 4:00 p.m. (Hong Kong time) on the Reset Determination Date. If the Bloomberg Screen CNHBYR3 Page is not available or the bid yield does not appear on the Bloomberg Screen CNHBYR3 Page for whatever reason in each case as at or around 4:00 p.m. (Hong Kong time) on the day falling three business days prior to a Reset Determination Date, the Calculation Agent shall forthwith notify in writing to the Issuer and “Sovereign Bond Rate” shall in such case mean the rate notified by the Calculation Agent to the Issuer, the Trustee and the CMU Lodging and Paying Agent and confirmed and notified by the Issuer to the Securityholders (in accordance with Condition 16) in per cent. per annum equal to the bid yield of the Comparable Sovereign Bond Issue as at or around 4:00 p.m. (Hong Kong time) on the Reset Determination Date, as shown on or derived from the Bloomberg page (or any successor page) of the Comparable Sovereign Bond Issue. Reference in these Conditions to any Bloomberg page means the relevant page on the Bloomberg terminal (or, if not available from Bloomberg, any successor information service provider thereto determined by the Issuer in its absolute discretion). If the Sovereign Bond Rate cannot be determined in accordance with this paragraph, “Sovereign Bond Rate” shall be (A) (on the First Reset Date) 2.293 per cent. (being the Initial Distribution Rate less the Initial Spread), and (B) (on each Reset Date falling after the First Reset Date) the Sovereign Bond Rate applicable in respect of the immediately preceding Reset Determination Date.

(c) Distribution Accrual

Unless otherwise provided for in these Conditions, each Security will cease to confer the right to receive any Distribution from and including the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused, in which event Distributions shall continue to accrue as provided in the Trust Deed. In such latter event, Distributions will continue to accrue at the applicable Distribution Rate (after as well as before any judgment) up to but excluding whichever is the earlier of (i) the date on which all sums due in respect of any Security are received by or on behalf of the relevant Securityholder and (ii) the day falling seven days after the CMU Lodging and Paying Agent or the Trustee has notified the Securityholders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Securityholders under these Conditions).

(d) Distribution Deferral

- (i) **Optional Deferral:** The Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an “**Optional Deferral Notice**”) to the Securityholders (in accordance with Condition 16) and to the Trustee and the CMU Lodging and Paying Agent in writing not more than ten business days nor less than five business days prior to the relevant scheduled Distribution Payment Date (a

“**Optional Deferral Event**”). Any partial payment of any Distribution by the Issuer shall be shared by the Securityholders of all outstanding Securities on a pro-rata basis.

- (ii) **No obligation to pay:** The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 5 (d)(i).
- (iii) **Requirements as to Notice:** The Trustee shall be entitled to accept such Optional Deferral Notice and certificate as sufficient evidence of the occurrence of an Optional Deferral Event has occurred, in which event the same shall be conclusive and binding on the Securityholders.
- (iv) **Cumulative Deferral:** Any Distribution deferred pursuant to this Condition 5(d) shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect (in the circumstances set out in Condition 5(d)(i)) to further defer (in whole or in part) any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to this Condition 5(d) except that Condition 5(d)(v) shall be complied with until all outstanding Arrears of Distribution and Additional Distribution Amount have been paid in full. Each amount of Arrears of Distribution shall accrue Distributions as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such distribution (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 5 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 5. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added (for the purpose of calculating the Additional Distribution Amount accruing thereafter) to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.
- (v) **Restrictions in the case of Deferral:** If, on any Distribution Payment Date, payment of all Distribution scheduled to be made on such date (including any Distribution accrued but unpaid on the Securities (including any Arrears of Distribution and any Additional Distribution Amount)) is not made in full, neither the Issuer nor the Guarantor shall:
 - (A) declare or pay any discretionary dividends or discretionary distributions or make any other discretionary payment, and will procure that no discretionary dividend, discretionary distribution or other discretionary payment is made, in each case, on any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (I) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, or (II) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants); or

(B) at its discretion redeem, reduce, cancel, buy-back or otherwise acquire for any consideration any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (I) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, or (II) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (III) as a result of the exchange or conversion of its Parity Securities for its Junior Securities),

in each case, unless and until (x) the Issuer or the Guarantor has satisfied in full all outstanding Arrears of Distribution and all Additional Distribution Amounts; or (y) the Issuer or the Guarantor is permitted to do so by an Extraordinary Resolution of the Securityholders.

For the avoidance of doubt, the Issuer's right of optional deferral pursuant to Condition 5(d)(i) will not be affected solely as a result of the incurrence of any Parity Securities or Junior Securities.

In addition, the incurrence of any Parity Securities (including any senior indebtedness) or Junior Securities itself will not constitute a Dividend Stopper Breach Event. A non-discretionary payment on, or redemption of, Parity Securities or Junior Securities (such as a scheduled payment of principal and interest on such Parity Securities or Junior Securities, which the issuer thereof has no right to defer) does not constitute a Dividend Stopper Breach Event.

In these Conditions:

“Dividend Stopper Breach Event” means a non-compliance by the Issuer or the Guarantor with any of the restrictions set out in this Condition 5(d)(v); and

“Junior Securities” means (a) in respect of the Issuer, (i) any class of the Issuer's shares (including without limitation any preference shares) and (ii) any security or instrument or other forms of indebtedness and liabilities issued, incurred, entered into or guaranteed by the Issuer which ranks, or is expressed to rank, by its terms or by operation of law, junior to the obligations of the Issuer under the Securities; and (b) in respect of the Guarantor, (i) any class of the Guarantor's shares (including without limitation any preference shares) and (ii) any security or instrument or other forms of indebtedness and liabilities issued, incurred, entered into or guaranteed by the Guarantor which ranks, or is expressed to rank, by its terms or by operation of law, junior to the obligations of the Guarantor under the Guarantee.

(vi) **Satisfaction of Arrears of Distribution by Payment:** The Issuer:

- (A) may satisfy any Arrears of Distribution and Additional Distribution Amount (in whole or in part) at any time by giving notice of such election to the Securityholders (in accordance with Condition 16) and to the Trustee and the CMU Lodging and Paying Agent in writing not more than ten business days nor less than five business days prior to the proposed payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution and all Additional Distribution Amounts, on the payment date specified in such notice); and
- (B) in any event shall satisfy any outstanding Arrears of Distribution and Additional Distribution Amount (in whole but not in part) on the earliest of:
 - (1) the date of redemption of the Securities in accordance with the redemption events set out in Condition 6;
 - (2) a Winding-Up of the Issuer; and
 - (3) the date of any substitution or variation in accordance with Condition 12(c).

Any partial payment of outstanding Arrears of Distribution and any Additional Distribution Amount by the Issuer shall be shared by the Securityholders of all outstanding Securities on a pro-rata basis.

- (vii) **No default:** Notwithstanding any other provision in these Conditions, the Agency Agreement, or in the Trust Deed, the deferral of any Distribution payment in accordance with this Condition 5(d) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer or the Guarantor under the Securities and the Guarantee or for any other purpose.

In this Condition 5(d), “**business day**” means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in Beijing, Hong Kong and in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Increase or Decrease in Distribution Rate Following Occurrence of Certain Events:**

- (i) Upon the occurrence of:
 - (A) a Change of Control Event;
 - (B) a Breach of Covenants Event;
 - (C) a Relevant Indebtedness Default Event; or

(D) a Dividend Stopper Breach Event,

((A) to (D) above, each a “**Step-Up Event**”)

unless (x) an irrevocable notice in writing to redeem the Securities has been given to Securityholders by the Issuer pursuant to Condition 6 and the Trustee and the CMU Lodging and Paying Agent by the 30th day following the occurrence of a Step-Up Event or (y) in the case of a Breach of Covenants Event, a Relevant Indebtedness Default Event or a Dividend Stopper Breach Event, the relevant Step-Up Event is remedied, or in the case of a Change of Control Event, the relevant Step-Up Event ceases to exist, by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate will increase by 3.00 per cent. per annum with effect from (aa) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (bb) if the date on which the relevant Step-Up Event (as applicable) occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date provided that the maximum aggregate increase in the Distribution Rate pursuant to this Condition 5(e) shall be 3.00 per cent. per annum and the Distribution Rate shall not exceed the Maximum Distribution Rate.

For the avoidance of doubt, any increase in the Distribution Rate pursuant to this Condition 5(e)(i) is separate from and in addition to any increase in the Distribution Rate pursuant to Condition 5(b)(ii).

In this Condition 5(e)(i), “**Maximum Distribution Rate**” means: (a) in respect of each Distribution Payment Date, the period from, and including, the Issue Date to, but excluding, the First Reset Date, the Initial Distribution Rate plus 3.00 per cent. per annum; and (b) in respect of the period (A) from, and including the First Reset Date, to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate plus 3.00 per cent. per annum.

- (ii) **Decrease in Distribution Rate:** If following an increase in the Distribution Rate after a Step-Up Event, such Step-Up Event is cured or no longer exists, upon written notice of such facts being given by the Issuer to the Securityholders (in accordance with Condition 16) and to the Trustee and the CMU Lodging and Paying Agent in writing, the Distribution Rate shall be decreased by 3.00 per cent. per annum with effect from (and including) the Distribution Payment Date immediately following the date falling 30 days after the date on which the Trustee receives notice of the cure of such Step-Up Event, provided that the maximum aggregate decrease in the Distribution Rate pursuant to this Condition 5(e) shall be 3.00 per cent. per annum.

6. REDEMPTION AND PURCHASE

(a) No Fixed Redemption

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (without prejudice to Condition 9) only have the right to redeem or purchase them in accordance with the following provisions of this Condition 6.

(b) Redemption at the Option of the Issuer

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days' irrevocable notice to the Trustee, the Agents and the Securityholders, at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) on:

- (i) any date during the period commencing on (and including) 30 June 2027 (being the date that falls one month prior to the First Reset Date) up to (and including) the First Reset Date; or
- (ii) any Distribution Payment Date thereafter,

(each, a "**Call Date**").

Upon expiry of any such notice as is referred to in this Condition 6(b), the Issuer shall be bound to redeem the Securities on the relevant Call Date in accordance with Condition 6(b) at their principal amount together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

(c) Redemption for Taxation Reasons

The Securities 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' irrevocable notice (a "**Tax Redemption Notice**") to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent, at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if the Issuer or the Guarantor (as the case may be) satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or, if the Guarantee is called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, 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 23 July 2024, and (ii) such obligation cannot be avoided by the Issuer (or if the Guarantee is called, the Guarantor) taking reasonable measures available to it ("**Gross-Up Event**"), provided that no Tax Redemption Notice shall be

given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor (as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Securities or the Guarantee (as the case may be) then due.

Prior to the giving of any Tax Redemption Notice pursuant to this Condition 6(b), the Issuer (or, if the Guarantee was called, the Guarantor) shall deliver to the Trustee (A) a certificate signed by any one Authorised Signatory of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and (B) an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendments. The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively without liability upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b), in which event they shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 6(c), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(c).

(d) Redemption for Accounting Events

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on the Issuer giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the Agents at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if, immediately before giving such notice, the Issuer satisfies the Trustee that as a result of any changes or amendments to PRC GAAP, HKFRS or any other generally accepted accounting standards that may be adopted by the Issuer, Hong Kong Huafa Investment Holdings Limited or the Guarantor (each a "**Relevant Company**") for the purposes of preparing their respective consolidated financial statements (the "**Relevant Accounting Standards**") or any change in the application or official interpretation of, such Relevant Accounting Standards, the Securities must not or must no longer be, in whole or in part, recorded as "equity" in the consolidated financial statements of such Relevant Company pursuant to the Relevant Accounting Standards (an "**Equity Disqualification Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer shall deliver or procure that there is delivered to the Trustee:

- (i) a certificate in English, signed by any Authorised Signatory of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

- (ii) an opinion, in form and substance reasonably satisfactory to the Trustee, of independent auditors stating (A) that the circumstances referred to above prevail and (B) the date on which the relevant change or amendment to the Relevant Accounting Standards is due to take effect or, if no such change of amendment to the Relevant Accounting Standards has taken effect or will take effect, that the general application or interpretation of the Relevant Accounting Standards has changed, provided, however that no notice of redemption may be given under this Condition 6(d) earlier than 90 days prior to the date on which the relevant change or amendment to, or change in the general application or interpretation of, the Relevant Accounting Standards is due to take effect in relation to the Relevant Company.

The Trustee shall be entitled to accept without investigation or verification and without liability to Securityholders or any other person such certificate and opinion as sufficient and conclusive evidence of the satisfaction of the conditions precedent to redemption set out in this Condition 6(d), in which event the same shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 6(d), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(d) provided that such date for redemption shall be no earlier than the last day before the date on which the Securities must not or must no longer be so recorded as “equity” of the Relevant Company pursuant to the Relevant Accounting Standards.

(e) Redemption for Change of Control Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent, at:

- (i) 101 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)), if such redemption occurs prior to 30 June 2027 (being the date that falls one month prior to the First Reset Date); or
- (ii) 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if such redemption occurs on or after 30 June 2027 (being the date that falls one month prior to the First Reset Date),

upon the occurrence of a Change of Control Event. Prior to the publication of any notice of redemption pursuant to this Condition 6(e), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate in English, signed by an Authorised Signatory of the Issuer (or by an Authorised Signatory of the Guarantor, as the case may be), stating that the circumstances referred to above in this Condition 6(e) prevail and setting out the details of such circumstances.

The Trustee shall be entitled to accept and rely conclusively without liability upon such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 6(e), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(e).

In this Condition 6(e):

- (a) a “**Change of Control Event**” occurs when:
 - (i) (x) Zhuhai SASAC, (y) Guangdong Government and (z) any other person directly or indirectly controlled by the central government of the PRC (which for the avoidance of doubt includes the Social Security Fund of the PRC), together cease to directly or indirectly hold or own at least 75 per cent. of the issued share capital of the Guarantor; or
 - (ii) the Guarantor ceases to directly or indirectly hold or own at least 80 per cent. of the issued share capital of the Issuer;
- (b) “**Guangdong Government**” means the People’s Government of Guangdong Province or its successor;
- (c) a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Guarantor’s or the Issuer’s board of directors or any other governing board and does not include the Guarantor’s or the Issuer’s wholly-owned direct or indirect subsidiaries;
- (d) “**Zhuhai SASAC**” means the State-owned Assets Supervision and Administration Commission of Zhuhai City of the PRC or its successor.

(f) Redemption for No Registration Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)), upon the occurrence of a No Registration Event.

Upon the expiry of any such notice as is referred to in this Condition 6(f), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(f).

For the purpose of this Condition 6(f):

- (a) a “**No Registration Event**” occurs when the Registration Conditions are not complied with on or before the Registration Deadline;

- (b) “**Registration Conditions**” means the receipt by the Trustee of a certificate signed by any one Authorised Signatory of the Guarantor confirming the completion of the Cross-border Security Registration together with a copy of the relevant SAFE registration record;

(g) Redemption on the occurrence of a Breach of Covenants Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days’ irrevocable to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Breach of Covenants Event.

Upon the expiry of any such notice as is referred to in this Condition 6(g), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(g).

For the purpose of this Condition 6(g):

- (a) A “**Breach of Covenants Event**” means the occurrence of (x) a Covenant Breach and (y) the Trustee or the Securityholders holding 25 per cent. or more in aggregate principal amount of the Securities outstanding giving notice in writing to the Issuer that a Covenant Breach has occurred and the Distribution Rate will be adjusted in accordance with Condition 5(e) unless the Securities are redeemed in accordance with Condition 6(g);
- (b) “**Covenant Breach**” means a non-compliance and/or non-performance by the Issuer and/or the Guarantor of any one or more of their respective obligations and covenants set out in Condition 4;

(h) Redemption on the occurrence of a Relevant Indebtedness Default Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Relevant Indebtedness Default Event.

For the purpose of this Condition 6(h), “**Relevant Indebtedness Default Event**” means the occurrence of one or more of the following events (and such event is continuing): (i) any other present or future Relevant Indebtedness of the Issuer, the Guarantor, any of their respective Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described), or (ii) any such Relevant Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer, the Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any such Relevant Indebtedness, and

in each case, if required under the terms of the Relevant Indebtedness, notice has been duly delivered by the Trustee or the holder thereof to the relevant debtor that such Relevant Indebtedness is so due and payable, provided that the aggregate amount of such Relevant Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this provision have occurred equals or exceeds CNY200,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Renminbi as quoted by any leading bank on the day on which this provision operates).

Upon the expiry of any such notice as is referred to in this Condition 6(h), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(h).

(i) Redemption on the occurrence of a Dividend Stopper Breach Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Dividend Stopper Breach Event.

Upon the expiry of any such notice as is referred to in this Condition 6(i), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(i).

(j) Redemption for Minimum Outstanding Amount

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and in writing to the Trustee and the CMU Lodging and Paying Agent at 100 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if prior to the date fixed for redemption at least 80 per cent. in principal amount of the Securities originally issued has already been cancelled.

Upon the expiry of any such notice as is referred to in this Condition 6(j), the Issuer shall be bound to redeem the Securities in accordance with this Condition 6(j).

(k) No Other Redemption

The Issuer shall not be entitled to redeem the Securities and the Issuer shall not have any obligation to make any payment of principal in respect of the Securities otherwise than as provided in Conditions 6(a) to 6(j) inclusive.

(l) Purchase

The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Securities in the open market or otherwise at any price. The Securities so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the Holder to vote at any meetings of the Holders and shall

not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Holders or for the purposes of Condition 9, Condition 12(a) and Condition 13.

(m) Notice of Redemption

All Securities in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition. If there is more than one notice of redemption given in respect of any Security (which shall include any notice given by the Issuer pursuant to Condition 6(a) to 6(j), 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 and shall not be liable to Holders, the Issuer, the Guarantor or any other person for not doing so.

(n) Cancellation

All Certificates representing the Securities purchased by or on behalf of the Issuer or the Guarantor shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Securities shall be cancelled forthwith. All Certificates representing the Securities purchased by or on behalf of Subsidiaries of the Issuer or the Guarantor may be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Securities 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 Securities shall be discharged.

7. PAYMENTS

(a) Method of Payment:

- (i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of the CMU Lodging and Paying Agent or of the Registrar if no further payment falls to be made in respect of the Securities represented by such Certificates) by transfer to the registered account of the Securityholder.
- (ii) Distribution on each Security shall be paid 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 Distributions on each Security shall be made in Renminbi by transfer to the registered account of the Securityholder. Payment of all amounts other than principal, premium and Distribution will be made as provided in these Conditions.

For so long as any of the Securities are represented by the Global Certificate, payment of interest, premium or principal will be made to the person(s) for whose account(s) interests in the Global Certificate are credited as being held with the CMU in accordance with the CMU Rules at the relevant time as

notified to the CMU Lodging and Paying Agent by the Operator. Such payment made in accordance thereof shall discharge the Issuer's obligations in respect of that payment.

- (iii) For the purposes of this Condition 7, a Securityholder's "registered account" means the Renminbi account maintained by or on behalf of it with a bank that process payments in Renminbi, details of which appear on the Register at the close of business on the fifth Payment Business Day before the due date for payment.
 - (iv) 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 Securityholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of a Distribution being paid is less than the amount then due, the Registrar will annotate the Register with the amount of the Distribution so paid.
- (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 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Securityholders 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 date is not a Payment Business Day, on the first following day which is a Payment Business Day), or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any CMU Lodging and Paying 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 or following which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The CMU Lodging and Paying Agent, the Calculation Agent, the Registrar and the Transfer Agent initially appointed by the Issuer act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer and the Guarantor reserve 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 Calculation Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer and the Guarantor shall at all times maintain (i) a CMU Lodging and Paying

Agent, (ii) a Calculation Agent, (iii) a Registrar, (iv) a Transfer Agent and (v) such other agents as may be required by any other stock exchange on which the Securities may be listed.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Securityholders.

- (e) **Delay in Payment:** Securityholders will not be entitled to any Distribution or other payment for any delay after the due date in receiving the amount due on a Security if the due date is not a Payment Business Day or if the Securityholder is late in surrendering or cannot surrender its Certificate (if required to do so).
- (f) **Payment Business Days:** In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday, Sunday or a public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Beijing, Hong Kong and the place in which the specified office of the CMU Lodging and Paying Agent is located and (if surrender of the relevant Certificate is required) the relevant place of presentation.

8. TAXATION

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

Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor, by or within the PRC at the rate of up to and including ten per cent., the Issuer or, as the case may be, the Guarantor, will increase the amounts paid by it to the extent required, so that the net amount received by Securityholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding in respect of PRC tax in excess of ten per cent. or any British Virgin Islands deduction or withholding is required, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Securityholders 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 Security:

- (a) **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 Security by reason of his having some connection with any relevant jurisdiction other than the mere holding of the Security; or

- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented (where presentation is required) for payment more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Security for payment on the last day of such period of 30 days; or
- (c) **Tax Declaration:** to a Holder (or to a third party on behalf of a Holder) who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such declaration or claim, such Holder fails to do so within any applicable period prescribed by such relevant tax authority.

References in these Conditions to principal, premium, Distribution, Arrears of Distribution or Additional Distribution Amount shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition 8 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

“**Relevant Date**” in respect of any Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Securityholders that, upon further surrender of the Certificate representing such Security 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 shall be responsible for paying any tax, duty, assessments, government charges, withholding or other payment referred to in this Condition 8 or otherwise in connection with the Securities or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Securityholder or any other person to pay such tax, duty, assessments, government charges, withholding or other payment in any jurisdiction or to provide any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any), Distribution (including Arrears of Distribution and Additional Distribution Amount) or other amount under or in respect of the Securities without deduction or withholding for or on account of any tax, duty, assessments, government charges, withholding or other payment imposed by or in any jurisdiction.

9. NON-PAYMENT

(a) Non-payment When Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-Up of the Issuer or the Guarantor is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with Condition 5(d). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit any rights

of the Trustee or any of its directors, officers, employees or Appointees (as defined in the Trust Deed) to claim from or to otherwise take any action against the Issuer or the Guarantor in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Trust Deed, the Deed of Guarantee or the Securities.

(b) Proceedings for Winding-Up

- (i) If there is a Winding-Up of the Issuer, or the Issuer shall not make payment in respect of the Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may (provided that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.
- (ii) If there is a Winding-Up of the Guarantor, or the Guarantor shall not make payment in respect of the Guarantee and/or the Securities (in accordance with the Guarantee) for a period of 14 days or more after the date on which such payment is due, the Guarantor shall be deemed to be in default under the Trust Deed and the Guarantee and the Trustee may (provided that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Guarantor and/or prove in the Winding-Up of the Guarantor and/or claim in the liquidation of the Guarantor for such payment.

(c) Right of Securityholders

No Securityholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up of the Issuer or the Guarantor or to claim in the liquidation of the Issuer or the Guarantor or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Securityholder shall have only such rights against the Issuer or the Guarantor as those which the Trustee is entitled to exercise as set out in this Condition 9.

(d) Extent of Securityholders' Remedy

Without prejudice to the Trustee's enforcement rights under Condition 13, no remedy against the Issuer or the Guarantor, other than as referred to in this Condition 9, shall be available to the Trustee or the Securityholders, whether for the recovery of amounts owing in respect of the Securities or under the Trust Deed or the Agency Agreement or the Deed of Guarantee or in respect of any breach by the Issuer and/or the Guarantor of any of their respective other obligations under or in respect of the Securities, the Deed of Guarantee, the Agency Agreement or the Trust Deed.

The Trustee shall have no obligation to monitor whether a Non-Payment or Winding-Up has occurred in respect of the Issuer or the Guarantor and shall not be liable to the Holders, the Issuer, the Guarantor or any other person for not doing so.

In this Condition 9, “**Winding-Up**” means a final and effective court order or effective resolution for the winding-up, liquidation or similar proceedings in respect of the Issuer or the Guarantor (as applicable).

10. PRESCRIPTION

Claims against the Issuer or the Guarantor for payment of principal, premium or Distribution in respect of the Securities shall be prescribed and become void unless made within ten years (in the case of principal or premium) or five years (in the case of Distribution) 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 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 HOLDERS, MODIFICATION, WAIVER, AUTHORISATION, DETERMINATION, SUBSTITUTION OR VARIATION AND ENTITLEMENT OF TRUSTEE

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings of the Securityholders (and of passing Written Resolutions or Electronic Resolutions) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed or the Deed of Guarantee. Such a meeting may be convened by the Trustee or the Issuer or the Guarantor and shall be convened by the Trustee upon request in writing from Securityholders holding not less than ten per cent. in aggregate principal amount of the Securities 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 Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the principal amount of the Securities held or represented unless the business of such meeting includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed or the Deed of Guarantee, including consideration of proposals, *inter alia*, (i) to reduce or cancel the principal amount of, any premium payable on redemption of, or Distribution on the Securities, (ii) to change the currency of payment of the Securities, (iii) to modify the provisions concerning the quorum required at a meeting of Securityholders or the majority required to pass an Extraordinary Resolution or (iv) to modify or cancel the

Deed of Guarantee (other than as provided in Condition 12(b)), in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in aggregate principal amount of Securityholders for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders, 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 Securityholders of not less than 90 per cent. in principal amount of the Securities for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders 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 Securityholders.

The Trust Deed provides that any Extraordinary Resolution (including where passed by a Written Resolution) may be passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form reasonably satisfactory to the Trustee) by or on behalf of the relevant number of required Securityholders for such Extraordinary Resolution.

“**Electronic Resolution**” means any Extraordinary Resolution of the Securityholders passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form reasonably satisfactory to the Trustee), as described in this Condition 12 (Meetings of Securityholders, Modification, Waiver and Substitution) and as further described in, and as defined in, the Trust Deed.

(b) Modification, Waiver, Authorisation and Determination

The Trustee may (but shall not be obliged to) agree, without the consent of the Securityholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Deed of Guarantee or the Agency Agreement which, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error or is to comply with any mandatory provisions of law; and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Deed of Guarantee, the Trust Deed, the Securities or the Agency Agreement which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, waiver, authorisation or determination shall be binding on the Holders and, unless the Trustee agrees otherwise, such modification, waiver or authorisation shall be notified to the Securityholders by the Issuer, failing whom the Guarantor, as soon as practicable thereafter in accordance with Condition 16.

(c) Substitution or Variation

If a Special Event has occurred and is continuing, then the Issuer may at its option, subject to Condition 5 (without any requirement for the consent or approval of the Securityholders) and subject to it having satisfied the Trustee immediately prior to

the giving of any notice referred to in this Condition 12(c) that the provisions of this Condition 12(c) have been complied with, and on giving not more than 60 nor less than 30 days' irrevocable notice to the Securityholders in accordance with Condition 16 and to the Trustee and the CMU Lodging and Paying Agent in writing, at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities, and the Trustee shall (subject to the following provisions of this Condition 12(c) and subject to the receipt by it of the certificates signed by (a) any Authorised Signatory of the Issuer and (b) for and on behalf of an Independent Investment Bank, as referred to in the definition of Qualifying Securities) agree to such substitution or variation. Any such substitution or variation agreed to by the Trustee as aforesaid shall be binding on the Securityholders. The Trustee shall be entitled to accept, without any liability for so doing, such certificates as sufficient evidence of the matters required for such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Securities in accordance with this Condition 12(c). In connection therewith, any outstanding Arrears of Distribution (including any Additional Distribution Amount) shall be satisfied in full in accordance with the provisions of Condition 5(d)(vi).

In connection with any substitution or variation in accordance with this Condition 12(c), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions of this Condition 12(c) shall not be permitted if any such substitution or variation would itself give rise to a Special Event with respect to the Securities or the Qualifying Securities.

In this Condition 12(c):

“Independent Investment Bank” means an independent investment bank of international repute (acting as an expert) selected by the Issuer (at the expense of the Issuer, failing whom, the Guarantor) and notified in writing to the Trustee;

“Qualifying Securities” means securities that (a) have terms not materially less favourable to an investor than the terms of the Securities, and provided that certification to such effect (and confirming that the conditions set out in (i) to (iii) below of this definition have been satisfied) of (x) any Authorised Signatory of the Issuer and (y) an Independent Investment Bank, shall have been delivered to the Trustee prior to the substitution or variation of the relevant Securities upon which certificates the Trustee shall rely absolutely and without investigation or verification of the contents thereof), provided that (i) they are issued by the Issuer or any wholly-owned direct or indirect Subsidiary of the Guarantor; (ii) they are unconditionally and irrevocably guaranteed by the Guarantor; and (iii) they shall rank *pari passu* on a Winding-Up with the Securities, shall preserve the Securityholders' rights to any Arrears of Distribution, any Additional Distribution Amount and any other payment that has accrued with respect to the relevant Securities, and shall contain terms which provide at least for the same Distribution Rate, Distribution Payment Dates and redemption events, from time to time applying

to the Securities and otherwise have substantially identical (as reasonably determined by the Issuer) terms to the Securities, save where any modifications to such terms are required to be made to avoid the occurrence of a Gross-Up Event or, as the case may be, an Equity Disqualification Event; and (b) are listed on The Stock Exchange of Hong Kong Limited or such other stock exchange of international standing;

“**Special Event**” means a Gross-Up Event, an Equity Disqualification Event or any combination of the foregoing.

(d) Entitlement of the Trustee

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

13. ENFORCEMENT

The Trustee may, from time to time, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement, the Deed of Guarantee and/or the Securities (other than any payment obligation of the Issuer and/or the Guarantor under or arising from the Securities, the Trust Deed, the Agency Agreement or the Deed of Guarantee including, without limitation, payment of any principal or Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities which may be enforced by the Trustee in accordance with Condition 9 and any damages awarded for breach of any obligations), but it need not take any such proceedings or any other action under the Trust Deed unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Securityholders holding at least 25 per cent. in principal amount of the Securities then outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee shall incur no liability to the Issuer, the Guarantor, the Securityholders or any other person for taking or refraining from taking such action. No Holder may proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions that relieve the Trustee from taking proceedings to enforce its rights under the Trust Deed, the Deed of Guarantee, and the Agency Agreement and in respect of the Securities and to enforce payment unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to be paid its fees, costs, expenses and indemnity payments in priority to the claims of the Securityholders. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and/or any entity related to the Issuer and the Guarantor without accounting for any profit.

The Trustee may rely conclusively without liability to Holders on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely conclusively without liability on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Holders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Deed of Guarantee, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Securityholders by way of Extraordinary Resolution or clarification of any directions, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the Securityholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction or clarification from the Securityholders or in the event that no direction or clarification is given to the Trustee by the Securityholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor in relation to the Securities of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Securityholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Securityholders. The Trustee shall be entitled to rely conclusively on any direction, request or resolution of Securityholders given by Securityholders holding the requisite principal amount of Securities outstanding or passed at a meeting of Securityholders convened and held in accordance with the Trust Deed or by way of Written Resolution or Electronic Resolution (as defined in the Trust Deed).

Each Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantor, and the Trustee shall not at any time have any responsibility.

The Trustee shall have no obligation to monitor whether a Step-Up Event or Special Event has occurred, and shall not be liable to the Holders or any other person for not doing so.

15. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects save for the issue date, the first payment of Distribution on them, the deadlines for making and completing the Post-Issuance Reporting with the NDRC and the Cross-Border Security Registration and, to the extent necessary, certain temporary

securities law transfer restrictions) and so that the same shall be consolidated and form a single series with the outstanding Securities. Any further securities shall be constituted by a deed supplemental to the Trust Deed.

16. NOTICES

All notices to the Holders will be valid if mailed 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, 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 Securities are for the time being listed. Any notice shall be deemed to have been given, on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Operator, notices to Securityholders shall be given by delivery of the relevant notice to the CMU, for communication by CMU to entitled accountholders in substitution for notification as required by the Conditions, and such notice shall be deemed to be received by the Securityholders on the date of delivery of such notice to CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Securities, 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

17. GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Transaction Documents are governed by, and shall be construed in accordance with Hong Kong 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 Transaction Documents and accordingly any legal action or proceedings arising out of or in connection with any Transaction Document (“Proceedings”) may be brought in such courts. The Issuer, the Guarantor and the Trustee have in the Trust Deed, and the Trustee and the Guarantor have in the Deed of Guarantee, irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) Agent for Service of Process

Each of the Issuer and the Guarantor has irrevocably agreed to receive service of process at Hong Kong Huafa Investment Holdings Limited, whose principal place of business is currently at Unit 3605, 36/F, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong, in any Proceedings in Hong Kong.

(d) Waiver of Immunity

Each of the Issuer and the Guarantor 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 any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

(e) Rights of Third Parties

No person shall have any right to enforce any term or Condition of the Securities or any provision of the Trust Deed, the Agency Agreement or the Deed of Guarantee under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) save where expressly provided for.

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES IN GLOBAL FORM

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

Terms defined in the terms and conditions of the Securities (the “**Conditions**” or “**Terms and Conditions**”) set out in this Offering Circular have the meaning in the paragraphs below.

The Securities will be represented by a Global Certificate which will be registered in the name of, and deposited with, a sub-custodian for the HKMA, in its capacity as Operator of the CMU.

Under the Global Certificate, the Issuer, for value received, will promise to pay such principal, Distributions and premium (if any) on the Securities to the holder of the Securities on such date or dates as the same may become payable in accordance with the Conditions.

Owners of interests in the Securities in respect of which the Global Certificate is issued will be entitled to have title to the Securities registered in their names and to receive individual definitive Certificates if either CMU or any other clearing system through which the Securities are held 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 will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Holders of the Securities. A person with an interest in the Securities 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.

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

Payments: All payments in respect of Securities represented by a Global Certificate will be made to, or to the order of, the person whose account(s) interests in this Global Certificate is credited as being held by CMU at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a day on which CMU is operating and open for business.

Trustee’s Powers: In considering the interests of Securityholders while the Global Certificate is held on behalf of, or registered in the name of any 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, have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests as if such accountholders were the holders of the Securities represented by the Global Certificate.

Notices: So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, notices to Securityholders shall be given by delivery of each relevant accountholder via the CMU. Any such notice shall be deemed to have been given to the Securityholders on the day on which such notice is delivered to the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Securities, 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.

Cancellation: Cancellation of any Security represented by the Global Certificate which is required by the Conditions to be cancelled shall be effected by reduction in the principal amount of the Securities in the register of Securityholders and the Global Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in Schedule A to the Global Certificate.

DESCRIPTION OF THE ISSUER

FORMATION

Huafa 2024 I Company Limited is a limited liability company incorporated under the BVI Business Companies Act, 2004 (as amended) of the British Virgin Islands (BVI Company Number: 2140949) on 24 January 2024. It is an indirect wholly-owned subsidiary of the Guarantor. The Issuer is authorised to issue a maximum of 50,000 ordinary shares with a par value of US\$1.00 each. As at the date of this Offering Circular, one ordinary share, which was held by Hong Kong Huafa Investment Holdings Limited, had been issued and credited as fully paid. The Issuer's registered office is at Floor 4, Banco Popular Building, Road Town, Tortola VG1110, British Virgin Islands.

BUSINESS ACTIVITY

The Issuer was established pursuant to the unrestricted objects and powers set out in its memorandum of association. The Issuer does not sell any products or provide any services and it has undertaken no business activities since the date of its incorporation, other than those incidental to its incorporation and establishment as an indirect wholly-owned subsidiary of the Guarantor, the issue of securities and those incidental to the issue of securities.

FINANCIAL STATEMENTS

Under British Virgin Islands law, the Issuer is not required to publish interim or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements. The Issuer is, however, required to keep proper books of account records and underlying transactions of the Issuer as are necessary to give a true and fair view of the state of the Issuer's affairs and to explain its transactions and will enable the financial position of the Issuer to be determined with reasonable accuracy. The Issuer's accounts will be consolidated into the Company's consolidated financial statements.

DIRECTORS

As at the date of this Offering Circular, the directors of the Issuer are Xu Jili, Wang Yingyi and Chen Erqian (each of Xu Jili, Wang Yingyi and Chen Erqian's business address is Units 3605, 36/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong). As at the date of this Offering Circular, none of the directors of the Issuer holds any shares or options to acquire shares of the Issuer. The Issuer does not have any employees and has no subsidiaries.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is a large state-owned conglomerate in the PRC with its business operations primarily conducted in Zhuhai City, Guangdong Province, which is situated at the southern end of the Pearl River Delta Region. The Company was established as a wholly state-owned enterprise in 1980 and is under the direct supervision of Zhuhai SASAC. At its inception, the Group initially focused on property development in Zhuhai, and has gradually expanded into other cities and diversified its business operation. Currently, the Group's business primarily consists of six major segments, namely, urban operations, financial services, property development, industrial investment, sales and trading and modern services. In addition, the Group also engages in other businesses which are incidental to the Group's six major business segments.

- **Urban Operations.** The Group is one of the leading developers of urban operations projects in Zhuhai. The Group undertakes large-scale urban operations projects and has been mandated by the Zhuhai government for the development and construction of major infrastructure projects in Zhuhai. The Group carries out its urban operation projects in Zhuhai under the authorisation of Zhuhai government. The Group's major urban operations projects in Zhuhai include the development of the SZM CBD, the Zhuhai New Technology Area, the Doumen New Area, the Jinwan New Area, the Fushan New Area, the City's Heart and the Bonded Zone Phase II in relation to which the Group is responsible for the primary land development as well as the construction of major infrastructure facilities and their on-going management. In addition, the Group also engages in other major infrastructure projects in Zhuhai such as the construction and development of Lover's Coast walkway as well as the construction and management of subsidised housing projects in Zhuhai. Revenue generated from the Group's urban operations business was approximately RMB14,787.6 million, RMB18,931.3 million and RMB18,253.9 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB4,407.6 million, RMB6,513.6 million and RMB6,846.6 million, respectively, for the same periods.
- **Financial Services.** The Group operates its financial services business primarily through Huafa Investment and Huafa Financial, both of which are headquartered in the Hengqin New Area (橫琴新區) and are direct beneficiaries of the various national and provincial urban development policies of the PRC. Huafa Investment actively seeks business opportunities in licenced businesses and engages in a comprehensive range of financial services in areas such as mergers and acquisitions, as well as retail and commercial banking services. Huafa Investment aims to develop a portfolio of companies comprising commercial banks, securities firms, trust companies, multicurrency investment funds and financial leasing and insurance companies. In addition to its revenue generating business, Huafa Investment is also the fund raising platform of the Group. Huafa Investment's business comprises the following sub-businesses: (1) retail and commercial banking; (2) exchange platform; (3) principal investments; (4) securities and futures brokerage; (5) credit guarantee and microfinance; (6) marketing and (7) financial leasing and insurance. Huafa Financial centrally manages the Group's funds and provides internal banking services to the entities

within the Group. It also serves as a solution provider to meet the Group's financing needs. Huafa Financial is the second non-banking financial institution established in Zhuhai. Revenue generated from the Group's financial services business contributed approximately RMB2,626.0 million, RMB2,688.5 million and RMB2,380.4 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB2,292.4 million, RMB2,229.6 million and RMB1,889.1 million, respectively, for the same periods.

- **Property Development.** The Group conducts its property development business through its subsidiary, Huafa Properties, which has been listed on the Shanghai Stock Exchange since 2004. As at the date of this Offering Circular, the Group holds in aggregate 29.57 per cent. equity interest in Huafa Properties. Huafa Properties focuses on developing high quality residential properties and commercial properties in first- and second-tier cities in the PRC, including Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Nanjing, Hangzhou, Chengdu, Xi'an, Chongqing, Suzhou, Zhengzhou, Shenyang and Dalian, as well as primary land development for its property projects. In 2023, its contracted property sales amounted to RMB125.99 billion. As at 31 December 2023, Huafa Properties had an estimated aggregate capacity building area of approximately 4,339,852 sq.m. Revenue generated from the Group's property development business was approximately RMB47,837.9 million, RMB56,783.9 million and RMB68,350.2 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB12,719.9 million, RMB11,708.4 million and RMB12,122.6 million, respectively, for the same periods.
- **Technology Industry.** The Group commenced its technology industry in 2015. It established a platform of the technology industry cluster, covering industrial operation, industrial investment and industrial promotion. It has established a preliminary industrial investment system with investments across the full industry chain and is actively seeking investment opportunities in technology, media and telecommunication, health, high-end product manufacturing, energy saving and environmental protection, cultural and media industries and other growth industries. It mainly carries out its technology industry business via Zhuhai Huafa Technology Industry Group Co., Ltd. (珠海華發科技產業集團有限公司). As at the date of this Offering Circular, the Group has controlling interest in four publicly or NEEQ listed companies, namely Founder Technology, Advanced Fiber, Higrand and Leaguer Capacitor to further expand its technology industry business. It also invests in other companies in this industry, including BOE HC SemiTek Corporation (京東方華燦光電股份有限公司), Zhuhai Yueya Semiconductor Co., Ltd. (珠海越亞半導體股份有限公司), and Shanghai Aiko Solar Energy Co., Ltd. (上海愛旭新能源股份有限公司). In addition, the Group also plans to leverage its expertise and experience in the PRC property market to establish real estate investment funds to invest in real estate assets in the PRC. The Group's equity investment platform, Huajin Capital, was awarded one of the "Top 50 Private Equity Investment Institutions in China" in 2017 and 2018, and one of the "Top 50 State-owned Investment Institutions in China" in the 2019 and 2020 annual rankings published by Zero2IPO Group (清科集團). In 2022, Huajin Capital was further awarded one of the "Top 100 Private Equity Investment Institutions in China", "Top 50 State-owned Investment Institutions in China" and "Top 30 Investment Institutions in Advanced Manufacturing" and ranked

21st among the “2022 Top 50 Private Equity Investment Institutions in China”. As at 31 December 2023, the Group had invested in over 400 projects with total investment amounts of over RMB20 billion. Revenue generated from the Group’s technology industry business was approximately RMB2,223.0 million, RMB2,413.6 million and RMB4,568.8 million for the year ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated from the Group’s technology industry business was RMB491.8 million, RMB448.9 million and RMB617.8 million for the same period.

- ***Sales and Trading.*** The Group conducts its sales and trading business principally through its subsidiary, Huafa Trading. Huafa Trading engages in the trading of raw materials, construction materials and commodities and has traditionally been the Group’s trading and sourcing platform of raw materials and construction materials for the Group’s development and construction projects in its various business. Huafa Trading had developed and expanded its sales and trading operations beyond the Group to other domestic customers in the southern region of the PRC. In addition, the Group also engages in the distribution and sale of automobiles through Huafa Automobile and in the sales and service of mobile communication terminals through Beijing Digital. Revenue generated from the Group’s sales and trading business was approximately RMB67,039.8 million, RMB70,348.0 million and RMB75,772.3 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB445.7 million, RMB668.0 million and RMB571.4 million, respectively, for the same periods.
- ***Modern Services.*** The Group’s modern services business primarily focus on the development, construction and management of facilities for MICE, such as exhibition centres and hotels, primarily for development projects operated by the Group’s urban operations business, as well as the provision of various other ancillary services, including culture, education and tourism services. The Group is responsible for operating the Zhuhai International Convention Centre (珠海國際會議中心) and the Zhuhai International Exhibition Centre (珠海國際展覽中心), as well as the management of three hotels in Zhuhai, namely, Zhuhai Sheraton Hotel, Zhuhai Huafa Executive Exhibition Apartment and The St. Regis Zhuhai, all of which are located in the SZM CBD. The Zhuhai International Exhibition Centre is regarded as one of the largest and best exhibition centres in the Pearl River Delta Region. In addition, the Group provides property management services to the Group’s property development projects and subsidised housing projects, marketing consultancy services and human resources services. The Group’s modern services segment also includes culture, education and tourism services. The Group’s culture, education and tourism business complements the Group’s urban operations business. It involves the development, construction and operation of schools, art museums, auditoriums and music halls in various urban operations projects of the Group. The Group has also established Zhuhai Yung Wing School (珠海容閎學校) and Zhuhai Dulwich International High School Programme (德威國際高中課程) which are among the most prominent education brands in Zhuhai. Through its subsidiaries operating in the culture, education and tourism business, the Group held various major sports events, such as Huajin Securities WTA Elite Trophy Zhuhai since 2015, opera performances such as Turandot and arts exhibitions including Abalos architecture exhibition in Zhuhai.

In 2022, with the aim to become a leading enterprise in the new energy industry nationwide and assist Zhuhai City with deployment of photovoltaic energy, the Group focused on three businesses in new energy industries, namely, high-end manufacturing, photovoltaic power generation and rebuilding of the supply chain of new energy. Revenue generated from the Group's modern services business contributed approximately RMB3,734.8 million, RMB3,608.4 million and RMB3,460.1 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB547.1 million, RMB396.9 million and RMB527.8 million for the years ended 31 December 2021, 2022 and 2023, respectively.

- **Others.** The Group's other businesses mainly comprise businesses which are incidental to the Group's six major businesses. Revenue generated from this segment was RMB3,693.4 million, RMB2,861.8 million and RMB2,901.1 million for the years ended 31 December 2021, 2022 and 2023, respectively.

The Group's business operations are closely aligned with the social and economic development of Zhuhai and the Pearl River Delta Region. The Group has been a direct beneficiary of Zhuhai's rapid urbanisation and economic growth in past decades and expects to continue to benefit from the growth associated with the development of Zhuhai given favourable economic policies of the PRC government.

In late 2014, the State Council announced the proposed establishment of the Guangdong FTZ and subsequently on 25 April 2015, the Central Committee of the Communist Party of China and the State Council published the Opinion on Acceleration of Social Development (關於加快推進生態文明建設的意見), which outlined the development framework of three newly established free trade zones, including the Guangdong FTZ. It is expected that the Guangdong FTZ will further enhance cooperative opportunities among Hong Kong, Macau and the Guangdong Province in areas such as domestic trade and financial services.

In April 2015, the State Council published the Plan of the China (Guangdong) Pilot Free Trade Zone (國務院關於印發中國(廣東)自由貿易試驗區總體方案的通知), which approved the development plan of the Guangdong FTZ and positioned the Guangdong FTZ as part of the strategic platform to promote and support business cooperation among Hong Kong, Macau and the Guangdong province. On 6 December 2015, the State Council published the Opinion on Acceleration of the Implementation of the Free Trade Zone (國務院關於加快實施自由貿易區戰略的若干意見) to, among other things, further optimise the construction layout and accelerate the construction of the free trade zone. The Hengqin New Area is identified as part of the development framework of Guangdong FTZ as well as a key component of the Guangdong-Hong Kong-Macau free trade zone (粵港澳自由貿易區) consisting the Hengqin New Area, Nansha and Qianhai. The Hengqin New Area is located at the focal point among Hong Kong, Macau and the Guangdong province and benefits from new transportation infrastructure, as well as other preferential policy treatments, such as those relating to custom, tax, land and financial services. In 2019, with the issuance of the Outline Development Plan for the Guangdong-Hong Kong-Macau Greater Bay Area (粵港澳大灣區發展規劃綱要) by the State Council and the commencement of operation of the Hong Kong-Zhuhai-Macau Bridge, the Hengqin New Area is expected to play a major socio-economic role as the platform bridging the Guangdong Province and international markets. As at the date of this Offering Circular, the Group believes the Guangdong-Hong Kong-Macau Greater Bay Area will be of

increasing importance to the economic development of the region and country, and the Group believes that it is well-positioned to benefit from the economic growth of the Pearl River Delta Region, including Hong Kong and Macau, and in particular, the favourable economic development policies to develop Zhuhai, the Hengqin New Area and the Guangdong FTZ.

In 2023, upon the State Council's approval, the PBOC, the CBIRC, the CSRC, the SAFE and the Guangdong government jointly published Opinions on Financial Support for the Construction of Guangdong-Macau In-Depth Cooperation Zone in Hengqin (關於金融支持橫琴粵澳深度合作區建設的意見) (the “**Opinions**”) to provide robust financial support for the construction of Hengqin New Area, to form an organic system with dynamic participation of Hong Kong and Macau and to assist Macau with establishing a modern financial system with diversified financial products. The Opinions encourages enterprises and financial institutions to issue bonds in Macau and provides support to build a Macau bond market in order to diversify the financing channels for enterprises in the In-Depth Cooperation Zone. The In-Depth Cooperation Zone is a new platform to promote Macau's moderate and diversified economic development, to improve Macau people's livelihood and employment and to play a strategic role in advancing the construction of the Guangdong-Hong Kong-Macau Greater Bay Area, boasting superior economic and development competitiveness.

For the years ended 31 December 2021, 2022 and 2023, the total revenue of the Group was approximately RMB141,942.5 million, RMB157,635.5 million and RMB175,686.9 million, respectively, and the operating profit of the Group was approximately RMB10,147.6 million, RMB9,369.3 million and RMB8,807.6 million for the same periods. As at 31 December 2021, 2022 and 2023, the Group's total assets amounted to RMB557,423.3 million, RMB653,440.3 million and RMB729,649.0 million, respectively, and the Group had total liabilities of RMB427,105.1 million, RMB482,573.0 million and RMB554,400.7 million.

RECENT DEVELOPMENTS OF THE GROUP

Performance of the Group as at and for the three months ended 31 March 2024

On 30 April 2024, the Group published its 2024 Q1 Interim Financial Statements on the website of the China Foreign Exchange Trade System, which were not subject to an audit or review. The financial information in the 2024 Q1 Interim Financial Statements may differ from future audited or reviewed information and the 2024 Q1 Interim Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit or review. None of the Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation, warranty or undertaking, express or implied of, or accepts any responsibility or liability with respect to the 2024 Q1 Interim Financial Statements. The 2024 Q1 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2024. The 2024 Q1 Interim Financial Statements have not been included in, and do not constitute part of, this Offering Circular. See “*Risk Factors — Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular.*”

For the three months ended 31 March 2024, the Group's total operating revenue decreased as compared to the same period in 2023 and the Group also recorded a decrease in its total operating costs for the three months ended 31 March 2024 as compared to the same period in 2023. The Group's net profit for the three months ended 31 March 2024 recorded a decrease as compared to the same period in 2023.

As at 31 March 2024, total liabilities of the Group increased as compared to the balance as at 31 December 2023, which was primarily attributable to the increase of contract liabilities, financial assets sold for repurchase, other payables, non-current liabilities due within one year, other current liabilities, long-term loan and bonds payables it incurred to meet the Group's increasing capital needs as it continued to expand and grow its business.

Major land acquisition since 31 December 2023

Subsequent to 31 December 2023, Huafa Properties acquired certain parcels of land and the major acquisition is set forth in the table below:

Location	Site Area (thousand sq.m.)	Type	Attributable Interest (per cent.)
Shanghai	31.5	Residential	51

Additional indebtedness since 31 December 2023

Since 31 December 2023, the Group has incurred indebtedness to finance its business development and supplement its working capital. Since 31 December 2023 and as at the date of this Offering Circular, it has issued debt instruments, including commercial papers, medium-term notes, corporate bonds and asset-backed securities, with an aggregate principal amount of RMB17.25 billion in domestic capital market in the PRC.

Asset injection into the Company

According to Notice on the Transfer of the Zhuhai Jiuzhou Holding Group Co., Ltd. to Zhuhai Huafa Group Co., Ltd. With No Consideration (Zhu Guozi [2024] No. 24), Zhuhai SASAC will transfer the assets of Zhuhai Jiuzhou Holding Group Co., Ltd. (九洲控股集團有限公司) to the Company with no consideration. As at the date of the Offering Circular, integration procedures such as asset clearance, capital verification, handover and transfer are being carried out in an orderly manner.

HISTORY AND DEVELOPMENT

In 1980, the real estate department of Zhuhai Special Economic Zone Development Company (珠海經濟特區發展公司房地產經理部) (the predecessor of the Company) was established. Set forth below are certain key corporate historical events and milestones of the Group:

- 1980 The real estate department of Zhuhai Special Economic Zone Development Company (珠海經濟特區發展公司房地產經理部) (the predecessor of the Company) was established. In the same year, the first real estate project in Zhuhai Special Economic Zone named “Yinhai New Village” (銀海新村) was undertaken by the real estate department of Zhuhai Special Economic Zone Development Company and Macau Xinlian Real Estate Co., Ltd., (澳門新聯地產公司) at Gongbei Shuiwan Road.
- 1984 The “Huafa tourism shopping mall of Zhuhai Special Economic Zone Development Company” (珠海經濟特區發展公司華發旅遊商場) was established as a self-financing economic entity with independent accounting system.
- 1991 From 1985 to 1991, the “Huafa tourism shopping mall of Zhuhai Special Economic Zone Development Company” changed its name to “Zhuhai Special Economic Zone Huafa Group Corporation” (珠海經濟特區華發集團公司).
- 1992 Huafa Properties was established.
- 1994 Huafa Properties was ranked 9th in “Top 100 Real Estate Enterprises” (全國房地產綜合效益百強企業), becoming the first enterprise in Zhuhai listed in national top 100 real estate enterprises. In the same year, Huafa Properties obtained the “National First-level Real Estate Development Qualification” (國家一級房地產開發資質).
- 2003 The Group launched its “Nationwide Layout” strategy (全國戰略).
- 2004 Huafa Properties became listed on the Shanghai Stock Exchange. In the same year, Huafa Properties was named as the “Top 20 Chinese Real Estate Listed Companies” (年度中國房地產上市公司20強).

- 2009 Zhuhai SZM CBD Construction Holdings Co., Ltd. was established for the overall planning and design of the business district in an area of 5.77 square kilometres, and the urban development and infrastructure construction therein.
- 2012 The Group started to implement the strategy of transforming itself from a real estate developer to a comprehensive enterprise group.
- 2020 The Group ranked the 259th among Top 500 Enterprises of China (中國企業500強) by China Enterprise Confederation (中國企業聯合會) and China Enterprise Directors Association (中國企業家協會), representing an increase of 225 places compared to its ranking in 2016, when the Group was listed as one of the Top 500 Enterprises of China for its first time. Huafa Properties ranked the 296th among “Fortune China 500”.
- 2021 Huafa Property Management ranked the 21st among the “2021 China Property Service Top 100 Enterprises” by China Index Academy (中國指數研究院).

The Group ranked the 203rd among the “2021 China Top 500 Enterprises” by China Enterprise Association (中國企業聯合會) and China Entrepreneur Association (中國企業家協會).

In 2021, the Group became the largest taxpayer in Zhuhai, with contribution to the GDP of Zhuhai, tax income of Zhuhai and fixed asset investment in Zhuhai of approximately RMB14.6 billion, RMB8.0 billion and RMB35.3 billion, respectively, representing approximately 16 per cent., 50 per cent. and 13 per cent. year-on-year increase. The Group’s tax contribution amounted to approximately 8 per cent. of the total tax income of Zhuhai for 2021, as compared to approximately 6 per cent. for 2020. In 2021, the Group’s overall tax contribution to the tax income of Zhuhai ranked the fourth among those of the state-owned enterprises in Guangdong. In addition, in 2021, the Group contributed approximately RMB31.2 billion to the GDP of China and RMB15.2 billion to the tax income of China.

In April 2021, Huafa Industrial Co., Ltd. Zhuhai (珠海華發實業股份有限公司) (Stock Code: 600325.SSE) changed its English name to Zhuhai Huafa Properties Co., Ltd.

In 2021, Huafa Properties passed all criteria under the “Three Red Lines” policy in advance and achieved both “financial stability” and “operational profitability”.

In 2021, the Group built Zhuhai Health Station within 45 days, representing the first health station with 2,224 rooms in China and had been the model for the national regular epidemic prevention and control in 2021.

According to the Reply on Amendments to Articles of Association of Zhuhai Huafa Group Co., Ltd. (Zhuguozi (2021) No. 342) (關於珠海華發集團有限公司修訂章程等事項的批復) (珠國資[2021]342號) and relevant shareholders' resolutions, it is approved that Zhuhai SASAC will increase its capital injection in the Company by RMB15.8 billion. In November 2021, Zhuhai SASAC completed its capital injection in amount of RMB8.0 billion.

2022 The Group ranked the 183rd among the “2022 China Top 500 Enterprises” by China Enterprise Association and China Entrepreneur Association, which makes it the seventh year for the Group to stay at the ranking. It also ranked the 67th among the “2022 China Top 500 Service Enterprises” and the 73rd among the “Top 100 Multinational Enterprise” by China Enterprise Association and China Entrepreneur Association.

In 2022, the Group played a major role in constructing the New Industry Space 5.0 (5.0產業新空間) and led the construction of four industry parks that took up the space of approximately 1,620,000 sq.m.

Huafa City Operations was awarded “Top 10 China Industrial New City Operator” (中國產業新城運營商綜合實力TOP 10).

Huafa Property Management ranked the 19th among the “2022 China Property Service Top 100 Enterprises” by China Index Academy.

Huajin Capital ranked the 21st among the “2022 Top 50 Private Equity Investment Institutions in China” by Zero2IPO Group (清科集團).

Huafa Properties was awarded “Top 20 Influential Real Estate Enterprises of 2022” by Bo’ao Real Estate Forum (博鰲房地產論壇).

Huafa Properties won four awards at the 2022 Asia Real Estate Awards: Huafa Properties was recognised with the “Outstanding Brand Real Estate Enterprise of the Year”; Huafa Binjiangfu project in Foshan was recognised with the “High-end Residential Project of the Year”; Guangzhou Meidi Huafa Tianpo was recognised with both the “Boutique Villa Project of the Year” and “Villa Project of the Year”.

2023 The Group ranked the 169th among the “2023 China Top 500 Enterprises” by China Enterprise Association and China Entrepreneur Association, which makes it the eighth year for the Group to stay at the ranking.

The Group was selected as one of the “Double Hundred Enterprises” (雙百企業) for state-owned enterprise reform by the State Council in 2023 and was awarded to be the national benchmark.

Huafa City Operations was awarded “Top 10 China Industrial New City Operator” (中國產業新城運營商綜合實力TOP 10).

Huajin Capital ranked the 15th among the “2023 Top 50 Private Equity Investment Institutions in China” by Zero2IPO Group (清科集團), and was ranked among the “2023 China Top 30 New Energy/New Materials Investment Institutions” (2023年中國新能源／新材料領域投資機構30強), “2023 China Top 30 Semiconductor Investment Institutions” (2023年中國半導體領域投資機構30強) and “2023 China Top 30 Healthcare Investment Institutions” (2023年中國醫療健康領域投資機構30強).

Huajin Futures Corporation (華金期貨有限公司) was awarded the “Jiefu Award — Excellent Social Responsibility Futures Service Provider” (介甫獎 — 優秀社會責任期貨服務商).

Huafa Properties was listed in the Fortune China 500 for the 9th time, ranked 12th in the “2023 China Top 100 Real Estate Companies” (2023中國房地產百強企業), 6th in the “2023 China Top 30 Real Estate Brand Value” (2023中國房地產品牌價值TOP30), and 11th in the “Top 100 Newly Added Land Value of China’s Real Estate Companies” (中國房地產企業新增土地價值TOP100榜).

Huafa Properties was awarded the “2022–2023 China Real Estate Annual Social Responsibility Enterprise” (2022–2023中國房地產年度社會責任感企業) and “ESG Rookie Enterprise” (ESG新秀企業) and was successfully selected into the “Greater Bay Area State-owned Enterprise ESG Development Index” (大灣區國企ESG發展指數) with its project winning the “ESG Benchmark Practice Project Award” (ESG標桿實踐項目獎).

Huafa Property Management ranked the 16th among the “2023 China Property Service Top 100 Enterprises” and was awarded the 6th Zhuhai Mayor Quality Award (第6屆珠海市市長質量獎).

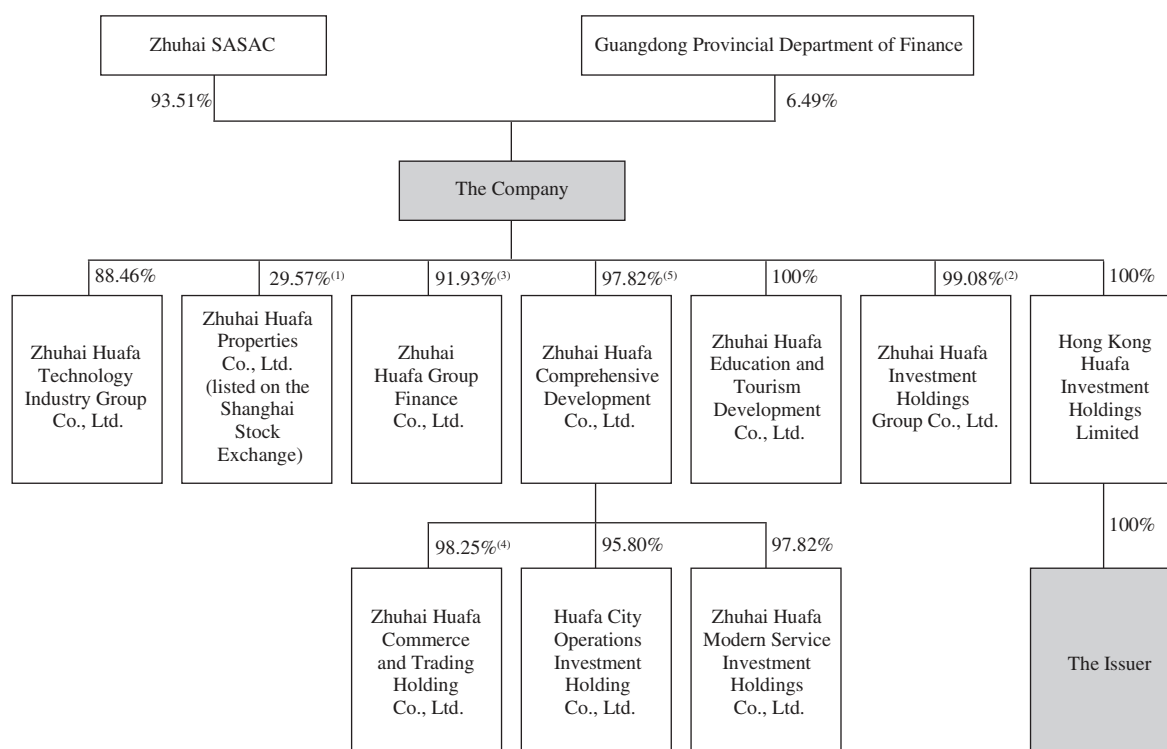
Zhuhai Huafa Digital Intelligence Technology Co., Ltd. (珠海華發數智技術有限公司), a subsidiary of the Group, was selected into the list of “Science and Technology Reform Enterprises” (科改企業) for state-owned enterprise reform by State-owned Assets Supervision and Administration Commission of the State Council, which makes the Group a state-owned enterprise in both the becoming a state-owned enterprise in both the “Double Hundred Action” (雙百行動) and “Science and Technology Reform Action” (科改行動) by the State Council.

The Group signed the “Cooperation Framework Agreement on the Joint Construction of the Shizimen Financial District” (共建十字門金融區合作框架協議) with financial institutions to develop cross-border finance.

The Group has established the “8+2” approach, holding interest in eight publicly listed companies (including Huafa Properties, Huajin Capital, Huafa Property Services, Johnson Hldgs, Shenzhen Weiye, Advanced Fiber, Beijing Digital and Founder Technology) and two NEEQ-listed companies (including Higrand and Leaguer Capacitor) and having achieved a high-end and industry-wide platform to serve the real economy and the urban development.

SIMPLIFIED CORPORATE STRUCTURE

The following chart shows the Group's simplified corporate structure⁽⁶⁾ as at the date of this Offering Circular, listing its principal subsidiaries.



Notes:

- (1) The Company directly owns 26.3 per cent. equity interest in Huafa Properties and holds the remaining interests in Huafa Properties through its subsidiary Huafa Development.
- (2) The Company directly owns 57.8 per cent. equity interest in Huafa Investment and holds the remaining interests in Huafa Investment through its subsidiary Huafa Development.
- (3) The Company directly owns 30.0 per cent. equity interest in Huafa Financial and holds the remaining interests in Huafa Financial through its subsidiaries Zhuhai Huachuang Investment Management Co., Ltd., Zhuhai SZM CBD Construction Holding Co. Ltd., Huafa Trading, Huafa Investment and Huafa Properties.
- (4) The Company directly owns 20.0 per cent. equity interest in Huafa Trading and holds the remaining interests in Huafa Trading through its subsidiary Huafa Development.
- (5) The Company directly owns 80.1% equity interest in Zhuhai Huafa Comprehensive Development Co., Ltd. and holds 17.7% interests in Zhuhai Huafa Comprehensive Development Co., Ltd. through its subsidiary Zhuhai Huafa Innovation Investment Holding Co., Ltd. (珠海華發創新投資控股有限公司).
- (6) The percentage numbers in the simplified corporate structure are the percentage ultimately owned by the Company.

COMPETITIVE STRENGTHS

As at the date of this Offering Circular, the Group believes that its historical success and future prospects are attributable to the following competitive strengths:

The Group is the leading operator of urban operations projects in Zhuhai and has been closely aligned with the general social and economic development of Zhuhai

The Group is currently the leading developer of urban operations projects in Zhuhai. The Group is one of the two key state-owned enterprises with headquarters located in Zhuhai and one of the largest public utilities and infrastructure operators in Zhuhai. Since the commencement of the Group's business operations in Zhuhai in 1980, the Group's business operations have been closely aligned with the general social and economic development of Zhuhai. As one of the core cities of the Pearl River Delta Region, Zhuhai has experienced rapid growth in recent years. According to the Zhuhai Economic and Social Development Statistics Report of 2021 (2021年珠海市國民經濟和社會發展統計公報) prepared by the Statistics Bureau of Zhuhai (珠海市統計局), Zhuhai's GDP increased by 6.9 per cent. to RMB388.2 billion for the year ended 31 December 2021. According to the 2022 Zhuhai Economy Development Brief (2022年珠海市經濟運行簡況) published on the website of People's Government of Guangdong Province¹, Zhuhai's GDP increased by 2.3 per cent. to RMB404.5 billion for the year ended 31 December 2022. According to the 2023 Zhuhai Economy Development Brief (2023年珠海市經濟運行簡況) published on the website of People's Government of Guangdong Province², Zhuhai's GDP increased by 3.8 per cent. to RMB423.3 billion for the year ended 31 December 2023. According to the 19th Annual Report on China's Urban Competitiveness (中國城市競爭力第19次報告) published by the National Academy of Economic Strategy of the PRC (中國社會科學院財經戰略研究院) in November 2021, Zhuhai ranked 23th in terms of comprehensive economic competitiveness among cities in the PRC. As at 31 December 2023, the Group was the largest state-owned enterprise in Zhuhai in terms of total assets.

As part of the national urban planning and development policies, the Zhuhai government has promulgated the Top Ten Key Construction Plans (十大重點工程) in 2009 which in 2013 was further expanded to comprise 102 construction projects of various scales in Zhuhai. Leveraging the Group's proven track record in its core market in Zhuhai, the Group has been mandated by the Zhuhai government to undertake various major urban operations projects under The Top Ten Key Construction Plans, such as the SZM CBD project, the Fushan New Area project and Zhuhai New Technology Area, in which the Group is responsible for the primary land development of an aggregate of approximately 300,000,000 sq.m. in Zhuhai. Furthermore, the Group has also been mandated by the Zhuhai government to undertake major infrastructure projects under the Top Ten Key Construction Plans, such as the designing and planning of Lover's Coast and construction of subsidised housings in Zhuhai.

Note:

1 http://www.gd.gov.cn/zwgk/sjfb/dssj/content/post_4088823.html.

2 https://www.gd.gov.cn/zwgk/sjfb/dssj/content/post_4357172.html.

The Group's other businesses, namely, financial services, property development, technology industry, sales and trading as well as modern services are also strategically aligned with the national urban planning and development policies of the PRC. As at the date of this Offering Circular, the Group believes that its market position as the leading developer of urban operations projects in Zhuhai as well as its track record in a diverse range of business will enable it to continue to benefit from the future growth of Zhuhai.

The Group is strategically positioned as an effective platform to enhance the cooperation among Hong Kong, Macau and Zhuhai and capture strong growth opportunities in the Pearl River Delta Region

The Group is one of the largest state-owned conglomerates with its core business operations rooted in Zhuhai, the strategic city on the west bank of the Pearl River Delta Region. It is well positioned to benefit from the ongoing development of Zhuhai and the Pearl River Delta Region, as well as the increasing integration among Hong Kong, Macau and Zhuhai.

The Pearl River Delta Region, along with the Yangtze River Delta Region (長江三角洲地區) and the Bohai Economic Rim (環渤海經濟區), are three major economic regions of the PRC. In April 2015, the State Council published the Notice of the Overall Development Plan of the China (Guangdong) Pilot Free Trade Zone (國務院關於印發中國(廣東)自由貿易試驗區總體方案的通知) which approved the development plan of the Guangdong FTZ and positioned the Guangdong FTZ as part of the strategic platform to promote and support business cooperation among Hong Kong, Macau and the Guangdong province. It is expected that the Guangdong FTZ will further enhance cooperative opportunities among Hong Kong, Macau and the Guangdong Province in areas such as domestic trade and financial services.

Furthermore, Hengqin New Area has been identified as part of the development framework of Guangdong FTZ and the SZM CBD is the first project in the PRC government's strategic plan to develop the Hengqin New Area. On 4 May 2018, the State Council published the Notice on Further Deepening the Reform and Opening-up Plan for the China (Guangdong) Free Trade Pilot Zone (國務院關於印發進一步深化中國(廣東)自由貿易試驗區改革開放方案). The Notice confirms that Guangdong FTZ will be a leading area for China's new model of open-economy, a model zone for the enhanced cooperation in the Guangdong-Hong Kong-Macau Greater Bay Area and a core hub for international trade and business. As at the date of this Offering Circular, the Group believes that the Guangdong FTZ is expected to play a major role as the platform between the Guangdong Province and international markets.

In 2017, the PRC government proposed the intention to establish the Guangdong-Hong Kong-Macau Greater Bay Area in order to enhance the development and interaction between the mainland China and Hong Kong and Macau regions. The Guangdong-Hong Kong-Macau Greater Bay Area encompasses nine cities & two SARs (Special Administrative Regions) with an overall population of approximately 70 million and overall GDP of approximately CNY10.1 trillion in 2017. According to the Report on Reform and Innovation of Guangdong-Hong Kong-Macau Greater Bay Area in China (2020) (粵港澳大灣區改革創新報告(2020)), the Guangdong-Hong Kong-Macau Bay Area is one of the regions with the highest degree of openness and the strongest economic vitality in China. In 2023, the overall GDP of the Guangdong-Hong Kong-Macau Bay Area reached CNY14.1 trillion with an overall population of approximately 86 million. As at the date of

this Offering Circular, the Group believes the launch of the Guangdong-Hong Kong-Macau Greater Bay Area, together with the advanced highway system in the area, including the opening of the Hong Kong-Zhuhai-Macau Bridge, will largely propel the economic development of Hengqin New Area and bring new business opportunities to the region as well as the Group.

The Group's core operations in the urban operations business are strategically located in the Hengqin New Area, which will serve as an effective platform for close cooperation among Hong Kong, Macau and Zhuhai. The Group was mandated by the Zhuhai government in 2009 to undertake the overall planning and design, land development, construction of major infrastructure projects and attracting third-party investments of SZM CBD. The SZM CBD is located in the Hengqin New Area of Zhuhai, which is adjacent to Macau and located approximately 41 kilometres from Hong Kong. The SZM CBD is also located near the entrance of the Zhuhai portion of Hong Kong-Zhuhai-Macau Bridge. Together with the extension project of the existing Guangdong — Zhuhai Railway line, the SZM CBD is expected to be the focal point of the Pearl River Delta Region. The Group expects the development of the Hengqin New Area will continue to benefit from favourable governmental policies.

The Group believes that these favourable governmental policies would accelerate the development of and investments into SZM CBD and Zhuhai, which in turn would enhance the Group's future growth and business prospects. The Group also believes that its business operations in the SZM CBD gives it first-mover advantages to capitalise on the future growth potentials in the development of service industries in the Hengqin New Area such as financial services, tourism, cultural and creative industry.

The Group has established a strong relationship with PRC governmental authorities

The Company was established as a wholly state-owned enterprise in 1980 which is under the direct supervision of Zhuhai SASAC and has established a strong relationship with PRC governmental authorities. Initially focusing on property development, the Group has cooperated with affiliates of the Zhuhai government to develop property projects in Zhuhai since 1980. This long-standing relationship has since progressed into other business of the Group, particularly its urban operations business.

The Group's business operations have benefited from strong support from the Zhuhai government in various forms. In 2009, the Group was mandated by the Zhuhai government to undertake the overall planning and design, land development and construction of major infrastructure projects of SZM CBD as well as attracting third-party investments into the area. In addition, the Group has been authorised by the Zhuhai government to undertake various infrastructure and other urban operations projects in Zhuhai, a majority of which are jointly developed with affiliates of the Zhuhai government. In particular, the Group has been mandated by the Zhuhai government to conduct primary land development of a total area of over 30.8 square kilometres in SZM CBD and other parts of Zhuhai. The Group has also been mandated to engage in the construction of subsidised housing projects in Zhuhai. In 2010, the Group received support from Zhuhai SASAC in the form of capital injections of approximately RMB7.0 billion in connection with the development of SZM CBD. As at 31 December 2023, the Group had received capital injections totalling RMB31.4 billion from Zhuhai government since 2010 to support its operations in urban development.

As at the date of this Offering Circular, the Group believes that its strong relationship with PRC governmental authorities, in particular the Zhuhai government, coupled with its track record of urban operations projects, would enable the Group to continue to receive support from the PRC governmental authorities to undertake future landmark urban operations projects in Zhuhai and elsewhere in the Pearl River Delta Region.

The Group has developed an extensive financial products and services portfolio to capture growth opportunities and has access to diversified financing channels to support its future growth

The Group's financial services arms, Huafa Investment and Huafa Financial, were established in August 2012 and September 2013, respectively. The Group's financial services business has since developed an extensive financial products and services portfolio and is capable of accessing diversified financing channels which as at the date of this Offering Circular, the Group believes will facilitate the future growth of the Group and enhance the liquidity of the Group.

Huafa Investment has an extensive financial products and services portfolio comprising retail and commercial banking, securities brokerage, financial leasing, property and life insurance, real estate investment funds and an exchange platform. As at the date of this Offering Circular, the Group believes that Huafa Investment's financial products and services portfolio has laid a strong foundation for the Group to capture the growth opportunities arising from an increasing demand for financial products and services as Zhuhai strives to develop into a prominent financial centre in the Pearl River Delta Region. Furthermore, Huafa Investment has over the years successfully assisted the Group in accessing a wide variety of financing channels as the Group's operations continue to expand, including bank loans and other innovative fund-raising methods such as rights issues and other secondary equity offerings for its listed subsidiaries, as well as corporate bonds issuance and notes issuance under medium term note programmes in the debt capital markets, in the PRC. Huafa Financial centrally manages the Group's funds and serves as the Group's internal banking function and the Group's solution provider to meet the Group's financing needs, while also providing advisory services to the Company and its subsidiaries (excluding those which the Company has less than 51 per cent. equity interest) regarding their financing activities. The Group has maintained a strong liquidity position through its diversified business and had received a long-term credit rating of "AAA" by China Lianhe Credit Rating Co. Ltd., one of the leading credit rating agencies in the PRC, in May 2017, a credit rating of "BBB" by Fitch in July 2015 and a global scale long-term issuer credit rating of "A+" with stable outlook by Lianhe Global in April 2024. The Company believes it is one of the few state-owned enterprises in the Guangdong Province primarily focused on, amongst others, urban operations, financial services and property development, to have obtained an investment credit rating from international rating agencies. The Group has also maintained a close working relationship with major PRC banks. As at 31 March 2024, bank facilities available to the Group amounted to approximately RMB523.2 billion (with aggregate undrawn bank facilities totalling approximately RMB312.1 billion) from domestic financial institutions, such as China CITIC Bank, Industrial Bank, Ping An Bank, China Guangfa Bank, China Everbright Bank, Industrial and Commercial Bank of China and Bank of China.

As at the date of this Offering Circular, the Group believes that its extensive financial products and services portfolio, as well as the diversified financing channels available to the Group, will continue to enable the Group to equip itself for future growth, financial liquidity and capture potential opportunities.

The Group has established strong brand recognition in its core market in Zhuhai and enjoys robust synergies among its diversified business operations.

The Group was established in Zhuhai in 1980 and initially focused on property development in Zhuhai.

The Group's well-established brand of "Huafa" (華發) in the property market in Zhuhai enjoys a reputation for excellence in quality, after sales-service and property management. The Group has transformed from a single regional real estate company to a comprehensive enterprise group with three major industrial clusters — technology, urban development, and finance — advancing in parallel. The overall strength of the group and the development level of its three major clusters consistently rank at the forefront of China's state-owned enterprises. Leveraging its well-established "Huafa" brand, the Group has strategically expanded into a wide variety of business, including six main business segments, namely urban operations, financial services, property development, sales and trading, culture, education and tourism, as well as modern services. As at the date of this Offering Circular, the Group believes that its diversification efforts have enabled it to achieve synergies and capture future growth opportunities across a wide range of segments in the Pearl River Delta Region. For example, the Group's long-standing and successful track record in developing large-scale residential community projects, such as its flagship property project, Huafa New Town (華發新城), has enabled the Group to utilise its experience and expertise in urban planning and development in its urban operations projects such as the Zhuhai New Technology Area, Fushan New Area and the Jinwan New Area. Furthermore, the large volume of construction materials required for these projects are ultimately sourced internally from the Group's sales and trading business by various contractors, which allowed the Group to exercise efficient control over the quality of its projects and reduce production costs. The Group's other businesses, such as property management services, hotel management services as well as modern services also serve as complementary functions to the Group's property development and urban operations projects, while the Group's financial services business serves as a solution provider to meet the financing needs of the Group's other business. After years of development, the Group's business covers more than 70 major cities in the PRC, as well as some overseas cities in the U.S., Southeast Asia and Europe such as San Francisco, Thailand, Italy and Tel Aviv.

As at the date of this Offering Circular, the Group believes that its diversified business operations constitute an integrated value chain with robust synergies, enabling the Group to achieve scale of operations and effectively respond to the general market conditions by strategically entering into new business areas with growth opportunities in a timely manner while also achieving cost efficiency.

The Group has an experienced management team and has adopted a commercially driven approach to managing its business operations

The Group's management team has extensive experience in the various businesses, including urban operations, property development and financial services. The management team has an average 20 years of management experience in either the Group or other large

corporations, with a majority of those with their core operations in the Pearl River Delta Region. Many members of the Group's management team also serve, or have served, in various positions of Zhuhai SASAC. As at the date of this Offering Circular, the Group believes that its management team's extensive experience in a broad range of industries and strong execution capabilities will continue to be instrumental in executing its business strategies and capturing market opportunities as they arise, and contribute to the sustainable growth of the Group. In addition, the Group's operation teams are led by professionals with extensive experience in operation and management of the relevant industries supported by a highly skilled and well-trained workforce. In particular, a majority of the senior management team of the Group has obtained a post-graduate degree or above.

Throughout its years of operation and management of its various businesses, the Group has been able to maintain effective management and operational control over its key subsidiaries. The Group has adopted a commercially driven approach to managing its business operations while leveraging on its established relationship with governmental authorities with a view to maximising its growth potential.

BUSINESS STRATEGIES

The Group's business strategies are detailed below:

Further enhance the Group's core competitive advantage in the urban operations business by leveraging the increasing integration of Hong Kong, Macau and Zhuhai as well as support from governmental authorities

The Group recognises the significant opportunities presented by the increasing integration among Hong Kong, Macau and Zhuhai supported by the various national and local urban planning and development policies. As at the date of this Offering Circular, the Group believes that the existing national and local urban planning and development policies, as well as the development of Guangdong FTZ, will accelerate the growth of Zhuhai and the Pearl River Delta Region and lead to further growth opportunities in the Group's urban operations business. The Group will continue to focus on the various infrastructure construction projects in SZM CBD and plans to replicate the urban operations model adopted in SZM CBD into the Group's future urban operations projects in Zhuhai and the Pearl River Delta Region in general. As at the date of this Offering Circular, the Group believes the successful completion of the SZM CBD project will help improve its core competitive advantage in the urban operations business and establish itself as one of the leading developers of urban operations projects in the Pearl River Delta Region as it increases its scale of operations in the urban operations business. The Group also aims to continue to leverage the close relationship with the Zhuhai government with a view to obtain mandates to undertake major infrastructure projects such as the Zhuhai Railway Underground Transportation Hub and subsidised housing projects, which are capable of generating stable revenue stream upon completion. By utilising its existing competitive strengths alongside with the future development policies of the Guangdong FTZ and the Hengqin New Area, the Group will continue to seek business opportunities arising from the increasing integration of Hong Kong, Macau and Zhuhai in order to further enhance its core competitive advantage in the urban operations business.

Continue to optimise the Group’s financial services segment within the Group’s business structure to further enhance synergies among its business and achieve sustainable growth for the Group as a whole

The Group’s financial services business is strategically positioned in its overall business structure. In addition to its revenue generating business operations conducted through Huafa Investment with its extensive financial products and services portfolio, the Group also serves as a solution provider to provide financial services through Huafa Financial to meet the Group’s financing needs. The Group intends to further optimise the capability and potential of its financial services business to use cutting-edge technologies to build big data database and financial technology innovation platforms and enhance synergies among its businesses and achieve sustainable growth for the Group as a whole.

The Group plans to broaden the scope of Huafa Investment’s financial product and services portfolio by exploring cooperation or strategic alliance opportunities with reputable domestic or international institutions as well as acquiring additional capabilities in licenced financial services in order to advance its expertise and revenue stream. The Group also plans to make strategic investments into other growth companies, in addition to its existing investments. Huafa Investment will be instrumental to the Group’s strategic investments activities as well as being further integrated into the Group’s other business with an aim to improving business and operation synergies among the various business of the Group. See “— *Financial Services*” for further information. In addition, the Group also plans to further broaden Huafa Investment’s access to diversified financing channels to support the future growth of the Group’s various business.

The Group also recognises the importance of employing qualified and experienced financial professionals to the growth of its financial services business and the Group as a whole. The Group aims to continue to recruit and retain professionals with substantial experience in the financial industry as it expands its financial services segment.

Increase Huafa Properties’s land bank in the first- and second-tier cities and diversify revenue stream derived from the Group’s property development business by expanding into commercial property development

In respect of the Group’s property development business conducted through its subsidiary, Huafa Properties, a substantial portion of the property projects are located in the Group’s core market, Zhuhai. Accordingly, the Group will continue to focus on strengthening its leading market position in the property market in Zhuhai. The Group also recognises the importance of diversifying its revenue stream derived from its property development business beyond its core market in Zhuhai, and intends to engage in selected land bank acquisitions in first- and second-tier cities in the PRC through Huafa Properties to expand its operations. Currently, Huafa Properties has property development projects in first tier cities such as Shanghai, Beijing, Guangzhou, and Wuhan and plans to expand into a selected number of other cities in the PRC. In addition, the Group also plans to expand into commercial property development and explore overseas property development opportunities through Huafa Properties to further diversify its revenue stream generated from its property development business.

Continue to enhance the Group’s vertically integrated and complementary functions of its various businesses, as well as expanding its distribution network and service capabilities

The Group intends to further enhance its vertically integrated and complementary functions of its various businesses to achieve operational efficiencies and economies of scale.

The Group’s various businesses are strategically structured to operate as integral components of a large-scale vertically and horizontally integrated value-chain. The Group intends to further enhance the vertical integration function of its sales and trading business by expanding its sales and distribution network beyond Zhuhai and to other regions of the PRC and strategically coordinating its operations within the PRC and outside of the PRC. Furthermore, the Group plans to enhance the complementary functions of its modern services and culture, education and tourism businesses to its urban operations and property development projects to improve business and operational synergies among the various business of the Group.

Further improve synergies among the Group’s different business segments

With the “industry comes first” strategy, the Group intends to further improve the synergies between its various business segments under its “Technology + Finance + Industry + City” (科技+金融+產業+城市) development model. Under such model, the Group intends to establish diverse industry clusters in Zhuhai focusing on financial services, urban operation and industrial development, led by technology innovation focusing on three key areas: new energy, integrated circuits, and biomedicine. The Group believes such synergies between the Group’s business segments will in turn foster the manufacturing industry and modern service industry in Zhuhai.

Continue to adopt centralised management of the Group’s capital and a prudent financial policy to control cost and improve profitability

The Group will continue to adopt a centralised management system to manage the Group’s capital through Huafa Financial for its various businesses to achieve efficient deployment of the Group’s capital. The Group also plans to continue adopting a prudent financial and risk management policy and further improve its financial control system to control costs and improve profitability. As at the date of this Offering Circular, the Group believes that these measures will further enhance its competitive advantage and help achieve sustainable growth.

BUSINESS SEGMENTS

The Group has been making continuous efforts to streamline its business in the recent years. In 2015, the Group had six main business segments, namely, (1) urban operations, (2) financial services, (3) property development, (4) sales and trading, (5) culture, education and tourism, and (6) modern services. Since 2017, the Group adopted the “4+2 Approach” by making “technology industry” as an additional core business segment and combining the culture education and tourism and modern services businesses, to strategically adjust the Group’s business structure and better serve its business goals. Upon the completion of the adjustments and reclassification, the Group’s business operations could be categorised into six segments as set out below, namely, (1) urban operations, (2) financial services, (3) property development, (4) technology industry, (5) sales and trading and (6) modern

services. The Group's other businesses comprise businesses which are incidental to the Group's six major businesses. After years of development, the Group's business has spread across more than 70 major cities in China, as well as overseas cities such as San Francisco and Tel Aviv.

The following table sets forth a breakdown of the Group's total revenue from each business segment and as a percentage of its total revenue for the years indicated:

	For the year ended 31 December					
	2021		2022		2023	
	(RMB)	(%)	(RMB)	(%)	(RMB)	(%)
	(in million, except for percentages)					
Urban operations	14,787.6	10.4	18,931.3	12.0	18,253.9	10.4
Financial services	2,626.0	1.9	2,688.5	1.7	2,380.4	1.4
Technology Industry	2,223.0	1.6	2,413.6	1.5	4,568.8	2.6
Property development	47,837.9	33.7	56,783.9	36.0	68,350.2	38.9
Sales and trading	67,039.8	47.2	70,348.0	44.6	75,772.3	43.1
Modern services	3,734.8	2.6	3,608.4	2.3	3,460.1	2.0
Others	3,693.4	2.6	2,861.8	1.8	2,901.1	1.7
Total revenue	<u>141,942.5</u>	<u>100.0</u>	<u>157,635.5</u>	<u>100.0</u>	<u>175,686.9</u>	<u>100.0</u>

The following table sets forth a breakdown of the Group's total gross profit from each business segment and as a percentage of its total gross profit for the years indicated:

	For the year ended 31 December					
	2021		2022		2023	
	(RMB)	(%)	(RMB)	(%)	(RMB)	(%)
	(in million, except for percentages)					
Urban operations	4,407.6	20.3	6,513.6	29.6	6,846.6	29.8
Financial services	2,292.4	10.6	2,229.6	10.1	1,889.1	8.2
Technology Industry	491.8	2.3	448.9	2.0	617.8	2.7
Property development	12,719.9	58.5	11,708.4	52.9	12,122.6	52.7
Sales and trading	445.7	2.1	668.0	3.0	571.4	2.5
Modern services	547.1	2.5	396.9	1.8	527.8	2.3
Others	827.8	3.8	154.2	0.7	442.0	1.9
Total gross profit	<u>21,732.3</u>	<u>100.0</u>	<u>22,119.6</u>	<u>100.0</u>	<u>23,017.4</u>	<u>100.0</u>

URBAN OPERATIONS

The Group undertakes large-scale urban operations projects and has been mandated by the Zhuhai government for the development and construction of major infrastructure projects in Zhuhai. It provides comprehensive construction services covering primary land development, infrastructure construction, municipal utility construction and subsidised housing construction. As at 31 December 2023, the Group had been mandated by Zhuhai government to conduct primary land development of a total area of approximately 30.8 square kilometres. The Group has been awarded one of the "Top 10 China Industrial New City Operator" for eighth consecutive years since 2017. The Group has completed many signature construction projects, including New Industry Space 5.0. In 2022, the Group led

the construction of four industry parks in New Industry Space 5.0 which will be put into use soon. The Group has entered into strategic cooperation with Gree Group to station several supply chain enterprises of Gree Group in the New Industry Space 5.0 in Jinwan.

Revenue generated from the Group's urban operations business was approximately RMB14,787.6 million, RMB18,931.3 million and RMB18,253.9 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB4,407.6 million, RMB6,513.6 million and RMB6,846.6 million, respectively, for the same periods.

Urban Operations Development Process

The Group's urban operations projects are driven by the urban planning and design policies of local authorities. The Group has traditionally been invited by the local government to oversee the construction process (in the case of infrastructure facilities) and the overall urban planning and design (in the case of urban operations projects). Depending on the specific project and its nature, the economic benefits received by the Group may vary. For example, the Group may be granted the right to operate certain public facilities after their completion and receive on-going revenue on such basis, or in the case of certain urban operations projects, the Group may be granted land development rights and be allocated a portion of the land grant premium derived from the transfer of land use rights. Similarly, the Group's investment in each urban operation project also varies based on the specific agreement between the Group and the relevant local authorities.

In general, for the Group's urban development projects, the Group generally receives a fixed percentage of the proceeds generated from the transfer of land use rights after the land development process has been completed. For the Group's infrastructure construction projects, the Group also receives (i) on-going management income of properties and (ii) revenue generated from operation of ancillary commercial facilities.

The following table outlines the major urban operation projects under construction by the Group as at 31 December 2023:

	Estimated Total Investment Amount (RMB million)	Construction/ Development Area ¹ (sq.m.)	Project Commencement	Expected Project Completion	Invested Amount (RMB million)
<i>Urban Development</i>					
1 SZM CBD	35,761	5,770,000	2010	2027	27,612
2 Zhuhai New Technology Area . . .	3,552	6,420,000	2013	2023 ²	3,552
3 Jinwan New Area	3,195	3,800,000	2013	2023 ²	3,195
4 City's Heart	34,852	1,516,000	2015	2028	5,326
5 The Bonded Zone Phase II	2,750	2,300,000	2014	2028	958
6 North Hill District Renewal	15,079	1,012,000	2018	2028	3,641
7 Workers' Cultural Palace	5,500	180,000	2020	2026	3,696
8 Yuhua Polyester Urban Renewal . .	18,708	893,600	2023	2027	6,252

Notes:

- For urban development projects, site area information refers to development area. For infrastructure construction projects, site area information refers to construction area.
- As at the date of the Offering Circular, this project has been completed.

Set forth below are further details of major urban operations projects undertaken by the Group:

SZM CBD (珠海十字門中央商務區)

The SZM CBD project is authorised by the Zhuhai government and is undertaken by the Company through its subsidiary, Zhuhai SZM CBD Construction Holding Co. Ltd. (珠海十字門中央商務區建設控股有限公司), which was established in May 2009. As at the date of this Offering Circular, the Company held 95.94 per cent. equity interest in Zhuhai SZM CBD Construction Holding Co. Ltd. The Group is responsible for overseeing the overall planning and design, land development, construction of major infrastructure projects and attracting third-party investors or tenants for its commercial properties, of SZM CBD. The SZM CBD project covers a development area of approximately 5,770,000 sq.m. and a construction area of approximately 11.0 million sq.m. The overall urban design and planning of the SZM CBD is undertaken by HOK, a global design, architecture, engineering and planning expert in urban development projects. The total investment amount for SZM CBD is expected to be approximately over RMB35 billion. Once the land development process is completed, the Group will receive a certain percentage of the land grant premium for land relating to residential/retail use and land for commercial/other use in the SZM CBD.

As at 31 December 2023, the Group had cumulatively invested approximately RMB27,612 million in various construction projects in the SZM CBD project and plans to further invest in the next few years, which will increase the Group's aggregate investment amount to approximately RMB35,761 million.

The major sub-projects of the SZM CBD project currently in progress include:

- *Phase 1 of the development of the exhibition and convention area:* This phase of the project comprises the Zhuhai International Exhibition Centre (Phase 1), Zhuhai International Convention Centre, Zhuhai Sheraton Hotel, Zhuhai Huafa Executive Exhibition Apartment, The St. Regis Zhuhai, Zhuhai Cross Door Huafa Business Area and other ancillary commercial facilities which covers a total construction area of approximately 700,000 sq.m. In addition, the project includes an iconic commercial skyscraper with a height of approximately 330 metres where the St. Regis Zhuhai will be located. Construction of the project commenced in 2010 with a total investment amount of approximately RMB9.8 billion and has been completed in phases since October 2014. The Group oversees the construction of the project which is being undertaken by Shanghai Baoye Construction Group (上海寶冶集團有限公司). The construction cost of the project is borne by Shanghai Baoye Construction Group and the Group is responsible for other ancillary costs of the project such as the urban design fee.
- *Financial service centre:* The financial services centre of SZM CBD acts as an important platform to develop Hengqin New Area into a predominant financial centre in the Pearl River Delta Region. The financial services centre comprises a high quality low-rise commercial office building and related ancillary commercial facilities covering a total construction area of approximately 88,000 sq.m. The project has been developed in three phases. Phase one, phase two and phase three of the project were completed in 2012, 2013 and 2016, respectively.

- *Zhuhai Hengqin International Financial Centre*: The new commercial skyscraper is located in the financial services centre of SZM CBD with a height of approximately 300 metres comprising grade A office facilities, serviced apartments and other ancillary commercial facilities and a total construction area of approximately 218,000 sq.m. The construction of the Zhuhai Hengqin International Financial Centre commenced in August 2013 and was completed in December 2019.
- *Primary land development*: The primary land development process for SZM CBD is being conducted in phases and is expected to be completed by 2025. The total investment amount (on a rolling-basis) is approximately RMB8.2 billion. The Group receives a fixed percentage of all income generated from land grant premium after the land development process relating to land for residential/retail use and land for commercial/other use.

The SZM CBD is located in the Hengqin New Area of Zhuhai which is adjacent to Macau and located approximately 41 kilometres from Hong Kong. In September 2009, the State Council designated Hengqin Island to be a part of the Zhuhai Special Economic Zone and promulgated the Overall Plan of Hengqin Development (橫琴總體發展規劃) (the “**Hengqin Development Plan**”) which promoted the Hengqin New Area as one of the three special development district in the PRC alongside with the Pudong New Area in Shanghai and the Binhai New Area in Tianjin. The Hengqin Development Plan aims to develop the Hengqin New Area into a major commercial, tourism, education and technology district and the SZM CBD is the first project in the PRC government’s strategic plan to develop the Hengqin New Area. The SZM CBD is also located near the entrance of the Zhuhai portion of Hong Kong-Zhuhai-Macau Bridge. Together with the extension project of the existing Guangdong — Zhuhai railway line, which was completed in 2018, the SZM CBD is expected to be the focal point of the Pearl River Delta Region.

The SZM CBD project consists of five districts, namely the North Centre Area, the North Reserve Area, the South Centre Area, the South Centre Ancillary Area and South Reserve Area. The North Centre Area is located in the Eastern part of Zhuhai and covers a site area of approximately 1,280,000 sq.m. Neighbouring the Macau Peninsula, the North Centre Area will consist of an exhibition centre, business centres, office space and business ancillaries. The North Reserve Area covers a site area of approximately 1,000,000 sq.m. and it will consist of luxury residential apartments. The South Centre Area occupies a site area of approximately 1,200,000 sq.m. with future development of financial service centre, high-end business centre and commercial ancillaries. The South Centre Ancillary Area occupies a site area of approximately 1,200,000 sq.m., which will be used for SOHO office space, shopping centre, cultural and entertainment properties and serviced apartments. The South Reserve Area covers a site area of approximately 1,090,000 sq.m. with planned development of high technology research and development centres, as well as luxury residential apartments.

The following table sets for the construction area for different categories of land use of the SZM CBD:

No.	Land use category	Construction area (m ²)
1	For residential purpose	3,629,000
2	For commercial purpose	1,378,000
3	For office	2,513,600
4	For Hotel	2,603,600
5	Others	823,000
Total	10,947,200

Construction of SZM CBD commenced in 2010 and is expected to be completed in 2027.

Zhuhai New Technology Area (珠海國家高新技術產業開發區)

The construction of Zhuhai New Technology Area project is undertaken by the Group through Zhuhai Huafa New Technology Development and Construction Co. Ltd. (珠海華發高新建設控股有限公司) (“Huafa New Technology”), which was established in August 2013 as a joint venture company in which each of Huafa City Operation and Zhuhai New Technology Development and Construction Co., Ltd. (珠海市高新建設投資有限公司), a wholly-owned subsidiary of the Zhuhai government, owns 50 per cent. of its equity interest. Huafa New Technology is responsible for the overall development, including (i) primary land development, (ii) construction of infrastructure facilities, (iii) construction and operation of public facilities and (iv) other associated projects relating to the development. As at 31 December 2023, the Group invested approximately RMB3,552 million in the project.

The major projects currently undertaken by Huafa New Technology include:

- *Beiwei Strip primary land development project* (the “**Beiwei Project**”): The Zhuhai Technology and Innovation Waterfront (Beiwei) Strip (珠海科技創新海岸(北圍)片區) is an integral part of the northern part of Tangjia Bay Waterfront Technology New Town (唐家灣濱海科技新城) as well as an important icon of the transit-oriented development “TOD” development concepts of Tangjia Bay Waterfront Technology New Town. The Beiwei Project covers a total development area of approximately 5.0 million sq.m. The total investment for primary land development will be approximately RMB5.9 billion. Earth-filling works for the Beiwei Project formally began on 29 August 2013. The construction of the first phase of the municipal road began on 28 December 2013. The primary land development of the Beiwei Project is expected to be completed by the end of 2026. Land sale has taken place in 2015 and substantially all necessary governmental approvals have been obtained by the Group.
- *TOD primary land development project* (the “**TOD Project**”): The Zhuhai North Station TOD Regional Development Project has been a key development and construction project. Zhuhai Inter-City Rail Industrial Co., Ltd. (珠海城際軌道實業有限公司), a joint venture in which Huafa New Technology owns 49.9 per cent. and Guangdong Provincial Railway Construction Investment Group Co., Ltd. (廣東省鐵路建設投資集團有限公司) owns 50.1 per cent., undertakes the development of the TOD Project covering an area of approximately 1.46 million sq.m., with an

assignable area for operations of 720,000 sq.m. The TOD Project occupies a construction area of approximately 2.4 million sq.m. which will be developed into the landmark icon of Tangjia Bay. The construction of the TOD Project commenced on 28 December 2013, and the primary land development was completed by the end of 2016. Land sales commenced in 2014.

- *New technology area headquarters base project (the “Headquarters Base Project”):* The Headquarters Base Project will be developed into the core economic platform of the Zhuhai New Technology Area. The development area and construction area of the Headquarters Base Project are 118,382 sq.m. and 432,427 sq.m., respectively, with a total investment amount of approximately RMB6.47 billion. The project mainly includes the construction of corporate headquarters buildings, grade-A commercial buildings, office buildings, service apartments, hotels and other ancillary business facilities.

The construction of the Zhuhai New Technology Area Blue Bay Zhi Island Headquarter Base project commenced in March 2011. Phase one of the project comprises two corporate headquarter buildings which commenced operation in 2015. Construction of phase two of the project commenced in 2017.

Doumen New Area (斗門新區)

The Doumen New Area project is being undertaken by the Group and is authorised by the Zhuhai government which covers a development area of approximately 10,000,000 sq.m. The project is located in the Doumen District of Zhuhai and involves the re-development of Doumen Town Old Street, Longshan Lake Park, a communal recreation ground and various buildings along the Doumen Avenue to develop the Doumen New Area into a prominent tourist attraction of Zhuhai. The total investment amount of the project is approximately RMB2,000 million and the Group is responsible for the (i) primary land development, (ii) construction of infrastructure facilities, and (iii) development and operation of ancillary public facilities.

The construction of the Doumen New Area project commenced in 2013. Starting from October 2021, the Group has initiated construction on Doumen New Area through the agency construction model, in partnership with the local government. This new approach allows the Group to earn both investment profits and agency construction fees upon completion of the projects. Currently, no specific completion date has been set, as the Group intends to enter into subsequent contracts periodically.

Jinwan New Area (金灣航空新城)

The Jinwan New Area project is undertaken by the Group through Zhuhai Huajin Development and Construction Co. Ltd. (珠海華金開發建設有限公司), a wholly-owned subsidiary of Huafa City Operations established in September 2013. The project is authorised by the Zhuhai government which covers a development area of approximately 3,800,000 sq.m. The project is located in the Jinwan District of Zhuhai which will develop the Jinwan New Area into the economic, social and cultural centre of the western part of Zhuhai. The Group is responsible for the (i) primary land development, (ii) construction of infrastructure facilities, and (iii) development and operation of ancillary public facilities. As at 31 December 2023, the Group invested approximately RMB3,195 million in the project.

The construction of the Jinwan New Area project commenced in August 2013 and has been completed.

Fushan New Area (富山產業新城)

The Fushan New Area project is undertaken by Zhuhai Fushan Industrial Park Investment and Development Co., Ltd. (珠海富山工業園投資開發有限公司), which was established in September 2013 and wholly owned by Huafa Development. The project covers a development area of approximately 2,520,000 sq.m. The project is located in the Doumen District of Zhuhai which will develop the Fushan New Area into a high-end residential and commercial district. The total investment amount of the project is approximately RMB6,000 million and the company is responsible for the (i) overall urban design and planning, (ii) primary land development, (iii) construction of infrastructure facilities, (iv) attracting third-party investments, (v) property development and (vi) the development of ancillary public facilities. The construction of the Fushan New Area project commenced in June 2013. Starting from October 2021, the Group has initiated construction on Fushan New Area through the agency construction model, in partnership with the local government. This new approach allows the Group to earn both investment profits and agency construction fees upon completion of the projects. Currently, no specific completion date has been set, as the Group intends to enter into subsequent contracts periodically.

City's Heart (城市之心)

The City's Heart project is undertaken by the Group through Zhuhai Huafa City's Heart Construction Co. Ltd. (珠海華發城市之心建設控股有限公司), which was established in 2013 and wholly-owned by Huafa City Operations. The project is authorised by the Zhuhai government and the Group is responsible for the overall development of phase one of the Jida District (吉大片區) and phase two of Nanshan Industrial Area (南山工業區). The area of the project occupies an area of approximately 1,516,000 sq.m. with a total investment amount of approximately RMB34,852 million. As at 31 December 2023, the Group invested approximately RMB5,326 million in the project.

Upon completion, the Group expects the City's Heart will transform the old town appearance of the area into a modern complex of commercial buildings, comprising of hotels, offices, malls and tourist attractions. As at the date of this Offering Circular, the Group believes the operation of the City's Heart will substantially improve the environment and city skyline of downtown area of Zhuhai.

Below is a computer-generated picture showing the appearance of the area upon completion of construction.



The construction of the City's Heart project commenced in 2015 and is expected to be completed in 2028.

The Bonded Zone Phase II (保稅區二期)

The Bonded Zone Phase II project is undertaken by Zhuhai Huabao Development and Construction Co. Ltd. (珠海華保開發建設有限公司), which was established in June 2014 and wholly owned by Huafa City Operations. It covers a development area of approximately 2,300,000 sq.m., and is located in the southwest of the Bonded Zone with a total investment amount of approximately RMB2,750 million. The Group is responsible for the (i) primary land development, (ii) construction of infrastructure facilities, and (iii) development and operation of ancillary public facilities. As at 31 December 2023, the Group invested approximately RMB958 million in the project.

The construction of the Bonded Zone Phase II project commenced in 2014 and is expected to be completed in 2028.

North Hill District Renewal (北山區域城市更新項目)

The North Hill District Renewal project is undertaken by the Group through its wholly-owned subsidiary, Zhuhai Huafa Huayu Investment and Construction Co., Ltd. (珠海華發華毓投資建設有限公司). This project includes two sub-project units. The first sub-project unit involves planning, construction and operation of the North Hill village area, which includes the entire North Hill village and an area of approximately 20,000 sq.m. located at the east of Xianqiao Road and north of Huafa Century City (華發世紀城). The other sub-project unit involves the renovation and transformation of the regional part of Nanping Town (南屏鎮), which includes an area of approximately 169,000 sq.m. to the west of Nanwan North Road and south of Nanping Town Government (南屏鎮政府). The North Hill District Renewal project aims to establish a cultural brand with world influence by transforming the North Hill village into a symbolic culture and art district in Zhuhai and a well-known tourist village in China.

The North Hill District Renewal project commenced construction in 2018 and is expected to be completed in 2028.

Subsidised Housing (保障房建設)

Subsidised housing is provided by the local government to low-income households, which includes low-rent apartments and other public housing. Typically, the local government imposes specific construction standards on subsidised housing projects and controls the selling and rental prices.

Zhuhai Huafa Subsidised Housing Development Co., Ltd. (珠海華發保障房建設控股有限公司) was established in 2012 and it is a wholly-owned subsidiary of Huafa City Operations. Through the authorisation of the Zhuhai government, the project company primarily engages in the construction of subsidised housing projects and redevelopment of older subsidised housing properties in Zhuhai which are structurally unsound and also provides property management services subsequent to the redevelopment of these subsidised housing properties. The Group completed the construction of Zhuhai Huafa Talent Apartment (珠海華發人才公館), Jinshan Garden (Phase Three) (金山花園(三期)), Anyi Garden (安怡花園) and Lianwan Village (Phase Three) (連灣新村(三期)) during 2014 and 2015 and Zhuhai Huafa Qinyuan Garden (華發沁園項目) in 2016.

Lover's Coast (情侶海岸)

The Lover's Coast project is undertaken by the Group through its wholly-owned subsidiary, Zhuhai Lover's Coast Construction Co. Ltd. (珠海情侶海岸建設有限公司), which was established in 2009. The project is authorised by the Zhuhai government and the Group is responsible for the re-designing and planning of the existing Lover's Lane (情侶路), a 55-mile coastal walkway (approximately 88.5 kilometres) which oversees the Macau Peninsula with an aggregate total investment amount of approximately RMB3,136.5 million. As at 31 December 2023, the Group invested approximately RMB2,318.6 million in the project.

The Lover's Coast project is one of the major development projects to complement the development of Hengqin New Area which connects the Hong Kong-Zhuhai-Macau Bridge to Zhuhai city. The project is being developed in phases. The initial phase of the project involves the redevelopment of an area between the Gongbei Terminal and Hengqin Bridge of approximately 9.5 kilometres and includes a construction area of approximately 858,300 sq.m. to be developed into a coastal leisure facility. The subsequent phase of the project involves the overall-redevelopment of approximately 9.4 kilometres of the southern portion of the existing Lover's Lane.

The construction of the Lover's Coast project commenced in April 2013. The ancillary construction was completed in December 2015 and the main construction was completed in 2021.

FINANCIAL SERVICES

The Group operates its financial services business primarily through Huafa Investment and Huafa Financial, established in July 2012 and September 2013, respectively. Both Huafa Investment and Huafa Financial are headquartered in the Hengqin New Area and are direct beneficiaries of the various national and local urban development policies to

develop the Hengqin New Area, a vital component of the Guangdong FTZ. As at 31 December 2023, Huafa Investment managed six licenced financial companies, 15 innovative financial companies and held shares in 35 other companies.

In March 2014, the MOF and the SAT jointly issued the Circular regarding the Preferential Enterprise Income Tax Policies and Catalogues for the Guangdong Hengqin New Area, Fujian Pingtan Comprehensive Experimental Area and Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (關於廣東橫琴新區福建平潭綜合實驗區深圳前海深港現代化服務業合作區企業所得稅優惠政策及優惠目錄的通知), which allows certain qualifying companies operating its business operations in the Hengqin New Area, to enjoy a preferential enterprise income tax of 15 per cent., subject to the fulfilment of certain conditions, until 2020. Furthermore, the Hengqin New Area is identified as part of the development framework of Guangdong FTZ in 2015 and in July 2015, the Guangzhou Branch of the PBOC issued the Interim Measures on Administration of the Pilot Scheme of Cross-Border RMB Loan in Nansha and Hengqin New Area in Guangdong (廣東南沙、橫琴新區跨境人民幣貸款業務試點管理暫行辦法) which allowed companies established in Nansha and the Hengqin New Area, as well as other registered companies in the Guangdong province participating or investing in certain key projects in the Nansha and Hengqin New Area, to borrow Renminbi from banks in Hong Kong and Macau. In 2022, the Group implemented innovative financial instruments to upgrade the financial services in Zhuhai. These initiatives included the launch of the first cross-border data validation platform in the Guangdong-Hong Kong-Macau Bay Area, the introduction of the first cross-border financing guarantee business, and the pioneering cross-border transfer of commercial factoring assets in the In-Depth Cooperation Zone. As at the date of this Offering Circular, the Group believes that it would benefit from such measures if it is able to fulfil the conditions imposed.

Revenue generated from the Group's financial services business contributed approximately RMB2,626.0 million, RMB2,688.5 million and RMB2,380.4 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB2,292.4 million, RMB2,229.6 million and RMB1,889.1 million, respectively, for the same periods.

Huafa Investment

Huafa Investment, in which the Company currently holds in aggregate 99.08 per cent. equity interest, was established in July 2012. In November 2019, Zhuhai Duty Free Enterprises Group Co. Ltd. (珠海市免稅企業集團有限公司) transferred its equity interest in Huafa Investment to the Company. Therefore, the Company currently directly owns 57.8 per cent. equity interest in Huafa Investment and holds the remaining 41.3 per cent. equity interest in Huafa Investment through its subsidiary Huafa Development.

Huafa Investment's business comprises the following sub-segments: (1) retail and commercial banking; (2) exchange platform; (3) principal investments; (4) securities and futures brokerage; (5) credit guarantee and microfinance; (6) marketing; and (7) financial leasing and insurance, and provide such services to core financial centres in the PRC such as Shenzhen, Hong Kong, Beijing, Shanghai and Tianjin. As at 31 December 2023, Huafa Investment managed six licenced financial companies, 15 innovative financial companies and held shares in 35 other companies.

As a core platform for facilitating state-owned asset operations and industry investment in the Hengqin New Area, Zhuhai and the Guangdong-Hong Kong-Macau Greater Bay Area, Huafa Investment serves as a strategic cooperation partner for major financial institutions who choose to develop their business operations in the Guangdong-Hong Kong-Macau Greater Bay Area and provide diversified investment and financing services and asset management services.

Huafa Investment is awarded as the Top Ten Financial Industrial Integration Development Award (十優金融產業融合發展獎) by the seventh China (Guangzhou) International Finance EXPO (中國(廣州)國際金融交易博覽會) in June 2018, and won the award of Outstanding Fixed Income Product Issuer (優秀固定收益產品發行人) of the Shenzhen Stock Exchange in 2019.

Retail and commercial banking

The Group conducts its retail and commercial banking operations through a series of equity investments in various regional and city-based financial institutions, such as Zhuhai China Resources Bank (珠海華潤銀行), Xiamen International Bank (廈門國際銀行), Zhuhai Rural Commercial Bank (珠海農村商業銀行) and Zhuhai Nanping Village and Township Bank (珠海香洲興福村鎮銀行股份有限公司), in which the Group holds approximately 14.89 per cent., 4.96 per cent., 9.90 per cent. and 10.00 per cent., respectively, as at 31 December 2023.

The Group is also in the process of expanding its retail and commercial banking business into credit guarantee services and consumer credit services.

Exchange platforms

The Group's financial services business includes the establishment of various exchange trading platforms for equity, assets and commodities trading in SZM CBD, which includes:

- *Guangdong Financial Assets Exchange* (廣東金融資產交易中心) (the "GFAE"): GFAE is established as a joint venture company in which Huafa Investment, Guangdong Assets Exchange Group (廣東省產權交易集團), Zhuhai Da Heng Qin Investment Co. Ltd. (珠海大橫琴投資有限公司), Guangzhou Finance Holdings Group Co., Ltd. (廣州金融控股集團有限公司), Guangdong Yuecai Trust & Investment Holding Co., Ltd. (廣東粵財投資控股有限公司) and Guangzhou Development Zone Holding Co., Ltd. (廣州開發區控股有限公司) holds 23.36 per cent., 23.36 per cent., 0.95 per cent., 17.44 per cent., 17.44 per cent. and 17.44 per cent. equity interest therein, respectively. GFAE is headquartered in the Hengqin New Area with one representative office established in Guangzhou and commenced operation in December 2013. GFAE plans to set up branch offices in Hong Kong and Macau and develop its business to attract suitable organisations to become offshore underwriters for its products. In addition, GFAE aims to actively secure cross-border RMB capital account quota from regulatory authorities such as the PRC, launch pilot schemes for cross-border transactions of financial assets and attract investors in Hong Kong and Macau to use RMB funds to purchase and invest in financial assets listed on the GFAE. GFAE aims to open a channel for the flow of RMB funds between Hong Kong and Macau on the one hand and the Hengqin New Area and the PRC on the other. As at 31

December 2023, exchange members of GFAE included banks, asset management companies and trust companies. The cumulative trading volume on the GFAE as at 31 December 2023 exceeded RMB113,383 million.

- *Zhuhai Asset and Equity Exchange* (珠海產權交易中心) (“**ZAEE**”): ZAEE is established as a joint venture company in which Huafa Investment and UAEE (as defined below) holds 65 per cent. and 35 per cent. equity interest therein, respectively. ZAEE is headquartered in the Hengqin New Area and commenced operation in August 2013. It is one of the three largest assets exchange in the Guangdong province. ZAEE is located on the west bank of Pearl River, and is well positioned to provide asset transfer and investment and financing services to customers in Hong Kong and Macau, including corporate equity, public resources, property rights and creditor’s rights, intellectual property rights, assets involved in lawsuits, asset leasing, tenders and purchases, capital contribution and capital raising from foreign parties. ZAEE strives to facilitate developments across industries, regions and ownership systems and also aims to facilitate cross- border capital and asset transaction business with Hong Kong and Macau, whilst building an active and regulated cross-border asset transaction platform for investors.
- *Hengqin Huanan SME Listing Service Company Limited* (橫琴華南中小企業掛牌上市服務有限公司) (“**HHSME**”): HHSME is established as a joint venture company in which Huafa Investment and Hengqin Financial Investment Group Co., Ltd. (橫琴金融投資集團有限公司) (the “**Hengqin Financial Investment**”) holds 80 per cent. and 20 per cent. equity interest therein, respectively. HHSME provides comprehensive services to facilitate the listing of small and medium enterprises. HHSME is headquartered in the Hengqin New Area and commenced operation in May 2016.
- *Hengqin International Intellectual Property Exchange* (橫琴國際知識產權交易中心) (“**HQIPE**”): HQIPE is established as a joint venture company in which Huafa Investment and Hengqin Financial Investment holds 51 per cent. and 49 per cent. equity interest therein, respectively. The establishment of HQIPE was approved by the Guangdong provincial government in December 2014. The HQIPE commenced operation in 2015.
- *Guangdong United Assets and Equity Exchange* (廣東聯合產權交易中心有限公司) (“**UAEE**”): established in May 2017, UAEE is as a joint venture company in which Guangdong Exchange Holding Group (廣東省交易控股集團有限公司), Guangzhou Canton Exchange Group (廣州交易所集團有限公司) and Zhuhai Huafa Investment hold 41.00 per cent., 34.00 per cent. and 25.00 per cent. equity interest therein, respectively. The scope of business of UAEE includes asset and equity transactions; consulting and training services, and information services for asset and equity transactions; supporting services for corporate asset restructuring, acquisitions and mergers; equity investment; and other businesses approved by Guangdong provincial government and Guangdong SASAC.

Securities Brokerage

Huajin Securities Co., Ltd.

Huajin Securities Co., Ltd. (華金證券股份有限公司) (formerly known as Aerospace Securities Co., Ltd. (航天證券有限責任公司) (“**Huajin Securities**”) is licenced as a Category BBB securities company by the CSRC to undertake (1) securities brokerage and investment business; (2) securities investment activities related to investment banking and (3) securities investment business and asset management business relying on internal funding to purchase securities. Huajin Securities’ securities investment activities related to investment banking include issuance of corporate bonds, consultancy services on stock investments, provision of intermediary services for companies to raise long-term funds which include securities underwriting and sponsorship, mergers and acquisitions, asset restructuring and financial advisory services. Huajin Securities established 47 business outlets in major cities in the PRC as at 31 December 2023.

Huajin Futures Corporation

Huajin Futures Corporation (華金期貨有限公司) (“**Huajin Futures**”) (formerly known as Jingu Futures Corporation (金谷期貨有限公司) is licenced as a Category B securities company by the CSRC to undertake commodity futures brokerage, financial futures brokerage, consultancy service in relation to futures investment and asset management services. Huajin Futures is among the first batch of securities companies to obtain approval to conduct asset management business in the PRC and has expanded its business in different regions in the PRC.

Other licenced corporations in Hong Kong

In addition, the Company carries out regulated financing activities in Hong Kong through several other subsidiaries holding various types of SFC licences. For example, Huajin Securities (International) Limited is licenced under the SFO to carry out Type 1 (dealing in securities) regulated activity; Huajin Futures (International) Limited is licenced under the SFO to carry out Type 2 (dealing in future contracts) regulated activity; Huajin Research (International) Limited is licenced under the SFO to carry out Type 4 (advising on securities) regulated activity. Huajin International Investment Management Limited (華金國際投資管理有限公司) is licenced under the SFO to carry out Type 9 (asset management) regulated activity; Huajin Corporate Finance (International) Limited (華金融資(國際)有限公司) (former name: WAG Worldsec Corporate Finance Limited (華高和昇財務顧問有限公司)) is licenced under the SFO to carry out Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. Huajin Finance (International) Limited, a wholly-owned subsidiary of the Company, holds a money lender’s licence under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong).

Credit Guarantee and Microfinance

The Group conducts its credit guarantee and microfinance businesses through Zhuhai Huajin Financing Guarantee Co., Ltd. (珠海華金融資擔保有限公司), a wholly-owned subsidiary of Huafa Investment established in August 2010 and Zhuhai Huajin Microfinance Co., Ltd. (珠海華金小額貸款有限公司), a 93 per cent. owned subsidiary of Huafa Investment established in October 2014.

Commercial Factoring

In May 2018, the Group obtained approval for the establishment of Zhuhai Huajin Commercial Factoring Co., Ltd. (珠海鑄金商業保理有限公司) (“Huajin Commercial Factoring”) from Zhuhai SASAC. Headquartered in Zhuhai, Huajin Commercial Factoring is a wholly-owned subsidiary of Huafa Investment with a registered capital of RMB500.0 million.

Financial Leasing and Insurance

Hengqin Huatong Financial Leasing Co. Ltd.

In February 2015, the Group received approval from the CBRC on the establishment of Hengqin Huatong Financial Leasing Co. Ltd (橫琴華通金融租賃有限公司) (“**Huatong Financial Leasing**”). Huatong Financial Leasing is a joint venture company in which Huafa Investment has a 49 per cent. of equity interest, with a registered capital of RMB2.0 billion. Huatong Financial Leasing is headquartered in the Hengqin New Area and commenced operations in October 2015.

Jiulong Property Insurance Co. Ltd.

In March 2015, the Group received approval from the CIRC on the establishment of Jiulong Property Insurance Co. Ltd. (久隆財產保險有限公司) (“**Jiulong Property Insurance**”). Jiulong Property Insurance is established as a joint venture company by the Group and a group of 14 other investors with a registered capital of RMB1.0 billion. Jiulong Property Insurance commenced operation in March 2016. It is headquartered in Zhuhai and is engaged in the provision of manufacturing machinery related property insurance.

Hengqin Life Insurance Co., Ltd.

In December 2015, the Group received approval from Zhuhai SASAC on the establishment of Hengqin Life Insurance Co., Ltd. (橫琴人壽保險有限公司) (“**Hengqin Life Insurance**”). Hengqin Life Insurance is an associate of the Huafa Investment, holding 32.9 per cent. equity interest, and four other investors, each holding 16.775 per cent. of the equity interest, with a registered capital of RMB3.1 billion. Hengqin Life Insurance commenced operation in December 2016. It is headquartered in Zhuhai and is engaged in general insurance, including life insurance, health insurance and accidental insurance, etc.

Marketing

Huafa Investment also performs the marketing function in respect of the Group’s urban operations projects to attract third-party investments. Currently, Huafa Investment is in the process of attracting third-party investments in SZM CBD with a view to attracting PRC and overseas corporations to establish headquarters or branch offices in SZM CBD.

Huafa Financial

Huafa Financial was established by the Group and its subsidiaries including Huafa Trading, Zhuhai SZM CBD Construction Holding Co. Ltd, Zhuhai Hua Chuang Investment Management Limited and Huafa Properties in September 2013 and serves as the internal banking function of the Group, as well as its internal solution provider to meet

the Group's financing needs. Huafa Financial is the second non-banking financial institution established in Zhuhai pursuant to the Measures of China Banking Regulatory Commission for the Implementation of Administrative Licensing Matters Concerning Non-bank Financial Institutions (中國銀行業監督管理委員會非銀行金融機構行政許可事項實施辦法) promulgated by the CBRC in August 2007. Subject to further approval from the CBRC, Huafa Financial may also issue corporate bonds, underwrite debt securities issued by the Group and conduct equity investments.

Huafa Financial principally engages in the provision of (i) settlement services, (ii) depository services and (iii) credit financing services, to the Company and its subsidiaries (excluding those which are less than 51 per cent. owned by the Company). Furthermore, in order to expand the sources of low cost funding available to members of the Group, Huafa Financial has established direct relationships with various commercial banks in the PRC for sourcing funds in the interbank market.

PROPERTY DEVELOPMENT

The Group conducts its property development business through its subsidiary, Huafa Properties, which has been listed on the Shanghai Stock Exchange since 2004. Huafa Properties focuses on developing high quality residential properties and commercial properties in Zhuhai and other first- and second-tier cities in the PRC, as well as primary land development for its property projects. It also holds investment properties comprising residential apartments, retail shops, car parks and offices in Zhuhai and Baotou for rental income. As at the date of this Offering Circular, the Company holds, directly and indirectly, 29.57 per cent. equity interest in Huafa Properties and is the single largest shareholder. The Company is not involved in the day-to-day operation of Huafa Properties. Revenue generated by the Group's property development business was approximately RMB47,837.9 million, RMB56,783.9 million and RMB68,350.2 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB12,719.9 million, RMB11,708.4 million and RMB12,122.6 million, respectively, for the same periods.

Huafa Properties's property development mostly comprises high quality residential properties targeting the mid- to high-end retail market and commercial properties in the PRC. Huafa Properties's flagship residential community project in Zhuhai, Huafa New Town (華發新城), has gained strong market recognition and was named as one of the Top 30 Residential Community that Influenced the PRC (影響中國的三十大小區) in 2004. In recent years, Huafa Properties has also introduced its successful property development model adopted in Huafa New Town into the property markets in Baotou, Shenyang, Dalian and Nanning, all emerging second-tier cities in the northern region of the PRC. Huafa Properties enjoys nationwide recognition which is evidenced by various awards, such as being awarded as the Stylistic Chinese Property Awards Most Influential Real Estate Listed Company in China (中國地產風尚大獎 • 中國地產年度影響力上市企業) by Bo'ao Real Estate Forum for four consecutive years between 2015 and 2018, the Guang Sha Award (廣廈獎) by China Real Estate Association (中國房地產協會) and the Residential Industry Promotion Centre of the MOHURD (住房和城鄉建設部住宅產業化促進中心) between 2017 and 2018 for its Huafa Hengqin Capital Project and Huafa New Town Project, and the First Price of Guangdong Enterprise and the Guangdong Real Estate Innovation Demonstration Award (廣東省房地產創新示範獎) by Huafa Shangdu (華發商都) in 2016. In 2018, Huafa Properties received two awards for the 2018 Asian Real Estate Award (亞洲不動產獎), namely the Outstanding Brand Real Estate Company of the Year (年度優秀品牌房企) and the Outstanding Residence of the Year (年度優秀住宅). In 2019, Huafa Properties showed a

more vigorous development, becoming one of the Top 100 real estate companies (中國房地產百強企業) and Top 10 Green Property Operation Codes in China (中國綠色地產運行典範10強), and continues to be named as one of the Top 100 real estate companies (中國房地產百強企業) in 2020 and 2021. In 2022, Huafa Properties was ranked 12th in the “2023 China Real Estate Top 100 Enterprises”, 18th in the “Top 200 China Real Estate Companies in Terms of Sales in 2022” by China Residence Information Circle and has also been recognised with several other awards, including the “Top 10 Enterprises in Growth Potential”. In 2023, Huafa Properties was listed in the Fortune China 500 for the 9th time, ranked 12th in the “2023 China Top 100 Real Estate Companies”, 6th in the “2023 China Top 30 Real Estate Brand Value” and 11th in the “Top 100 Newly Added Land Value of China’s Real Estate Companies” (中國房地產企業新增土地價值TOP100榜), was awarded the “2022–2023 China Real Estate Annual Social Responsibility Enterprise” and “ESG Rookie Enterprise” (ESG新秀企業) and was successfully selected into the “Greater Bay Area State-owned Enterprise ESG Development Index” with its project winning the “ESG Benchmark Practice Project Award”. In 2023, Huafa Properties was ranked 14th in the “Top 200 China Real Estate Companies in Terms of Sales in 2023 by China Residence Information Circle. Huafa Properties received a long-term credit rating of “AA+” by China Lianhe Credit Rating Co. Ltd., one of the leading credit rating agencies in the PRC, in June 2016. In July 2019, Huafa Properties’s long-term credit rating was updated to “AAA” by China Lianhe Credit Rating Co. Ltd. In 2021, Huafa Properties ranked the 228th among Fortune China 500 companies. Huafa Properties has built various ingenious residential projects and its projects have won many domestic and international design awards, including but not limited to the Guangsha Award, REARD Global Real Estate Design Award, AIIDA International Innovation Design Award, China Residence Information Circle’s “Top Ten Quality Works in China”, and E-House Think Tank’s “Top 100 Excellent Housing Projects in China”. Despite a weak real estate market in 2022, Huafa Properties collected a total of approximately RMB73.4 billion in payments and successfully met all the criteria under the “Three Red Lines” policy. This policy is a regulatory framework implemented by the Chinese government to control the leverage levels of real estate developers and prevent financial risks in the industry. Huafa Properties’ ability to meet these stringent requirements demonstrates their strong financial position and responsible management practices, further solidifying their position as a reliable and trustworthy player in the real estate market. Huafa Properties continues to attach importance to product improvement and green and low-carbon research and development as well as creating healthy homes. It continues to standardise project management and aims to maintain the project quality at a high level.

Huafa Properties generally classifies its property development projects into (1) land held for future development, (2) properties under development and (3) properties held for sale. Land held for future development is where Huafa Properties has obtained land use rights certificate for some or all of the development, but where project development has not commenced. Properties under development are in general those where a land use rights certificate has been obtained for some or all of the development and where project development has commenced. Properties held for sale are those property development projects which are suitable for occupancy and delivery to purchasers, with all necessary occupation permits or completion certificates obtained and the relevant utilities, access and other related infrastructure being in place.

As at 31 December 2021, 2022 and 2023, total assets of Huafa Properties amounted to RMB355,057.4 million, RMB403,598.6 million and RMB451,699.4 million, respectively, and net assets attributable to shareholders of Huafa Properties were RMB20,819.1 million, RMB19,460.6 million and RMB22,176.5 million, respectively. Revenue generated by Huafa Properties was approximately RMB51,240.7 million, RMB60,446.9 million and RMB72,144.9 million for the years ended 31 December 2021, 2022 and 2023, respectively, and a net profit generated was RMB4,676.6 million, RMB4,877.7 million and RMB3,464.9 million, respectively for the same periods.

Property Sales

Property sales include both pre-sales and sales of properties from Huafa Properties's property inventory in a particular period.

Land Bank

The Group's land bank is strategically located in the first-tier or second-tier cities in China with rapid economic growth and strong housing demand. As at 31 December 2023, the Group had a total land bank of approximately 1,723,602 sq.m, with an estimated aggregate capacity building area of approximately 4,339,852 sq.m. The following table sets forth a geographical breakdown of the Group's land bank as at 31 December 2023:

Locations	Total Land Bank (sq.m.)	Estimated Aggregate Capacity Building Area (sq.m.)
Zhuhai	47,586	238,350
Zhongshan	119,646	228,515
Zhanjiang	465,077	628,596
Kunming	61,374	297,399
Wuhan	109,160	473,540
Shenzhen	96,421	626,269
Ezhou	481,625	1,111,996
Shaoxing	58,838	170,630
Changshu	28,501	45,602
Shanghai	183,230	360,236
Nanjing	72,145	158,719
	1,723,602	4,339,852

Property Development

Huafa Properties acquires land in the PRC to support its growth in property development while striving to achieve a balanced property portfolio across different regions in the PRC. Huafa Properties's plan is to strengthen its leadership position in the Zhuhai property market and to expand into other first and second-tier cities in the PRC. Currently, Huafa Properties has expanded its property development operations beyond Zhuhai into the northern and southern parts of the PRC, in major cities including Beijing, Shanghai, Guangzhou, Wuhan, Dalian, Shenyang, Nanning, Weihai, Suzhou and Zhongshan. Leveraging its excellent track record in the property development industry, Huafa

Properties believes that it is well positioned to penetrate these new markets and replicate its success by delivering high quality residential properties to new customers. As at 31 December 2023, Huafa Properties had an estimated aggregate capacity building area of approximately 4,339,852 sq.m. in various cities including Zhuhai, Zhongshan, Zhanjiang, Kunming, Wuhan, Ezhou, Shaoxing, Changshu and Shanghai. Huafa Properties believes that, subject to market conditions in the PRC property market, its land bank is sufficient to meet its requirements for development over the next several years, although Huafa Properties will also evaluate any new land acquisitions when opportunities arise.

Set forth below is an overview of Huafa Properties's major property development projects as at 31 December 2023.

Zhuhai

Aquatic Villa (華發水郡)/Huafa One More Town (華發又一城)

The project is a residential development comprised of high-rise residential villas and low rise residential villas located in close proximity to the Qianmu Wetland Park (千畝濕地公園) in the Doumen District of Zhuhai. The project is being developed in phases, phase one, phase two and phase three (known as Aquatic Villa (華發水郡) were completed in 2013. Phase four and phase five of the project (known as Huafa One More Town (華發又一城) occupies a site area of approximately 523,000 sq.m. with a GFA of approximately 1,660,000 sq.m. The acquisition of the land for this project by Huafa Properties was completed in 2013 for an aggregate of RMB2,961.4 million.

Construction of the project commenced in 2014 and is expected to be completed in 2024.

Huafa International Ocean Bay (華發國際海岸) Zhuhai SZM International Garden (珠海十字門國際花園)

The project is a residential and commercial complex, including high-end residential properties, office buildings, apartments and commercial properties. It is located in the SZM CBD area in Zhuhai and occupies a site area of approximately 101,000 sq.m. with a GFA of approximately 495,000 sq.m. The project has convenient access to subway transportation and schools. The land for this project was acquired by Huafa Properties in October 2014 for RMB3,343.0 million.

Construction of the project commenced in 2015 and was completed in 2022.

Huafa Capital (華發首府)

The project is a residential and commercial development. It is located east of Qinyang Avenue in the Hengqin New Area and occupies a site area of approximately 130,000 sq.m. with a GFA of approximately 464,000 sq.m. Phase one of the project was completed in 2017. Phase two and phase three occupies a site area of approximately 72,000 sq.m. with a total GFA of approximately 287,000 sq.m. The land for this project was acquired by Huafa Properties in 2013 for RMB5,861.7 million.

Construction of the project commenced in 2014 and was completed in 2019.

Huafa Green Ocean Bay (華發綠洋灣)

The project is a residential and commercial development. It is located north of Qinglv North Road in Tangjiawan Tonggujiao and occupies a site area of approximately 56,000 sq.m. with a GFA of approximately 236,000 sq.m. The land for the project was acquired by Huafa Properties in 2013 for RMB1,938.6 million.

Construction of the project commenced in 2014 and was completed in 2020.

Huafa Villa (residential) (華發山莊)

The project is a residential development. It is located in the Xiangzhou District of Zhuhai and occupies a site area of approximately 107,000 sq.m. with a GFA of approximately 327,000 sq.m. The land for this project was acquired by Huafa Properties in 2008 for RMB1,620.0 million.

Construction of the project commenced in 2012 and was completed in 2019.

Fengjing Bay (峰景灣)

The project is a residential, commercial and office development. It is located in the Wanzai Area of the Xiangzhou District of Zhuhai and occupies a site area of approximately 55,000 sq.m. with a GFA of approximately 296,000 sq.m. The land for this project was acquired by Huafa Properties in 2014 for RMB2,121.2 million.

Construction of the project commenced in 2015 and was completed in 2017.

Huafa Mountainside Villa (華發依山郡)

The project is a residential development. It is located in the Doumen District of Zhuhai and occupies a site area of approximately 261,000 sq.m. with a GFA of approximately 546,000 sq.m. The land for this project was acquired by Huafa Properties in 2009 for RMB946.3 million.

The development of the project took place in three phases. The construction of phase one commenced in 2015 and was completed in 2018. The construction of phase two commenced in 2018 and was completed in 2020. The construction of phase three commenced in 2019 and was completed in 2021.

Huafa Fengshang Garden (華發峰尚花園)

The project is a residential development. It is located in the Doumen District and occupies a site area of approximately 154,000 sq.m. and a GFA of approximately 615,000 sq.m. The land for the project was acquired by Huafa Properties in 2012 for RMB1,061.3 million.

The development of the project took place in three phases. The construction of phase one and Phase two commenced in 2014 and 2017 and was completed in 2017 and 2018. The construction of phase three commenced in 2017 and was completed in 2019.

Shanghai

Huafa China Resources Jing'an House (The Hua House) (華發華潤靜安府 — 華府)

The project is a residential and commercial development. It is located in the Yuanzhabei District and occupies a site area of approximately 87,000 sq.m. and a GFA of approximately 357,000 sq.m. The land for the project was acquired by Huafa Properties in 2015 for RMB8,795.0 million. The project is jointly developed by Huafa Properties and China Resources (Holdings) Company Limited.

The development of the project will take place in three phases. Residential development took place in phases one and two and commercial development will take place in phase three. The construction of residential phase commenced in 2015 and was completed in 2020.

Huafa China Resources Jing'an House (The Yun House) (華發華潤靜安府 — 潤府)

The project is a residential and office development. It is located in the Yuanzhabei District and occupies a site area of approximately 76,000 sq.m. and a GFA of approximately 313,500 sq.m. The land for the project was acquired by Huafa Properties in 2015 for RMB7,052.0 million. The project is jointly developed by Huafa Properties and China Resources (Holdings) Company Limited.

The construction of the project commenced in 2015 and was completed in 2020.

Huafa Four Seasons (華發四季)

The project is a hotel development. It is located in the Pudong New Area of Shanghai Zhangjiang and occupies a site area of approximately 46,000 sq.m. and a GFA of approximately 141,000 sq.m. The land for the project was acquired by Huafa Properties in 2014 for RMB2,370.0 million.

The construction of the project commenced in 2014 and was completed in 2018.

Huafa Mansion (華發公館)

The project is a residential development. It is located in the Yangpu District of Shanghai and occupies a site area of approximately 7,000 sq.m. and a GFA of approximately 25,400 sq.m. The land for the project was acquired by Huafa Properties in 2014 for RMB607.0 million.

The construction of the project has commenced in 2015 and was completed in 2018.

Guangzhou

Guanggang New City Project (廣鋼新城項目)

The project is located in the Liwan District of Guangzhou and occupies a site area of approximately 47,000 sq.m. with a GFA of approximately 237,000 sq.m. The land for this project was acquired by Huafa Properties in 2014 for RMB2,915.7 million.

Construction of the project commenced in 2014 and was completed in 2018.

Huafa Hui Garden (華發薈花園)

The project is located in the Liwan District of Guangzhou and occupies a site area of approximately 33,000 sq.m. with a GFA of approximately 91,000 sq.m. The land for this project was acquired by Huafa Properties in 2014 for RMB1,423.0 million.

Construction of the project commenced in 2014 and was completed in 2019.

Huafa Four Seasons (華發四季)

The project is a residential and commercial development. It is located in the Baiyun District of Guangzhou and occupies a site area of approximately 27,000 sq.m. with a GFA of approximately 141,000 sq.m. The land for this project was acquired by Huafa Properties in 2012 for RMB1,069 million.

Construction of the project commenced in 2014 and was completed in 2017.

Wuhan

Future Hui Project (未來薈項目)

The project is a residential and commercial development. It is located in the Hanyang District of Wuhan and occupies a site area of approximately 79,000 sq.m. and a GFA of approximately 376,000 sq.m. The land for this project was acquired for RMB929 million.

The development of the project took place in two phases. The construction of phase one commenced in 2014 and was completed in 2018. The construction of phase two commenced in 2014 and was completed in 2019.

Bund Capital Project (外灘首府項目)

The project is a residential development project. It is located in Jiang'an District of Wuhan and occupies a site area of approximately 64,000 sq.m. and a GFA of approximately 414,000 sq.m. The land for this project was acquired for RMB4,005.0 million.

Construction of the project commenced in 2016 and was completed in 2021.

Huafa Midtown Hui (華發中城薈)

The project is a residential and commercial development. It is located in the Jiang'an District of Wuhan and occupies a site area of approximately 96,000 sq.m. and a GFA of approximately 517,000 sq.m. The land for the project was acquired by Huafa Properties in 2013 for RMB1,366.5 million.

The construction of the project has commenced in 2014 and was completed in 2020.

In addition to the major property development projects outlined above, the Group also has property projects in other cities including Dalian, Shenyang, Nanning, Weihai, Suzhou and Zhongshan.

Property development process

In the PRC, property development usually involves six phases: land acquisition, project planning and preliminary work, design, project construction, pre-sales and sales, and after-sales services.

The typical development cycle for vacant land in the PRC is approximately three years, whereas the development cycle for urban property projects can be longer, particularly for sites that are not vacant at the time of acquisition. Huafa Properties is involved in the different stages of the development process in order to ensure cost efficiency, quality and delivery schedule. Huafa Properties oversees and largely undertakes all aspects of its property development projects, including the selection and purchase of sites, the preparation of feasibility studies, the obtaining of government approvals for development, supervision of the design and construction of property development projects, and the marketing and management of completed property development projects.

Site selection and market positioning

Huafa Properties undergoes a site selection process and conducts an in-depth market analysis in order to understand the trends of the property market and market prices before it commences or launches a property development. The major site selection criteria applied by Huafa Properties include: (i) development plans (of the government) for the relevant site; (ii) accessibility of the site and available infrastructural support; (iii) consumer demand for properties in that area; (iv) competition from other developments in the locality; (v) its convenience and the amenities close to the site (such as natural parks, greenery, schools, rivers and commercial facilities); and (vi) cost, investment and financial return ratios.

Land acquisition

Huafa Properties acquires land interests through the following means:

- acquiring from governments through public tenders, auctions and listing-for-sale; and
- establishing joint ventures with other companies which have acquired or are well-positioned to acquire interests in land.

As at the date of this Offering Circular, Huafa Properties primarily acquires land through public tenders, auctions and listings-for-sale from government authorities in accordance with relevant PRC laws and regulations. The Rules Regarding the Grant of State-Owned Construction Land Use Rights by Way of Tender, Auction and Listing-for-sale (招標拍賣掛牌出讓國有建設用地使用權規定) issued by Ministry of Land and Resources (the “MLR”) on 28 September 2007 provide that, from 1 November 2007, state-owned construction land use rights for operational purposes such as industry (including warehouse land, but excluding mining land), business, tourism, entertainment and commodity residential housing and a land parcel with two or more potential users may be granted by the PRC government only through public tender, auction or listing-for-sale.

Financing of property developments

The Group funds its property development projects by three main sources of funding: internal resources, bank loans/debt financing and proceeds from pre-sales. Huafa Properties is responsible for its own funding of property development and it is independent from the rest of the Group's overall financing arrangements. The financing method adopted by Huafa Properties varies from property to property. Generally, Huafa Properties finances its property developments with internal resources to the extent practicable and pre-sells the development where the regulatory requirements for pre-sale have been met and, where market conditions allow, in order to reduce the level of external funding required.

Design

Construction design entails all aspects of the projection and design of a property development including planning, architecture, landscaping and interior design. Huafa Properties engages third-party professional design firms for design services. During the selection process of design firms, Huafa Properties considers a number of factors, including their reputation for reliability and service quality, their price and their working relationship with Huafa Properties. In the past, Huafa Properties has cooperated with a number of reputable design firms such as WATG Singapore, INC., Benoy Limited, Ten Design Group Limited, VDL (聯合燈光設計事務所), M. Arthur Gensler Jr. & Associates Inc and Hirsch Bedner Associates.

Project construction

Huafa Properties contracts most of its construction works to construction contractors. These construction companies carry out various types of work, ranging from foundation groundwork, structural construction, decoration, roofing, water piping and drainage, heating, electricity, ventilation and air conditioning, to facilities engineering.

Huafa Properties primarily selects its general contractors through a tender process. Huafa Properties conducts due diligence on potential contractors, such as inspecting their credentials and carrying out in-person supervision of their offices and property projects, with only qualified contractors ultimately invited to participate in the tender. When selecting contractors, factors which Huafa Properties takes into account include industry and market reputation, track records in similar projects, creditworthiness, technical capabilities, proposed construction blueprint, price, qualification grade, overall strengths, financial position, and the ability to access and leverage local resources.

Marketing and promotion

During project evaluation and before the commencement of construction, the marketing and sales department of Huafa Properties usually carries out substantial market research for particular projects, including the identification of property trends, prospects and market potential. By identifying the potential demand for, and strengths and weaknesses of, a project at an early stage, Huafa Properties is able to formulate its marketing and promotion strategies at the planning stage of each project and to target its sales efforts at potential classes of purchasers for the project throughout its development.

Pre-sales

Under PRC laws and regulations, Huafa Properties must apply to the relevant PRC government authorities for pre-sale permits before commencing pre-sales of its properties. Such pre-sale permits will normally be issued only when, among other things, (i) the land grant premium has been fully paid; (ii) the land use rights certificate, the construction land planning permit, the construction work planning permit and the construction project building permit have been obtained; and (iii) the construction works of the commodity residential properties have been completed up to the stipulated standard, i.e., for multi-storey buildings (buildings of 12 storeys or less), after the construction of the principal structure has been completed, and for high-rise buildings (buildings of more than 12 storeys), after two-third of the construction has been completed.

In addition, under PRC laws and regulations, the proceeds from the pre-sales of the Group's properties must be deposited into escrow accounts. Before the completion of the pre-sold properties, the balance in the escrow accounts may only be used to purchase construction material and equipment, make interim construction payments and fulfil tax obligations, subject to prior approval from the relevant local authorities. As at the date of this Offering Circular, Huafa Properties has been in compliance with the relevant laws and regulations applicable to the pre-sale of properties in the PRC in all material respects.

Payment method and mortgage financing

Purchasers may pay for Huafa Properties's properties by way of a lump sum payment or payment in instalments or payments with mortgage facilities. Huafa Properties typically requires its purchasers to pay a non-refundable deposit upon entering into provisional purchase contracts. If the purchasers later decide not to enter into formal purchase contracts, Huafa Properties will forfeit such deposits. If the purchasers choose to fund their purchases by mortgage loans provided by banks, it is their own responsibility to apply for and obtain the mortgage approvals.

Most of Huafa Properties's customers purchase their properties through mortgage financing. Huafa Properties makes arrangements with various domestic banks to provide mortgage facilities to purchasers of its properties. Huafa Properties provides guarantees to mortgagee banks in respect of mortgages offered to its customers, but only from the date of the relevant mortgage up to typically either the submission of the relevant property ownership certificates by the relevant customer to the mortgagee bank or the completion of the registration of the mortgage with the relevant local authority. When submission of relevant ownership certificates is required, the guarantee period for such pre-registration guarantee normally lasts for up to 18 months. In other situations, the guarantee period for a pre-registration guarantee is shorter. If, during the guarantee period, a borrower defaults on its repayment obligations, Huafa Properties is liable to the mortgagee bank for the amount owing to them by the borrower, but it will have the right to take possession and re-sell the mortgaged property. Accordingly, the period in which Huafa Properties actually bears the credit risk of its customers starts from the date of the relevant mortgage and ends on the date when the registration of the mortgage with the relevant local authority is completed. In line with the industry practice, Huafa Properties does not conduct independent credit checks on its purchasers but relies on the credit checks conducted by the mortgagee banks. Huafa Properties did not experience any default by a significant portion of such customers under pre-registration guarantees for the years ended 31 December 2021, 2022 and 2023.

After-sales services

As part of Huafa Properties's after-sales services, it offers its customers access to its customer club "Huafa Property Club" which allows its property owners, various merchants and service partners to interact throughout the after-sales period. Huafa Properties maintains a customer relationship management system to foster customer relationships.

Huafa Properties also launched Huafa U • Life, a mobile application that provides community service to our property owners. U • Life is a one-stop source that consolidates property management, community financial services, community healthcare, personalised service, online marketplace and social platform. By using Huafa U • Life, our property owners are able to pay property management fee, file maintenance request, purchase daily groceries, interact with neighbours and etc. Huafa U • Life won the First Prize of "Guangdong Enterprise Management Modernisation Innovation Achievement" in 2016.

TECHNOLOGY INDUSTRY

The Group's technology industry business segment was established in 2015. It established a platform of the technology industry cluster, covering industrial operation, industrial investment and industrial promotion. The Group has established a preliminary industrial investment system with investments across the full industry chain. Currently, the investment portfolio includes venture capital investment, financial investment and strategic investment. In addition to the Group's equity investments in various regional and city-based financial institutions, the Group is also actively seeking investment opportunities in the technology, media and telecommunication, health, high-end product manufacturing, energy saving and environmental protection, cultural and media industries and other growth industries. It mainly carries out its technology industry business via Zhuhai Huafa Technology Industry Group Co., Ltd., which was ranked 8th in the "2024 Top 100 Industrial Investment" (2024產業投資100強) by FOFWEEKLY. The Group has invested in leading enterprises of various types. As at the date of this Offering Circular, the Group has controlling interest in four publicly or NEEQ listed companies, namely Founder Technology, Advanced Fiber, Higrand and Leaguer Capacitor to further expand its technology industry business. It also invests in other companies in this industry, including BOE HC SemiTek Corporation, Zhuhai Yueya Semiconductor Co., Ltd., and Shanghai Aiko Solar Energy Co., Ltd. In addition, the Group also plans to leverage its expertise and experience in the PRC property market to establish real estate investment funds to invest into real estate assets in the PRC. The Group operates Zhuhai Huafa Industrial Park Operation and Management Co., Ltd. (珠海華發產業園運營管理有限公司) to grow the Group into a regional entity industrial ecological layout builder, which uses various industrial parks as carriers to build a comprehensive service system covering the entire chain of enterprise growth and provides important support for gathering innovative resources and developing emerging industry clusters. As at 31 December 2023, the Group had invested in over 400 projects with total investment amounts of over RMB20 billion. Supported by a team of experienced investment professionals, the Group makes such equity investments through a prudent investment selection process.

Revenue generated from the Group's technology industry business was approximately RMB2,223.0 million, RMB2,413.6 million and RMB4,568.8 million for the year ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated from the Group's

technology industry business was RMB491.8 million, RMB448.9 million and RMB617.8 million for the same period. See “*Description of the Group — Business — Financial Services*” for more details.

Equity Investment

The Group carries out its equity investment through platforms including but not limited to Huajin Capital, Infinity Capital (英飛尼迪資本), Zhuhai Technology Venture Capital (珠海科創投) and Zhuhai Fund (珠海基金).

Huajin Capital

Huajin Capital (previously known as Leaguer Stock Co., Ltd. (力合股份有限公司)) was founded in 1992 and it is headquartered in Zhuhai. In September 2013, the Group acquired the controlling shareholder interest in Huajin Capital in 2017. In March 2014, the Group, through Shenzhen Huajin Ruiying Equity Investment Fund Holdings Limited (深圳華金瑞盈股權投資基金管理有限公司), Zhuhai Equity Investment Fund Holdings Limited (珠海金控股權投資基金有限公司) and Zhuhai Hua Chuang Investment Management Limited (珠海鐮創投資管理有限公司), being wholly-owned subsidiaries of Huafa Investment, further acquired approximately 29.99 per cent. of the issued share capital of Huajin Capital at a consideration of RMB1,402.7 million. As at the date of this Offering Circular, the Company owns in aggregate 28.45 per cent. equity interest in Huajin Capital.

The Group intends to develop Huajin Capital as the flagship of its equity investment platform. Huajin Capital was awarded one of the “Top 50 Private Equity Investment Institutions in China” in 2017 and 2018, and one of the “Top 50 State-owned Investment Institutions in China” in 2019 and 2020 in the annual rankings published by Zero2IPO Group. In 2022, Huajin Capital was further awarded one of the “Top 100 Private Equity Investment Institutions in China”, “Top 50 State-owned Investment Institutions in China” and “Top 30 Investment Institutions in Advanced Manufacturing” and ranked 21st among the “2022 Top 50 Private Equity Investment Institutions in China”. The Group will continue to strengthen its market recognition of Huajin Capital as a top equity investment firm.

Huajin Capital and its subsidiaries also engage in the development, manufacturing and sale of microelectronics products, electric and electronic products, automated production equipment, as well as environment protection products. Principal products offered by Huajin Capital and its subsidiaries include electrolytic capacitors, electronic products manufacturing equipment, cabling products, electronic components, electronic products, new energy automated production equipment and supporting software, as well as computer software and other related products. Huajin Capital and its subsidiaries also provides services to hi-tech enterprises, including, incubation services, computer network and communication engineering, computer technology, sewage processing, and biological engineering services, as well as the operation and management of science and technology parks. In addition, Huajin Capital engages in venture capital investment, and talent training and other service businesses. Huajin Capital operates in the PRC and internationally.

Zhuhai Development Investment Funds

Zhuhai Development Investment Funds (珠海發展投資基金) was founded in 2017. The fund size is RMB100 billion and the initial subscription size was RMB10 billion, of which the Company subscribed RMB2.68 billion, Huafa Investment subscribed RMB4.22 billion which was funded and authorised by the Zhuhai Finance Bureau (珠海財政局), Zhuhai Gree Group subscribed RMB2 billion and Hengqin Financial Investment Group Co., Ltd. subscribed the remaining RMB1 billion. The general manager of the fund is Shenzhen Huajin Ruiying Equity Investment Fund Management Co., Ltd. As a parent fund for industrial and infrastructure investment in Zhuhai, the fund is committed to transform Zhuhai into an innovative zone in the Guangdong-Hong Kong-Macau Greater Bay Area by cultivating emerging industries and upgrading traditional industries. In 2023, Zhuhai Development Investment Funds was listed as one of the “2023 China Top 30 Prefecture-level Government-Guided Funds” (2023年中國地級市政府引導基金30強).

SALES AND TRADING

The Group’s sales and trading business comprises trading of raw materials, construction materials and commodities, which are operated through Huafa Trading, a subsidiary in which the Company held 98.25 per cent. equity interest as at the date of this Offering Circular. The Group’s trading partners have ranged and increased from originally individual construction suppliers and private enterprises to large PRC enterprises in the PRC. The Group continues to advance with a national layout, and had covered 16 key cities with over 100 projects as at 31 December 2023. A relatively complete “1+4+3+3” strategic landscape has been formed, which includes one large commercial platform, four professional development platforms, three main businesses and three self-operated businesses. In addition, the Group also engages in the distribution and sale of automobiles through Huafa Automobile and the sales and service of mobile communication terminals through Beijing Digital. Revenue generated by the Group’s sales and trading business contributed approximately RMB67,039.8 million, RMB70,348.0 million and RMB75,772.3 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB445.7 million, RMB668.0 million and RMB571.4 million, respectively, for the same periods.

Raw Materials, Construction Materials and Commodities Trading

The Group engages in the trading of raw materials, construction materials and commodities through Huafa Trading, a wholly-owned subsidiary of the Group established in 1986. In the early stages of its establishment, Huafa Trading was the Group’s trading and sourcing platform of raw materials and construction materials for the Group’s development and construction projects in its business operations, as well as urban development and property development projects, such as Zhuhai Hengqin International Financial Centre and Huafa Riverside. Throughout the years, Huafa Trading has experienced steady and organic growth and has become an integral component of the Group’s vertically integrated structure as well as one of the prominent suppliers of raw materials and construction materials in the PRC. As part of the Group’s quality control measures of the construction materials in its urban operations and property development projects, contractors appointed by the Group are required to either purchase construction materials directly from Huafa Trading, or source construction materials of comparable quality from other external

parties. In addition to supporting various development projects of the Group's other business, Huafa Trading is expanding its operations into minerals and commodities trading in the PRC and worldwide.

Currently, the Group intends to continue focusing on the core business in minerals, electricity and oil and gas products, while maintaining the expansion of the Group's traditional trading in automobile and construction materials. The Group also explored the market of agricultural and marine products.

MODERN SERVICES

The Group's modern services business primarily engages in the development, construction and management of facilities for MICE, such as exhibition centres and hotels, primarily for development projects operated by the Group's urban operations business, as well as the provision of various other ancillary services including culture, education and tourism. The Group is responsible for operating the Zhuhai International Convention Centre (珠海國際會議中心) and the Zhuhai International Exhibition Centre (珠海國際展覽中心) located in the SZM CBD, which commenced operations in the fourth quarter of 2014. The Group is also responsible for the management of three hotels in Zhuhai, namely Zhuhai Sheraton Hotel, Zhuhai Huafa Executive Exhibition Apartment and The St. Regis Zhuhai, all of which are located in the SZM CBD. In addition, the Group's modern services business provides property management services to the Group's property development projects and subsidised housing projects, marketing consultancy services and human resources services. In 2023, the Group ranked 16th among the Top 100 Property Service Enterprises in China (2023中國物業服務百強企業).

Revenue generated by the Group's modern services business contributed approximately RMB3,734.8 million, RMB3,608.4 million and RMB3,460.1 million for the years ended 31 December 2021, 2022 and 2023, respectively, and gross profit generated was RMB547.1 million, RMB396.9 million and RMB527.8 million for the same periods, from this business segment.

MICE

The Group's MICE operations are primarily conducted through the Zhuhai International Convention Centre (珠海國際會議中心) and the Zhuhai International Exhibition Centre (珠海國際展覽中心), both of which are located in the SZM CBD and commenced operations in the fourth quarter of 2014. The Zhuhai International Exhibition Centre is regarded as one of the largest and best exhibition centres in the Pearl River Delta Region. The Zhuhai International Convention Centre commenced its operation in the fourth quarter of 2014. The Zhuhai International Convention Centre consists of a large conference hall which has a site area of approximately 4,500 sq.m., a multi-function hall with a site area of approximately 2,000 sq.m. and 35 conference rooms suited for large scale conferences. The Zhuhai International Convention Centre is also equipped to provide catering and banquet services for 6,000 guests. The Zhuhai International Exhibition Centre commenced operation in the fourth quarter of 2014. It has a site area of approximately 60,000 sq.m. and consists of six exhibition halls which can provide up to 1,600 exhibition booths.

New energy

In 2022, with the aim to become a leading enterprise in the new energy industry nationwide and assist Zhuhai City with deployment of photovoltaic energy, the Group focused on three businesses in new energy industries, namely, high-end manufacturing, photovoltaic power generation and rebuilding of the supply chain of new energy. As at December 2023, the Group has initiated the construction of over 260 distributed photovoltaic power station projects, with a total installed capacity of 109MW, and has initiated the construction of one centralised photovoltaic power station project, with a total installed capacity of approximately 377MW.

Hotels

The Group is responsible for the management of three hotels in Zhuhai, namely Zhuhai Sheraton Hotel, Zhuhai Huafa Executive Exhibition Apartment and The St. Regis Zhuhai, all of which are located in the SZM CBD. Zhuhai Sheraton Hotel and Zhuhai Executive Exhibition Apartment commenced operation in 2015. The St Regis Zhuhai commenced operation in October 2018. Zhuhai Sheraton Hotel is the first five-star international branded hotel operated by the Group. The Group is responsible for the management, marketing, commercial leasing, design, start-up preparation and operation of Zhuhai Sheraton Hotel. It consists of 548 guest rooms, four restaurants and bars, indoor and outdoor swimming pools, gymnasium and tennis courts. Zhuhai Huafa Executive Exhibition Apartment is the self-branded hotel of the Group. The Group is responsible for the construction, development, marketing, commercial leasing, design and operation of Zhuhai Huafa Executive Exhibition Apartment. It has a site area of 560,000 sq.m. consisting of 454 guest rooms, gymnasium, conference rooms, restaurants and cafés. The St. Regis Zhuhai is the first international branded hotel of the Group and it is located on the top floors of an iconic commercial skyscraper in the SZM CBD. The Group is responsible for the overall renovation works on the lobby, guest rooms and banquet hall of the hotel. The St. Regis Zhuhai consists of 252 guest rooms, five restaurants and bars, spa facilities, as well as leisure, functional and conference facilities.

Property management services

The Group's property management services are primarily conducted through Zhuhai Huafa Property Management Services Company Limited (珠海華發物業管理服務有限公司) ("**Huafa Property Management**"), a subsidiary established in 1985 in which Huafa Properties indirectly held 38.78 per cent. equity interest as at the date of this Offering Circular through Huafa Property Services. Huafa Property Management is one of the first property management companies in the PRC with national qualification and it is certified by the ISO 9001 international quality management system. Huafa Property Management provides various quality property management services, including customer services, security services, property maintenance services, cleaning services and environmental services. Huafa Property Management serves luxury apartment, office building, government agencies, industrial park and municipal facilities. Huafa Property Management has been recognised many national, provincial and municipal property management demonstration project titles, making it one of the property management companies in Zhuhai that has won the most property management demonstration project titles at all levels. As at 31 December 2023, Huafa Property Management provides services to 390 projects, with a contracted area

under management of approximately 31.44 million sq.m. under management, in 42 key cities in the PRC, including Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Chongqing and Nanjing.

Human resources services

The Group's human resources services is primarily conducted through Zhuhai Hengqin New Area Sanjiang Human Resources Service Centre (珠海橫琴新區三江人力資源綜合服務中心) (the "SHRSC"), a joint venture company of the Group with Zhuhai Da Heng Qin Investment Co., Ltd. (珠海大橫琴投資有限公司) under the support from the Zhuhai government. SHRSC primarily engages in a comprehensive range of human resources services including recruitment, training, as well as human resources consulting and outsourcing services.

Culture, education and tourism services

The Group's culture, education and tourism business compliments the Group's urban operations business. It involves the development, construction and operation of schools, art museums, auditoriums and music halls in various urban operations projects of the Group. In 2003, the Group established Zhuhai Yung Wing School (珠海容閔學校), which has now expanded to comprise a kindergarten, a primary school and a secondary school. In 2010, the Group entered into a partnership programme with Dulwich College London to establish the Zhuhai Dulwich International High School Programme (德威國際高中課程) to offer I/GCSE and A/AS level courses in a four-year programme. Both Zhuhai Yung Wing School and the Zhuhai Dulwich International High School Programme are among the most prominent education brands in Zhuhai. In 2017, the Group opened the Water Bank Kindergarten (水岸幼兒園) and Nanning Kindergarten (南寧幼兒園) and launched the plan to develop Huafa Village Kindergarten (華發山莊幼兒園), Fengshang Kindergarten (峰尚幼兒園) and Zhongshan Shaxi Kindergarten (中山沙溪幼兒園). In addition, through its subsidiaries operating in the culture, education and tourism business, the Group held various major sports events, such as the Huajin Securities WTA Elite Trophy Zhuhai since 2015, opera performances such as Turandot and arts exhibitions including Abalos architecture exhibition in Zhuhai.

The Group's operates its theatres through Huafa Theatre Management Limited (華發中演劇院管理有限公司), which commenced its operation in October 2014 and currently operates Zhuhai Huafa Grand Theatre (珠海華發中演大劇院) jointly with the China Arts and Entertainment Group (中國對外文化集團). Zhuhai Huafa Grand Theatre is located in the SZM CBD with a gross floor area of approximately 90,946 sq.m. and a total seating capacity of approximately 1,200 seats. The Zhuhai Huafa Grand Theatre is equipped with state-of-the-art facilities and can be served as venue for opera, dance performance, musicals, drama and other grand performances. Since 2015, the Group's Hengqin International Tennis Centre (橫琴國際網球中心) has successfully held the annual professional women's tennis tournaments, namely the Zhuhai ITF Women's Circuit and the Huajin Securities WTA Elite Trophy Zhuhai. The latter is the final tournament of the year on the WTA Tour, and features 12 of the top 20 professional female tennis players in the world.

OTHER BUSINESSES

The Group's other businesses mainly comprise businesses which are incidental to the Group's six major businesses. Revenue generated by this segment was RMB3,693.4 million, RMB2861.8 million and RMB2,901.1 million for the years ended 31 December 2021, 2022 and 2023, respectively.

INTELLECTUAL PROPERTY

The Group places great importance on the invention, application, management and protection of intellectual property rights. Through its ordinary course of business, the Group has obtained various intellectual property rights which are valuable to its business. The Group protects and will continue to seek to protect these intellectual property rights through copyrights, patents, trademarks and other contractual rights.

HEALTH AND SAFETY

The Group regards occupational health and safety as one of its important corporate and social responsibilities. Some of the Group's business operations involve significant risks and hazards that could result in damage or destruction of property, death and personal injury, business interruption and possible legal liabilities. Pursuant to the applicable PRC laws, the Group has implemented a variety of internal rules and operating procedures for work safety, accident handling and safety training. As at the date of this Offering Circular, the Group has not experienced any material safety accident.

ENVIRONMENTAL PROTECTION

The Group is subject to PRC national and local environmental laws and regulations governing air pollution, noise emissions, hazardous substances, water and waste discharge and other environmental matters issued by PRC national, provincial and municipal governments and authorities. As at the date of this Offering Circular, the Group believes that its businesses are in compliance with currently applicable national and local environmental laws and regulations in all material aspects.

INSURANCE

The Group maintains insurance coverage in amounts that the Group believes are consistent with its risk of loss and the customary practice in the relevant industry. Consistent with the customary practice in the PRC, the Group does not carry any third-party liability insurance to cover claims in respect of personal injury or property or environmental damage arising from accidents on its property or relating to its operations, nor does the Group carry any business interruption insurance or key-man life insurance on its key employees. Such insurance is not mandatory according to the laws and regulations of the PRC and would impose additional costs on the Group's operations, which would reduce its ability to compete in the PRC.

EMPLOYEES

As at 31 December 2023, the Group had a total of approximately 42,000 employees.

The Group adheres to, and complies with, the relevant labour laws of the PRC. Staff benefits include competitive salaries, provident fund contributions, insurance, medical care and housing. As at the date of this Offering Circular, the Group believes that its employees are critical to its success, and it is committed to investing in the development of its employees through continuing education and training, as well as the creation of opportunities for career growth. In order to motivate employees, employee salaries are tied to business and individual performance.

RISK MANAGEMENT

As at the date of this Offering Circular, the Group believes that risk management is crucial to its success. The Group recognises that it faces certain key operational risks, including, changes in the PRC political and economic conditions, changes in the PRC regulatory environment, future policy directions in relation to the Pearl River Delta Region, as well as availability of financing to support its property development and urban operations projects. In addition, the Group also faces various financial risks, such as exposure to interest rate movements and credit and liquidity risks that arise in its ordinary course of business.

In order to meet these challenges, the Group has established the following structures and measures to manage its risks:

The Group's board of directors is responsible for determining its business and investment plans, preparing its annual financial budgets and final reports and formulating proposals for profit distributions, and is in charge of the overall risk control of the Group. Any business decision involving material risks are reviewed, analysed and approved at the board level to ensure a thorough examination of the associated risks at the Group's highest corporate governance body.

The Group's senior management team is in charge of the daily business operations and risk monitoring of the Group, and is responsible for the supervision of different aspects of its operations on a daily basis as well as the supervision and approval of any material business decisions of its subsidiaries. The Group has established detailed procedures and policies setting out clear reporting lines and responsibilities with a view to facilitating efficient communications among the various business.

The Group has also adopted various internal policies and procedures for its individual employees in respect of different aspects of the Group's business based on their operational needs. The Group also provides both in-house and external training to its employees in order to enhance their knowledge of the Group's business and corporate culture, with a view to maintaining integrity and reliability to manage the Group's operational and market risks.

In addition, as part of the direct supervision process by Zhuhai SASAC, the Group is subject to an annual audit conducted by Zhuhai SASAC based on a range of parameters including results of operations, financial budgets, and cost of operations. During the past three years, the Group had complied with these annual audit parameters.

LEGAL PROCEEDINGS

The Group is from time to time involved in legal proceedings arising in the ordinary course of its business, including as plaintiff or defendant in litigation or arbitration proceedings. As at the date of this Offering Circular, to the best of the Company's knowledge, except as disclosed in this Offering Circular, there are no current litigation or arbitration proceedings against the Group that could have a material adverse effect on its business, results of operations or financial condition. See "*Risk Factors — Risks relating to the Group's Business — The Group may be involved in disputes, claims and litigations in the Group's ordinary course of business*".

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

The members of the board of directors (the “**Board**”) of the Company currently consists of nine members. The board of directors determines major matters of the Company and is primarily responsible for implementing the decisions of Zhuhai SASAC, reporting the Board’s work to Zhuhai SASAC, determining the business plans and investment proposals, formulating the annual financial budget plans and major financing plans, determining the management structure of the Company and appointing the general manager and deputy general managers of the Company. The table below sets forth information regarding the Company’s directors as at the date of this Offering Circular:

<u>Name</u>	<u>Year of Birth</u>	<u>Title</u>
LI Guangning (李光寧)	1971	Director and general manager
XIE Wei (謝偉)	1974	Director and executive deputy general manager
YE Yuhong (葉玉宏)	1965	Director
LI Weijie (李偉傑)	1984	Director and chief financial officer
CHEN Yi (陳藝)	1965	Director
GUO Jin (郭瑾)	1972	Director and deputy general manager
MA Xiaochuan (馬小川)	1986	Director
PEI Shuhua (裴書華)	1988	Director
WU Shengbao (吳生保)	1988	Director

Mr. LI Guangning (李光寧) has served as a director, the general manager, and the legal representative of the Company since April 2009. Mr. Li joined the Company in 1993. Mr. Li has many years of experience in management, corporate finance, financial management and urban operations. Mr. Li has also previously served in various other positions within the Group. In addition, Mr. Li is the chairman of the board of directors of Huafa Investment, Huafa Properties and Huajin Capital. He holds a bachelor’s degree in management from the Sun Yat-sen Business School of Sun Yat-sen University (中山大學管理學院) in 1993 and a master’s degree in economics from the Lingnan (University) college of Sun Yat-sen University (中山大學嶺南學院) in 1997 and is a qualified economist.

Mr. XIE Wei (謝偉) has served as a director and an executive deputy general manager of the Company since August 2015. He is also the director of Strategic Development Centre of the Company. He holds various positions within the Group, including the president and an employee representative director of Huafa Investment, a director of Huafa Properties and a vice chairman of the board of directors of Huajin Capital. Mr. Xie joined the Company in August 2004 as the director of the investment banking department of Zhuhai Huachuang Investment Management Co., Ltd. (珠海鉞創投資管理有限公司) (previously known as Zhuhai Huachuang Investment Guarantee Co., Ltd. (珠海鉞創投資擔保有限公司)). Mr. Xie holds a bachelor’s degree in economics from Zhongnan University of Economics and Law (中南財經政法大學) obtained in 1998 and is a qualified economist. He also holds an executive master of business administration degree and is an economic engineer.

Mr. YE Yuhong (葉玉宏) has served as a director and deputy secretary of the Company since July 2020. Mr. Ye holds a master's degree in education from Huazhong University of Science and Technology (華中科技大學) (formerly Huazhong Institute of Technology).

Mr. LI Weijie (李偉傑) has served as a director and chief financial officer of the Company since March 2018. Mr. Li holds a bachelor's degree from Lingnan (University) college of Sun Yat-sen University (中山大學嶺南學院).

Mr. CHEN Yi (陳藝) has served as a director of the Company since June 2016. Mr. Chen holds a bachelor's degree in Chinese language and literature from Zhanjiang Normal University (湛江師範學院).

Ms. GUO Jin (郭瑾) has served as a deputy general manager of the Company since February 2023 and served as a director of the Company since August 2021. Ms. Guo has been appointed as an executive director and a member of the remuneration committee of Huajin Capital since April 2018 and a director and the president of Huajin Capital since May 2014. Ms. Guo has served as the chairman of Zhuhai Huafa Industrial Investment Co., Ltd (珠海華發實體產業投資控股有限公司) since June 2019, the chairman of Zhuhai Higrand Technology Co., Ltd. (珠海華冠科技股份有限公司, stock code: 871447), a company listed on National Equities Exchange and Quotations in China (全國中小企業股份轉讓系統), since August 2014, and the chairman of Shenzhen Weiye Decoration Group Co., Ltd. (深圳市維業裝飾集團股份有限公司), a company listed on the Shenzhen Stock Exchange, since September 2020. From 2002 to April 2013, Ms. Guo served as various management positions in the Bank of Communications Zhuhai City Branch and Bank of Communications Guangdong Province Branch. Ms. Guo is a qualified economist in the PRC. Ms. Guo holds a bachelor's degree in economics from South China Agricultural University (華南農業大學).

Mr. MA Xiaochuan (馬小川) has served as a director of the Company since October 2023. Mr. Ma holds a bachelor's degree in finance management from Harbin Institute of Technology (哈爾濱工業大學).

Ms. PEI Shuhua (裴書華) has served as a director of the Company since October 2022. Ms. Pei holds a master's degree in management from The Chinese University of Hong Kong.

Mr. WU Shengbao (吳生保) has served as a director of the Company since September 2022. Mr. Wu holds a master's degree in accounting from The Chinese University of Hong Kong.

SUPERVISORS

The Company's board of supervisors currently consists of four supervisors. The following table sets forth the Company's supervisors as at the date of this Offering Circular.

Name	Year of Birth	Title
PENG Junzhou (彭君舟)	1971	Employee representative supervisor
JIANG Hong (薑虹)	1974	Employee representative supervisor
BAO Shengyi (包晟易).	1972	Supervisor
YANG Fei (楊霏).	1981	Employee representative supervisor

Mr. PENG Junzhou (彭君舟) has served an employee representative supervisor since August 2023. Mr. Peng served as a deputy director of the Computer Audit Division and the director of the Agricultural Audit Division of the Changsha Office of the National Audit Office. He also serves as the chief supervisor of Zhuhai Huafa Comprehensive Development Co., Ltd. Mr. Peng holds a master's degree in business administration from Hunan University (湖南大學).

Ms. JIANG Hong (薑虹) has served an employee representative supervisor and a vice chairman of the labour union of the Company since December 2016. She has extensive experience in trade unions and cultural management. Prior to joining the Group, Ms. Jiang served as the manager of entertainment in the Zhuhai Huafa Culture & Education Tourism Industry Development Co., Ltd. Ms. Jiang holds a bachelor's degree from Shanxi Normal University (山西師範大學).

Mr. BAO Shengyi (包晟易) has served a supervisor of the Company since December 2008. He is also a member of China Communist Party Committee of the Company and the deputy secretary of Commission for Discipline Inspection of the Company. Mr. Bao worked with Zhuhai Western Development Corporation (珠海西部發展總公司) from July 1993 to March 1998, and in the office of the general manager of the Company from April 1998 to July 1998. From July 1998 onwards, Mr. Bao has been working with Zhuhai Huafa Property Management Services Company Limited (珠海華發物業管理服務有限公司). Mr. Bao holds a bachelor's degree from the department of food engineering of South China University of Technology (華南理工大學).

Ms. YANG Fei (楊霏) has served an employee representative supervisor of the Company since December 2016. Ms. Yang is the general manager of the compliance department of Zhuhai Huafa Urban Operation Investment Holding Co., Ltd. (珠海華發城市運營投資控股有限公司). Ms. Yang holds a master's degree in law from Zhongnan University of Economics and Law (中南財經政法大學).

SENIOR MANAGEMENT

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

Name	Year of Birth	Title
LI Guangning (李光寧)	1971	Director and general manager
XIE Wei (謝偉)	1974	Director and executive deputy general manager
Mr. LI Weijie (李偉傑)	1984	Director and chief financial officer
GUO Jin (郭瑾)	1972	Director and deputy general manager
XU Jili (許繼莉)	1971	Deputy general manager
MENG Qinghui (孟慶輝)	1985	Board secretary

Mr. LI Guangning (李光寧) has served as a director, the general manager, and the legal representative of the Company since April 2009. For Mr. Li's biography, see "— *Directors*" above.

Mr. XIE Wei (謝偉) has served as a director and an executive deputy general manager of the Company since August 2015. For Mr. Xie’s biography, see “— *Directors*” above.

Mr. LI Weijie (李偉傑) has served as a director of the Company since March 2018. For Mr. Li’s biography, see “— *Directors*” above.

Ms. GUO Jin (郭瑾) has served as a deputy general manager of the Company since February 2023 and served as a director of the Company since August 2021. For Ms. Guo’s biography, see “— *Directors*” above.

Ms. XU Jili (許繼莉) has served as a deputy general manager of the Company since February 2023. Ms. Xu holds a master’s degree in finance from Nankai University (南開大學).

Mr. MENG Qinghui (孟慶輝) has served as a board secretary since February 2024. Mr. Meng holds a master’s degree in criminal law from Renmin University of China (中國人民大學).

PRC REGULATIONS

This section is a high-level overview of the PRC legal system and a summary of the principal PRC laws and regulations relevant to the provision of Guarantee by the Company. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations.

THE PRC LEGAL SYSTEM

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

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

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

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

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

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

THE PRC JUDICIAL SYSTEM

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

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

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

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

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC. If any party to a civil action refuses to comply with a judgment or order made by a court or an award granted by an arbitration panel in the PRC, the aggrieved party may apply to the

competent court to request for enforcement of the judgment, order or award. The time limit imposed on the right to apply for such enforcement is two years. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, mandatorily enforce the judgment.

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

REGULATIONS RELATING TO REAL ESTATE DEVELOPMENT

Qualifications of a Property Development Enterprises

Under the Regulations on Urban Real Estate Development and Management (《城市房地產開發經營管理條例》) promulgated by the State Council and amended in 2020, a property development enterprise must report its establishment to the governing property development authorities in the location of the registration authority within 30 days of receiving its Business License. The property development authorities shall examine applications for classification of a property development enterprise's qualification by considering its assets, professional personnel and industrial achievements. A property development enterprise shall only engage in property development projects that come within the scope of its approved qualification.

Classifications for the qualifications of property development enterprises

Under the Provisions on the Administration of Qualifications of Property Developers (《房地產開發企業資質管理規定》) (the “**Provisions on Administration of Qualifications**”) promulgated by the MOC and implemented on 29 March 2000 and amended in March 2022, and December 2018, a property development enterprise shall apply for registration of its qualifications. An enterprise may not engage in the development and sale of property without a qualification classification certificate for property development.

In accordance with the Provisions on Administration of Qualifications, qualifications of a property development enterprise are classified into two classes: class 1 and class 2. Different classes of qualification shall be examined and approved by corresponding authorities. The class 1 qualifications shall be subject to both preliminary examination by the construction authority under the government of the relevant province, autonomous region or municipality directly under the central government and then final approval of the construction authority under the State Council. Procedures for approval of developers of class 2 or lower shall be formulated by the construction authority under the people's government of the relevant province, autonomous region or municipality directly under the central government. A developer that passes the qualification examination will be issued a qualification certificate of the relevant class by the qualification examination authority.

The business scope of a property development enterprise

Under the Provisions on Administration of Qualifications, a developer of any qualification classification may only engage in the development and sale of the property within its approved scope of business and may not engage in business which falls outside the approved scope of its qualification classification. A class 1 property development enterprise may undertake a property development projects throughout the country without any limit on the scale of the project. A property development enterprise of class 2 may undertake a project with a GFA of less than 250,000 sq.m. and the specific scopes of business shall be formulated by the construction authority under the people's government of the relevant province, autonomous region or municipality.

Financing of a property development project

On 13 February 2017, the Asset Management Association of China issued Circular 4 of Regulation for Registration Management of Private Asset Management Plan by Securities and Future Institutions (《證券期貨經營機構私募資產管理計畫備案管理規範第4號》) (the “**Circular 4**”). Circular 4 provides that any private equity and asset management plan that is adopted to make either direct or indirect investment into any ordinary residential property project located in certain PRC cities where the property price rises too fast shall not be filed for a record temporarily. Such cities currently include 16 major cities in the PRC, such as Shanghai, Hefei, Nanjing, Suzhou, Tianjin, Fuzhou, Wuhan and Zhengzhou, and the list of such cities may be updated from time to time in the future according to the relevant regulations of MOHURD. In addition, a private equity and asset management plan shall neither be used to finance any real estate developer by means of bank entrusted loans, trust plans, or usufruct of transferee assets, for the purpose of paying the price of land grant or supplementing the working capital, nor be used to directly or indirectly facilitate any violation or illegality of various institutions' granting of loans for down payments.

Development of a Property Project

Land for property development

On 12 April 1988, the Standing Committee of the National People's Congress (the “**SCNPC**”) amended the Constitution, permitting the legal transfer of land use right. On 29 December 1988, the SCNPC amended the “Land Administration Law of the PRC” (《中華人民共和國土地管理法》), permitting the legal transfer of land use right.

Under the Rules Regarding the Grant of State-Owned Construction Land Use Rights by Way of Tender, Auction and Listing-for-sale (《招標拍賣掛牌出讓國有建設用地使用權規定》) which took effect from 1 November 2007, land for operational purposes such as industry (including warehouse land, but excluding mining land), business, tourism, entertainment and commodity residential housing and a land parcel with two or more potential users shall be granted by means of tender, public auction or listing-for-sale. A tender of land use rights means the relevant land administration authority issues a tender announcement inviting individuals, legal persons or other organisations (whether specified or otherwise) to participate in a tender for the land use rights of a particular parcel of land.

On 1 April 2017, the MLR and the MOHURD jointly issued the “Circular of the Ministry of Housing and Urban-Rural Development and the Ministry of Land and Resources on Tightening the Management and Control over Intermediate Residential

Properties and Land Supply” (住房城鄉建設部、國土資源部關於加強近期住房及用地供應管理和調控有關工作的通知(建房 [2017] 80號)), which requires that local authorities should adopt the examination system of land acquisition capital to insure the property developers acquiring land with internal funds and the property developers should be disqualified for any land bid backed by capital from questionable sources and prohibited from bidding for land within stipulated time limit.

Construction of a property project

According to the Measures for Administration of Construction Permit for Construction Project (《建築工程施工許可管理辦法》) promulgated by MOHURD 3 March 2021, a developer engaging in the construction and decoration of various kinds of houses and buildings as well as the ancillary facilities shall apply for a construction permit from the competent construction administration authorities at county level or above where the construction is located before the commencement of the construction.

The Notice Regarding the Strengthening and Regulation of the Management of New Projects (《關於加強和規範新開工項目管理的通知》), promulgated by the General Office of the State Council on 17 November 2007, strictly regulates the conditions for commencing investment projects, establishes a mechanism for the coordination of government departments regarding new projects, and strengthens the statistics and information management while intensifying the supervision and inspection of new projects.

According to the Notice on Further Enhancing the Building Permits Administration for Construction Projects (《關於進一步加強建築工程施工許可管理工作的通知》) issued by MOHURD on 4 September 2014 and revised on 30 September 2018, when applying for the construction permit, a construction entity shall provide the commitment letter for the implementation of construction funds and shall not provide false promises.

Transfer and Sale of Property

Sale of commodity buildings

Under the “Regulatory Measures on the Sale of Commodity Buildings” (《商品房銷售管理辦法》) promulgated by the MOC on 4 April 2001 and implemented on 1 June 2001, sale of commodity buildings can include both pre-completion sales (pre-sale) and post-completion sales.

On 16 March 2011, the NDRC promulgated the “Provisions on Sales of Commodity Properties at Clearly Marked Price” (《商品房銷售明碼標價規定》) and it became effective on 1 May 2011. According to the provisions, any real estate developer or real estate agency (“**real estate operators**”) is required to mark the selling price explicitly and clearly for both newly-build and second-hand commodity properties. The provisions require real estate operators to clearly indicate to the public the prices and relevant fees of commodity properties, as well as other factors affecting the prices of commodity properties.

Permit for pre-sale of commodity buildings

According to the Development Regulations and the Measures for Administration of Pre-sale of Commodity Buildings (《城市商品房預售管理辦法》) (the “**Pre-sale Measures**”) promulgated by the MOC on 15 November 1994 and as amended on 15 August 2001 and 20 July 2004, the pre-sale of commodity buildings shall be subject to a licencing system, and a

property development enterprise intending to sell a commodity building before its completion shall register with the property development authority of the relevant city or county to obtain a pre-sale permit. A commodity building may be sold before completion only if: a) the assignment price has been paid in full for the grant of the land use rights involved and a land use rights certificate has been obtained; b) a construction works planning permit and construction works commencement permit have been obtained; c) the funds invested in the development of the commodity buildings put to pre-sale represent 25 per cent. or more of the total investment in the project and the progress of works and the completion and delivery dates have been ascertained; and d) the pre-sale has been registered and a pre-sale permit has been obtained.

On 13 April 2010, MOHURD issued the Notice on Further Enhancing the Supervision of the Real Estate Market and Perfecting the Pre-sale System of Commodity Houses (《關於進一步加強房地產市場監管完善商品住房預售制度的有關問題的通知》) (the “**Notice**”). Pursuant to the Notice, without the pre-sale permit, the commodity properties are not permitted to be pre-sold and the real estate developers are not allowed to charge the buyer any deposit or pre-payment or payment of the similar nature. In addition, the Notice urges local governments to enact regulations on sale of completed commodity properties in light of the local conditions, and encourages property developers to engage in the practice of selling completed commodity properties.

REGULATION ON THE ISSUANCE OF FOREIGN SECURITIES

The Order 56 (《企業中長期外債審核登記管理辦法》) has taken effect on 10 February 2023, and relate to the matters listed below:

- **Tighten Requirements for Borrowing Foreign Debts**

The Order 56 has tightened the requirements on the conditions for enterprises to incur foreign debts. Each controlling shareholder and de facto controlling person of an enterprise is required to (i) not have any criminal records relating to corruption, bribery, embezzlement or misappropriation of assets or other criminal offenses that may impede the order of the socialist market economy within the past three years, and (ii) not be the subject of lawful investigation for criminal offenses or breach of major laws or regulations within the past three years.

- **Pre-issuance Approval and Registration Procedure**

Pursuant to the Order 56, before incurring any foreign debt, an enterprise shall submit a registration application with the NDRC to obtain the certificate of approval and registration of enterprise borrowing of foreign debts (the “**Certificate of Approval and Registration**”). The Order 56 provide that the NDRC may take disciplinary measures against the relevant enterprise and the main responsible person(s), such as regulatory interview or public warning.

- **Use of Proceeds**

Pursuant to the Order 56, proceeds from foreign debts shall not be used for any purpose which would threaten the national information and data security or increase local government’s hidden debts, or for speculative purposes.

- **Post-issuance Filing and Reporting Procedure**

The relevant enterprise subject to the Order 56 shall undertake to (i) after incurring any foreign debt, file or cause to be filed with the NDRC the requisite information and documents relating to such foreign debt within ten PRC working days after the completion of borrowing of such foreign debts, (ii) file or cause to be filed with the NDRC the requisite information and documents within ten PRC working days upon the expiry of the Certificate of Approval and Registration, (iii) file or cause to be filed with the NDRC the requisite information and documents within five PRC working days before the end of January and July of each year, and (iv) file or cause to be filed the requisite information and documents with the NDRC upon the occurrence of any material event that may affect the relevant enterprise's due performance of its debt obligations.

An enterprise and its main responsible person(s) may be subject to a public warning, if the enterprise makes any concealment, false record, misleading statement or material omission in its application documents and information disclosed by such enterprise, or fails to comply with reporting obligations in accordance with the Order 56.

CROSS-BORDER SECURITY LAWS

On 3 June 2011, PBOC issued Notice 145. Pursuant to Notice 145, onshore banks can provide guarantees in RMB for overseas project contracting, overseas project construction and cross-border financing. The provision by onshore banks of RMB guarantees will not fall within the current management of foreign debt, and any such guarantee and its performance should be reported in Renminbi Cross-Border Payments and Receipts Management Information System (“RCPMIS”).

On 18 April 2012, PBOC and SAFE issued the Notice on Responsibility Division of the Cross-border RMB Transactions Supervision, pursuant to which, the Monetary Policy Department II of PBOC is responsible for promoting the cross-border RMB business, and providing the relevant business data to SAFE. On 30 July 2012, the Monetary Policy Department II of PBOC indicated in the reply to an onshore bank that issuance of the cross-border RMB letters of credit by PRC-incorporated banks for cross-border financing purpose to offshore entities will not fall within the bank's annual quota of the cross-border financing guarantee. For the purpose of carrying out the business of RMB guarantee for cross-border financing, the banks only need to file the letter of credit and the performance of such letter of credit with RCPMIS, without any requirement of prior approval or registration.

On 12 May 2014, the SAFE promulgated the Notice concerning the Foreign Exchange Administration Rules on Cross-Border Security and the relating implementation guidelines (國家外匯管理局關於發佈《跨境擔保外匯管理規定》的通知) (collectively, the “**New Regulations**”). The New Regulations, which come into force on 1 June 2014, replace twelve other regulations regarding cross-border security and introduce a number of significant changes, including: (i) abolishing prior SAFE approval and quota requirements for cross-border security; (ii) requiring SAFE registration for two specific types of cross-border security only; (iii) removing eligibility requirements for providers of cross-border security; (iv) the validity of any cross-border security agreement is no longer subject to SAFE approval, registration, filing, and any other SAFE administrative

requirements; (v) removing SAFE verification requirement for performance of cross-border security. A cross-border guarantee is a form of security under the New Regulations. The New Regulations classify cross-border security into three types:

- Nei Bao Wai Dai (內保外貸) (“NBWD”): security/guarantee provided by an onshore security provider for a debt owing by an offshore debtor to an offshore creditor.
- Wai Bao Nei Dai (外保內貸) (“WBND”): security/guarantee provided by an offshore security provider for a debt owing by an onshore debtor to an onshore creditor.
- Other Types of Cross-border Security (其他形式跨境擔保): any cross-border security/guarantee other than NBWD and WBND.

In respect of NBWD, in the case where the onshore security provider is a non-financial institution, it shall conduct a registration of the relevant security/guarantee with SAFE within 15 working days after its execution (or 15 working days after the date of any change to the security). The funds borrowed offshore shall not be directly or indirectly repatriated to or used onshore by means of loans, equity investments or securities investments without SAFE approval. The onshore security provider can pay to the offshore creditor direct (by effecting remittance through an onshore bank) where the NBWD has been registered with SAFE. In addition, if any onshore security provider under a NBWD provides any security or guarantee for an offshore bond issuance, the offshore issuer’s equity shares must be fully or partially held directly or indirectly by the onshore security provider. Moreover, the proceeds from any such offshore bond issuance must be applied towards the offshore project(s), where an onshore entity holds equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC Laws.

The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Securities and the Trust Deed. The Guarantor’s obligations in respect of the Securities and the Trust Deed are contained in the Deed of Guarantee. The Deed of Guarantee will be executed by the Guarantor on or before the Issue Date. Under the New Regulations, the Deed of Guarantee does not require any pre-approval by SAFE and is binding and effective upon execution.

The Guarantor is required to register or cause to be registered the Deed of Guarantee with the local SAFE for registration within 15 working days after its execution. The SAFE registration is merely a post signing registration requirement, which is not a condition to the effectiveness of the Guarantee.

Under the New Regulations, the local SAFE will go through a procedural review (as opposed to a substantive approval process) of the Guarantor’s application for registration. Upon completion of the review, the local SAFE will issue a registration notice or record to the Guarantor to confirm the completion of the registration. The Guarantor has been advised by its PRC legal advisors that as at the date of this Offering Circular, there are no foreseeable obstacles to the completion of the registration so long as all relevant documents have been duly submitted to SAFE.

Under the New Regulations:

- non-registration does not render the Guarantee ineffective or invalid under PRC law although SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated time frame of 15 working days; and
- there may be logistical hurdles at the time of remittance (if any cross-border payment is to be made by the Guarantor under the Guarantee) as domestic banks may require evidence of SAFE registration in order to effect such remittance, although this does not affect the validity of the Guarantee itself.

The Terms and Conditions of the Securities provide that the Guarantor will register, or cause to be registered, the Deed of Guarantee with SAFE in accordance with, and within the time period prescribed by, the New Regulations and use its best endeavours to complete the registration and obtain a registration record from SAFE on or before the SAFE Registration Deadline. If the Guarantor fails to complete the SAFE registration and deliver the registration records to the Trustee before the Registration Deadline, the Issuer may, at any time, on giving irrevocable notice to the Trustee, the Agents and Securityholders, redeem in whole, but not in part of the Securities (see Condition 6(f) of the Terms and Conditions of the Securities).

PRC CURRENCY CONTROL

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Securities. Prospective holders of the Securities who are in any doubt as to PRC currency controls are advised to consult their own professional advisers. Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item refers to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers. Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, the PRC Government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (《關於擴大跨境貿易人民幣結算試點有關問題的通知》) (the “**Renminbi Settlement Circular**”), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces and cities and (iii) the restriction on designated offshore districts was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle imports and exports of goods and services and other current account items between them. Renminbi remittance for exports of goods from the PRC may only be effected by approved pilot enterprises in designated pilot districts in the PRC. On 22 August 2011, the PRC Government further expanded Renminbi cross-border trade settlement nationwide and make Renminbi trade and other current account item settlement in all countries worldwide. On 3 February 2012, the PRC government promulgated the Circular on the Relevant Issues Pertaining to Administration over Enterprises Engaging in RMB Settlement of Export of Goods (《關於出口貨物貿易人民幣結算企業管理有關問題的通知》), pursuant to which any enterprises in China which are qualified to engage in import and export trade are allowed to settle their goods export trade in Renminbi.

On 5 July 2013, the PBOC issued the Circular on the Simplification of Renminbi Cross-border Business Processes and the Improvement of Relevant Policies (《關於簡化跨境人民幣業務流程和完善有關政策的通知》) (the “**2013 PBOC Circular**”), pursuant to which on the basis of three principles of “know your customer,” “know your business,” and “due diligence,” PRC banks can directly handle the cross-border settlement upon the PRC enterprises presenting the payment instruction (except for enterprises on the key regulatory list of regulating Renminbi cross-border settlement in export goods trade). PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross-border remittance).

The Renminbi Settlement Circular and the 2013 PBOC Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Renminbi Settlement Circular and the 2013 PBOC Circular and impose conditions for settlement of current account items. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such regulations.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Settlements for capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities.

Foreign invested enterprises or relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency.

That said, the relevant PRC authorities may grant approval for a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investors outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may be required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 3 June 2011, the PBOC promulgated the Circular on Clarifying Issues concerning Cross-border Renminbi Settlement (《中國人民銀行關於明確跨境人民幣業務相關問題的通知》) (the “**PBOC Circular**”). The PBOC Circular provides instructions to local PBOC authorities on procedures for the approval of settlement activities for non-financial Renminbi foreign direct investment into the PRC. The PBOC Circular applies to all non-financial Renminbi foreign direct investment into the PRC, and includes investment by way of establishing a new enterprise, acquiring an onshore enterprise, transferring the shares, increasing the registered capital of an existing enterprise, or providing loan facilities in Renminbi. The domestic settlement banks of foreign investors or foreign invested enterprises in the PRC are required to submit written applications to the PBOC which include, *inter alia*, requisite approval letters issued by the relevant MOFCOM authorities. The PBOC Circular only applies to cases where the receiving onshore enterprise is not a financial institution and the approval from PBOC has only been granted on a trial basis.

On 13 October 2011, the PBOC promulgated the PBOC FDI Measures (《外商直接投資人民幣結算業務管理辦法》) which was amended in May 2015, to commence the PBOC's detailed RMB FDI administration system, which covers almost all aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as RMB denominated cross-border loans. Pursuant to the PBOC FDI Measures, PBOC special approval for RMB FDI and shareholder loans, which is required by an earlier circular of PBOC is no longer necessary and the required enterprise registration is implemented on a regular, rather than trial, basis.

On 3 December 2013, the MOFCOM promulgated the “Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment” (《商務部關於跨境人民幣直接投資有關問題的公告》) (the “**MOFCOM Circular**”), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

The PBOC Circular, the MOFCOM Circular and the PBOC FDI Measures will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

TAXATION

The following summary of certain Hong Kong, PRC and British Virgin Islands tax consequences of the purchase, ownership and disposition of Securities is based upon applicable laws, regulations, rulings and decisions 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 Securities and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Securities should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Securities, including such possible consequences under the laws of their country of citizenship, residence or domicile.

HONG KONG

Withholding Tax

No withholding tax in Hong Kong is payable on payments of principal (including any premium payable on redemption of the Securities) or distributions in respect of the Securities.

Profits Tax

Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “**Inland Revenue Ordinance**”) as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal or redemption of the Securities where such sale, disposition or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest payments on the Securities will be subject to Hong Kong profits tax where such payments have a Hong Kong source, and are received by or accrue to:

- a financial institution (as defined in the Inland Revenue Ordinance) and the income arises through or from the carrying on by the financial institution of its business in Hong Kong;
- a corporation carrying on a trade, profession or business in Hong Kong; or
- a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and such distribution is in respect of the funds of the trade, profession or business.

Although no tax is imposed in Hong Kong in respect of capital gains, Hong Kong profits tax may be chargeable on trading gains arising on the sale or disposition of the Securities where such transactions are or form part of a trade, profession or business carried on in Hong Kong.

Stamp Duty

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

PRC

The following summary describes the principal PRC tax consequences of ownership of the Securities 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 Securityholders in this section. In considering whether to invest in the Securities, 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.

Pursuant to the EIT Law, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose “de facto management organisation” are within the territory of the PRC shall be PRC tax resident enterprises for the purpose of the EIT Law and they shall pay enterprise income tax at the rate of 25 per cent. in respect of their income sourced from both within and outside the PRC. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the Issuer’s “de facto management organisation” is within the territory of the PRC, it may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to enterprise income tax at the rate of 25 per cent. for its income sourced from both within and outside the PRC. As at the date of this Offering Circular, the Issuer confirms that it has not received notice or been informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law. However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law in the future. Pursuant to the EIT Law, any non-resident enterprise without an establishment within the PRC or whose income has no actual connection to its establishment within the PRC, shall be required to pay an income tax at the rate of 10 per cent. on the income sourced inside the PRC. Such income tax shall be withheld by the PRC payer that is acting as the obligatory withholder and such PRC payer shall withhold the tax amount from each payment or payment due. Although as confirmed by the Issuer, as at the date of this Offering Circular, the Issuer has not been notified informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, it will be required to withhold income tax from the payments of interest in respect of the Securities for any non-PRC Securityholder. However, despite the potential withholding of the PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Securities so that holders of the Securities would receive the full amount of the scheduled payment, as further set out in the “Terms and Conditions of the Securities”.

Non-PRC Securityholders will not be subject to the PRC tax on any capital gains derived from a sale or exchange of Securities consummated outside the PRC between non-PRC Securityholders, except however, if the Issuer is treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future, any gain realised by the non-PRC Securityholders from the transfer of the Securities may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 10 per cent. of PRC withholding tax. No PRC stamp duty will be imposed on

non-PRC Securityholders either upon issuance of the Securities or upon a subsequent transfer of Securities. No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Securityholders is maintained outside the PRC) of a Security.

If the Guarantor makes any payments in respect of interest on the Securities under the Deed of Guarantee, the Guarantor will be obliged to withhold PRC enterprise income tax at the rate of up to 10 per cent. on such payments to non-PRC resident enterprise Securityholders as such payments will be regarded as being derived from sources within the PRC. The Guarantor will pay additional amounts to holders of the Securities so that holders of the Securities would receive the full amount of the scheduled payments of interest, as further set out in the “Terms and Conditions of the Securities”.

The Ministry of Finance and the SAT issued on 23 March 2016 Circular 36 and the State Council issued on 19 November 2017 the Provisional Regulations of the People’s Republic of China on Value-added Tax (Revision 2017) (中華人民共和國增值稅暫行條例 (2017修訂)) (the “**VAT Regulation**”), which confirmed that business tax has been completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36 and VAT Regulation, the entities and individuals providing services within China shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. It is not clear from the interpretation of Circular 36, whether the provision of loans to the Issuer could be considered as services provided within the PRC, which in turn could be regarded as the provision of financial services that could be subject to VAT. Furthermore, there is no assurance that the Issuer will not be treated as PRC tax resident enterprise under the EIT Law. PRC tax authorities could take the view that the holders of the Securities are providing loans within the PRC because the Issuer is treated as PRC tax resident enterprise. In which case, the issuance of the Securities could be regarded as the provision of financial services within the PRC and subject to VAT.

If the Issuer is treated as PRC tax resident enterprise and if PRC tax authorities take the view that the holders of the Securities are providing loans within the PRC, or if the interest component of the amount payable by the Guarantor to the Securityholders under the Deed of Guarantee is viewed as interest income arising within the territory of the PRC, the holders of the Securities shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments under the Securities. Given that the Issuer or the Guarantor pays interest income to Securityholders who are located outside of the PRC, the Issuer or the Guarantor will be obliged to withhold VAT and local levies from the payment of interest income and pay additional amounts to Securityholders who are located outside of the PRC.

BRITISH VIRGIN ISLANDS

Payments of interest and principal on the Securities will not be subject to taxation in the British Virgin Islands and no withholding will be required on the payment of interest and principal to any holder of the Securities, nor will gains derived from the disposal of the Securities be subject to British Virgin Islands income or corporation tax. The British Virgin Islands currently have no corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 23 July 2024 (the “**Subscription Agreement**”) pursuant to which and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers severally and not jointly agreed to subscribe for, the aggregate principal amount of the Securities.

The Subscription Agreement provides that the Issuer and the Guarantor will indemnify the Joint Lead Managers and their respective affiliates against certain liabilities in connection with the offer and sale of the Securities. 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 and the Guarantor for which they have received, or will receive, fees and expenses.

In connection with the offering of the Securities, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may place orders, receive allocations and purchase Securities for their own account (without a view to distributing such Securities) and such orders and/or allocations of the Securities may be material. Such entities may hold or sell such Securities or purchase further Securities for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Securities or other securities otherwise than in connection with the offering. Accordingly, references herein to the Securities being “offered” should be read as including any offering of the Securities to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor 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. If this is the case, liquidity of trading in the Securities may be constrained (see “*Risk Factors — Risks relating to the Securities and the Guarantee — The liquidity and price of the Securities following this offering may be volatile*” in the Offering Circular). The Issuer, the Guarantor and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Securities amongst individual investors.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Securities. The Joint Lead Managers or their respective affiliates that have a lending relationship with the Issuer and/or the Guarantor may hedge their credit exposure to the Issuer and/or the Guarantor consistent with their risk management policies. Typically, the Joint Lead Managers or their respective affiliates

would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's and/or the Guarantor's securities, including potentially the Securities. Any such short positions could adversely affect future trading prices of the Securities offered hereby. The Joint Lead Managers and their respective affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Securities or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Securities or other financial instruments.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMI(s) (including private banks): This notice to CMI(s) (including private banks) is a summary of certain obligations the Code imposes on CMI(s), which require the attention and cooperation of other CMI(s) (including private banks). Certain CMI(s) may also be acting as OC(s) for this offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the Code as having an Association with the Issuer, the CMI or the relevant group company. CMI(s) should specifically disclose whether their investor clients have any Association when submitting orders for the Securities. 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.

CMI(s) are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMI(s) 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 CMI(s)). CMI(s) should enquire with their investor clients regarding any orders which appear unusual or irregular. CMI(s) should disclose the identities of all investors when submitting orders for the Securities (except for omnibus orders where underlying investor information may need to be provided to any OC(s) when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMI(s) should not place "X-orders" into the order book.

CMI(s) 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.

CMI(s) (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMI(s) (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Securities.

The 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 Securities, 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 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 to apply the “proprietary orders requirements” of the Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the 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 Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to:

dcm@htisec.com, dcm.hf@gtjas.com.hk, DCM_HK@csci.hk,
Project_HF2024@hjfi.com.hk, abcic.dcm@abci.com.hk, dcmhk@bocgroup.com,
IB_HF202406@cicc.com.cn, ib.dcm.southchina@clsa.com, dcm@hxb.com.cn,
Project.hf2024@icbci.icbc.com.cn, dcm@lusobank.com.mo,
Omnibus_Bond@hk.mizuho-sc.com, dcmnea@smbcnikko-hk.com, dcm@spdbi.com,
dcm3@sris.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 OC(s); (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OC(s). By submitting an order and providing such information to any OC(s), 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 OC(s) and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the 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 Code, and may request other CMI's (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 CMI's (including private banks) are required to provide the relevant Joint Lead Manager(s) with such evidence within the timeline requested.

General

None of the Issuer, the Guarantor or any of the Joint Lead Managers has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers, the Issuer or the Guarantor that would permit a public offering of the Securities, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Securities (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. None of the Joint Lead Managers is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Securities other than as contained in, or which is consistent with, this Offering Circular or any amendment or supplement to it.

United States

The Securities and the Deed of Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Securities and the Deed of Guarantee are being offered and sold outside of the United States in reliance on Regulation S.

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

Prohibition of Sales to EEA Retail Investors

Each of the Joint Lead Managers has represented, warranted and agreed that the Securities are not intended to be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

Prohibition of Sales to UK Retail Investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

United Kingdom

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

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

The PRC

Each of the Joint Lead Managers has represented, warranted and agreed that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau or Taiwan), except as permitted by the securities laws of the PRC and approved by the competent PRC authorities.

Hong Kong

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

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

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any or cause the Securities 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 Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, or (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.

Japan

The Securities 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 of the Joint Lead Managers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for reoffering 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 any other applicable laws, regulations and ministerial guidelines of Japan.

British Virgin Islands

No invitation will be made directly or indirectly to the public in the British Virgin Islands or to any natural person resident or citizen in the British Virgin Islands to subscribe for any of the Securities. This Offering Circular does not constitute, and will not be, an offering of the Securities to any person in the British Virgin Islands.

Macau

The Securities have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Securities be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act, as approved by Law no. 13/2023 (the “**FSA**”), and Guidelines under Circular no. 033/B/2010-DSB/AMCM and Circulars no. 011/B/2023-DSB/AMCM (the “**AMCM Guidelines**”) and any other laws in Macau that may apply to the offer and sale of the Securities in Macau. The Securities have not been and will not be registered or otherwise authorised for public offer under the FSA and the AMCM Guidelines, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the FSA and the AMCM Guidelines 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. Dealers who are not Macau licensed entities will not promote, distribute, sell or deliver any of the Securities in Macau.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

The analysis below is not meant to be an exhaustive description of all significant differences between PRC GAAP and IFRS. In making an investment decision, investors must rely upon their own examination of the Issuer, the Company, the Group, the terms of the offering and the financial information included herein. Potential investors should consult their own professional advisors for an understanding of any differences that may exist between PRC GAAP and IFRS, and how those differences might affect the financial information included herein.

The consolidated financial statements of the Company 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 China's unique circumstances and environment. The following is a general summary of certain differences between PRC GAAP and IFRS on recognition and presentation as applicable to the Company. The differences identified below are limited to those significant differences that are appropriate to the Company's consolidated financial statements. The Company 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 summary. The Company has not prepared a complete reconciliation of the consolidated financial information and related footnote disclosure between PRC GAAP and IFRS and has not quantified such differences. Had any such quantification or reconciliation been undertaken by the Company, other potentially significant accounting and disclosure differences that are not identified below may have been required. 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 projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between PRC GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. Accordingly, no assurance is provided that the following summary of differences between PRC GAAP and IFRS is complete. In making an investment decision, Investors must rely upon your own examination of the Company, the terms of the offering and other disclosure contained herein. Investors should consult their own professional advisors 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.

1. Classification of difference between fair value and carrying amount of land on transfer

Under PRC GAAP, the difference between fair value and carrying amount of land on a transfer date is recognised under capital surplus. However, under IFRS, the difference between fair value and carrying amount of land on a transfer date is recognised under retained earnings.

2. Classification of land value added tax

Under PRC GAAP, land value added tax is recognised under business taxes and surcharges in the income statement. However, under IFRS, land value added tax is recognised under income tax expenses in the income statement.

GENERAL INFORMATION

1. **Clearing Systems:** The Securities have been accepted for by the CMU under CMU Instrument Number BOAKCS24072, with Common Code 286390692 and ISIN HK0001038576.
2. **Authorisations:** The Issuer and the Company have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities and the provision of the Guarantee of the Securities (as the case may be). The issue of the Securities was authorised by resolutions of the Board of Directors of the Issuer passed on 8 July 2024. The guarantee of the Securities was authorised by board resolutions of the Company passed on 23 January 2024.
3. **No Material Adverse Change:** Save as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position or prospects of the Issuer, the Company and the Group since 31 December 2023.
4. **Litigation:** None of the Issuer, the Company or any other member of the Group is involved in any litigation or arbitration proceedings that the Issuer or the Company, as the case may be, believes are material in the context of the Securities, nor is either of the Issuer or the Company aware that any such proceedings are pending or threatened.
5. **Legal Entity Identifier Number:** 254900DBSY6AGI3ICA90.
6. **Available Documents:** Copies of the Company's audited consolidated financial statements for the years ended 31 December 2022 and 2023 (provided they have been provided to the CMU Lodging and Paying Agent), the Trust Deed, the Agency Agreement and the Deed of Guarantee will be available for inspection (free of charge to the Securityholders and at the Issuer's expense) from the Issue Date at the specified office of the CMU Lodging and Paying Agent or at the principal office of the Trustee (being at the date of this Offering Circular at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) following satisfactory proof of holding and identity and with prior appointment, at all reasonable times during normal business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)), so long as any of the Securities is outstanding.
7. **Financial Statements:** The Company's Audited Financial Statements, which are included elsewhere in this Offering Circular, have been audited by GrantThorton, the Company's independent auditor, as stated in their reports appearing therein.
8. **Listing of Securities:** Application will be made to the SEHK for the listing of, and permission to deal in, the Securities by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 31 July 2024. A confirmation of the eligibility for the listing of the Securities has been received from the SEHK.

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Notes:

- (1) The F-pages may refer to the Guarantor’s English name as “Zhuhai Huafa Group Co., Ltd”. For the avoidance of doubt, both “Zhuhai Huafa Group Co., Ltd” and “Zhuhai Huafa Group Co., Ltd.” mean the Guarantor in the context of the audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2022 and 2023 and other places in the Offering Circular.
- (2) Pages F-357 to F-358 and F-723 to F-724 of this Offering Circular contain the Chinese non-editable business license, practice certificate and other details of GrantThornton Certified Public Accountant Firm (Special General Partnership).

Zhuhai Huafa Group Co., Ltd

2023

Auditor's Report

GrantThornton Certified Public

Accountant Firm (Special General Partnership)

This code is used to certify that this auditor's report is issued by the Certified Public Accountant Firm that has the practice license. You can use your mobile phone to scan or enter into the "Online Certified Public Accountant Uniform Supervision Platform (<http://acc.mof.gov.cn>) to check.

Report Code: J 247CGG5N5Y



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Annotation to the financial statements	23-348

GrantThornton

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Auditor's Report

GTCNSZ (2024) NO.442A017790

Board of Directors of Zhuhai Huafa Group Co., Ltd

I. Auditor's opinion

We have audited the financial statements of Zhuhai Huafa Group Co., Ltd (hereinafter referred to as Huafa Group), which comprise the consolidated and separate balance sheet on 31st Dec. 2023, the consolidated and separate profit and loss statement of the year 2023, the consolidated and separate cash flow statement of the year 2023, and the consolidated and separate statement of change to owner's equity of the year of 2023, and annotation to the financial statement.

In our opinion, the attached financial statements have been compiled in accordance with the enterprise accounting standards in all major respects, and fairly represent the consolidated and separate financial status of Huafa Group Co., Ltd on 31st Dec. 2023, and its operation performance and cash flow in 2023.

II. Basis for auditor's opinions

We have conducted our audit work in accordance with Auditing Standards for CPAs in China. "CPA's responsibility for financial statements" in this audit report further expounds our responsibility under these standards. In accordance with the CPA code of ethics in China, we are independent of Huafa Group Co., Ltd and have fulfilled other responsibilities in respect of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate and has provided the basis for our auditor's opinion.

III. Responsibility of the Management and Governance for the Financial Statements

The Management of Huafa Group Co., Ltd (the Management) is responsible for compilation and fair presentation of the financial statements in accordance with Enterprise Accounting Standards, as well as design, implementation, and maintenance of internal control, so that the financial statements are free from material misstatement due to fraud or error.

While preparing financial statements, the Management is responsible for evaluating the going concern capability of Huafa Group Co., Ltd, disclosing the events related to the going concern (if applicable), and applying the going concern assumption, unless the Management plans to liquidate Huafa Group Co., Ltd, or cease the operation or has no other practical choices.

The Governance is responsible for supervising the financial reporting process of Huafa Group Co., Ltd.

IV. CPA's Responsibility for Audit of Financial Statements

We aim to obtain reasonable assurance to whether the financial statements are free from material misstatement due to fraud or error as an entirety and issue the audit report containing auditors' opinion. Reasonable assurance is a high-level assurance, but it can't guarantee that any material misstatement will always be found in the audits conducted in accordance with the auditing standards. Misstatements can be caused by fraud or error. Misstatement is generally considered to be material if it is reasonably expected that the misstatement, alone or aggregated, may affect the financial decision made by the users of the financial statements based on the financial statements.

In carrying out the audit in accordance with the auditing standards, we exercise professional judgment and maintain professional suspicion. We also:

- (1) Identify and assess the risk of material misstatement in financial statements due to fraud or error; design and implement audit procedures to address these risks and obtain adequate and appropriate audit evidence as a basis for delivering the audit opinion. As fraud may involve collusion, forgery, willful omission, misrepresentation or override of internal control, the risk of not discovering a material misstatement due to fraud is higher than the risk of not discovering a material misstatement caused by mistakes.
- (2) Learn about the internal controls related to audit in order to design an appropriate auditing procedure, but the aim is not to comment on the effectiveness of internal controls.
- (3) Evaluate the appropriateness of accounting policies selected by the Management and the reasonableness of making accounting estimates and related disclosures.
- (4) Draw conclusions on the appropriateness of the Management's going concern assumption. Meanwhile, based on the audit evidence obtained, draw a conclusion on whether a material uncertainty exists related to matters or conditions which may invite significant doubt on the ability of Huafa Group Co., Ltd to continue as a going concern. If we conclude that a material uncertainty exists, the auditing standards require us to draw the attention of the report's users to related disclosures in the financial statement or; if the disclosures are inadequate, we should issue non-unqualified opinion. Our conclusion is based on the information available up to the date of the audit report. However, future events or circumstances may make Huafa Group Co., Ltd fail to continue as a going concern.
- (5) Assess the overall presentation, structure and content of the financial statements as well as whether the transactions and events are fairly reflected in the financial statements.
- (6) Obtain sufficient and suitable evidence for the audit with regards to financial information in physical or business activities of Huafa Group Co., Ltd, and issue opinion on the financial statement. We are responsible for giving instructions to, supervising and implementing the audit on Huafa Group and shoulder all responsibilities for the auditor's opinion.

We communicate with the Governance with regards to the planned scope and timing of the audit and significant audit findings, including noteworthy deficiencies in internal control that we identify during our audit.

Grant Thornton Certified Public Accountant Firm (Special General Partnership)
Beijing, China

Chinese Certified Public Accountant:
Ling Yunliang, No.: 11000154010



Chinese Certified Public Accountant
Li Encheng, No.: 110001540142
29th April 2024



Consolidated and Separate Balance Sheet

Prepared by: Zhuhai Huafa Group Co., Ltd

31st Dec. 2023

Unit: RMB

Item	Note	Closing Balance		Opening balance	
		Consolidated	Separate	Consolidated	Separate
Current Assets:					
Monetary capital	8.1	67,671,666,706.71	5,035,398,741.27	68,665,152,784.29	5,278,023,436.09
Δ Settlement fund	8.2	329,072,489.78		233,091,753.94	
Δ Monetary security receivables	8.3	1,004,916,034.12		854,924,861.42	
Δ Pledge security receivable	8.4	296,302,720.00		236,403,712.00	
Δ Security deposit (outward)	8.5	138,956,581.33		65,168,024.94	
Δ Fund lent	8.6	599,568,000.00		989,287,200.00	
Δ Fund under outward finance	8.7	2,249,425,087.50		2,337,420,003.10	
Transaction financial asset	8.8	5,182,019,806.71		6,411,238,735.48	
Derivative financial asset	8.9	29,659,781.70		37,746,491.20	
Notes receivables	8.10	193,497,990.82		329,828,029.70	
Account receivables	8.11	10,647,770,919.06	515,437,865.84	9,766,378,489.51	8,597,314.91
Receivable finance	8.12	146,122,429.37		513,629,496.82	
Advance payment	8.13	5,568,834,028.10	11,733,132.68	7,167,916,783.01	8,902,543.54
Δ Premium receivable					
Δ Reinsurance account receivable					
Δ Settlement guarantee receivable		10,047,499.99		10,000,000.00	
Other receivables	8.14	6,903,938,626.74	32,839,507,277.18	8,038,951,362.19	33,087,579,312.89
Incl: dividend receivable		4,268,292.68		125,560,000.00	
Δ Redemptory financial asset for sale	8.15			3,927,869,255.13	
Stock	8.16	351,295,347,317.59	15,320,445.41	319,495,124,526.05	15,320,445.41
Contract asset	8.17	5,232,192,220.81		4,862,495,205.09	
Held-for-sale asset		104,492.84		179,000,000.00	
Non-current asset due within one year	8.18	414,396,725.98		4,821,412,434.21	
Other current assets	8.19	68,907,368,701.97	3,376,101,111.26	52,462,075,574.56	4,023,918,899.49
Total of current assets		526,821,208,161.12	41,793,498,573.64	491,405,114,722.64	42,422,341,952.33
Non-current asset					
Δ Loan issued and advance for others	8.20	675,385,251.08		671,831,382.83	
Creditor's right investment	8.21	165,352,880.00		1,404,106,320.00	
Other creditor's right investment	8.22	2,401,455,257.32		2,335,364,283.00	

Item	Note	Closing Balance		Opening balance	
		Consolidated	Separate	Consolidated	Separate
Long-term receivable	8.23	94,295,744.52		100,152,330.83	
Long-term equity investment	8.24	55,776,502,869.78	103,169,253,866.45	55,126,635,574.51	87,442,773,275.66
Other equity instrument investment	8.25	4,722,741,736.13	119,572,482.11	1,457,814,800.70	
Other non-current financial asset	8.26	44,235,859,062.64	5,447,592,734.43	32,849,442,215.15	7,892,631,160.21
Investment real estate	8.27	49,504,761,761.90	43,930,945.00	23,262,425,014.90	9,442,413.88
Fixed assets	8.28	22,299,792,279.59	273,418,220.14	17,770,973,682.31	292,519,122.79
Construction in process	8.29	3,996,405,144.16	60,036,829.00	7,046,040,670.42	
Productive biological asset					
Gas and oil asset					
User right asset	8.30	1,771,779,067.76	23,029,744.58	1,680,120,756.34	8,673,174.46
Intangible asset	8.31	2,226,514,765.61	63,291,086.97	2,674,562,143.86	63,774,315.49
R&D expenditure	8.32	51,001,624.30		131,151,565.40	
Goodwill	8.33	3,570,007,697.01		4,656,103,370.48	
Long-term amortized cost	8.34	486,201,302.02	18,397,828.44	349,804,555.16	22,830,160.16
Deferred income tax asset	8.35	6,517,375,539.42		5,298,923,268.41	
Other non-current asset	8.36	4,332,316,074.69		5,219,757,706.11	
Incl: special reserve material					
Total of non-current asset		202,827,748,057.93	109,218,523,737.12	162,035,209,640.41	95,732,643,622.65
Total assets		729,648,956,219.05	151,012,022,310.76	653,440,324,363.05	138,154,985,574.98
Current liabilities:					
Short-term loan	8.37	38,245,690,520.44	30,450,763,888.89	30,891,731,390.63	23,808,402,939.15
Δ Loan from central bank					
Δ Fund borrowed	8.38	706,212,166.67		150,175,000.00	
Δ Security deposit (inward)					
Transaction financial liability	8.39	55,092,050.08			
Derivative financial liabilities	8.40	59,124,922.77		58,304,974.88	
Notes payable	8.41	1,882,964,100.51		1,812,036,562.53	
Account payable	8.42	51,474,549,396.76	90,429,519.05	39,120,585,110.79	69,613,980.46
Advance receipt	8.43	514,484,964.39	0.00	519,056,254.31	
Contract liabilities	8.44	101,702,122,957.57	33,412,824.00	90,846,830,113.50	33,412,824.00
Δ Advance receipt of premium					
Δ Financial assets sold for repurchase	8.45	3,924,518,488.71		2,777,297,310.06	
Δ Deposit and interbank deposit	8.46	1,403,772,738.96		3,835,615,085.51	

Item	Note	Closing Balance		Opening balance	
		Consolidated	Separate	Consolidated	Separate
Δ Fund for securities transaction under agency agreement	8.47	1,405,337,591.68		1,620,715,353.60	
Δ Fund for securities underwriting under agency agreement					
Δ Monetary security payable	8.48	3,186,834,345.88		2,401,147,797.67	
Δ Pledge security payable	8.49	296,302,720.00		236,403,712.00	
Δ Future risk reserve	8.50	14,598,506.22		12,092,038.86	
Δ Future investor guarantee fund payable					
Payroll payable	8.51	1,329,559,963.22	35,534,373.89	1,401,844,756.95	37,661,983.76
Taxes and charges payable	8.52	3,655,856,227.37	35,501,253.84	2,939,100,282.60	11,978,474.72
Other payable	8.53	34,372,311,614.20	6,089,414,517.85	27,376,405,289.21	9,326,329,177.61
Incl: dividend payable		77,061,825.19		655,708.40	
Δ Charges and commission payable					
Δ Reinsurance account payable					
Held-for-sale liability					
Non-current liabilities due within one year	8.54	66,874,619,696.50	26,220,735,936.08	45,103,627,210.34	8,649,162,127.73
Other current liabilities	8.55	19,953,666,394.66	9,487,481,534.26	19,594,058,725.85	8,568,571,523.97
Total of current liabilities		331,057,619,366.59	72,443,273,847.86	270,697,026,969.29	50,505,133,031.40
Non-current liabilities:					
Δ Insurance contract reserve					
Long-term loan	8.56	124,695,877,361.95	16,593,070,000.00	118,153,644,486.22	24,105,500,000.00
Bonds payable	8.57	67,207,456,633.90	29,800,000,000.00	73,084,546,917.47	32,600,000,000.00
Lease liabilities	8.58	1,360,670,919.59	18,423,691.79	1,167,540,683.55	2,127,919.92
Long-term payable	8.59	4,931,204,013.40	617,313,638.03	3,395,167,215.13	389,662,430.74
Long-term payroll payable		156,076,272.34		1,511,805.86	
Estimated liabilities		8,371,360.38		244,204,928.23	
Deferred income	8.60	1,139,615,720.08	53,399,485.28	437,798,301.71	56,856,373.42
Deferred income tax liability	8.35	2,314,145,930.48	19,720,389.18	1,464,131,841.09	
Other non-current liabilities:	8.61	21,529,690,986.28		13,927,390,541.61	
Incl: special reserve fund					
Total of non-current liabilities		223,343,109,198.40	47,101,927,204.28	211,875,936,720.87	57,154,146,724.08
Total liabilities		554,400,728,564.99	119,545,201,052.14	482,572,963,690.16	107,659,279,755.48

Item	Note	Closing Balance		Opening balance	
		Consolidated	Separate	Consolidated	Separate
Owners' equity (or shareholders' equity)					
Paid-up capital (or share capital)	8.62	16,919,789,715.64	16,919,789,715.64	16,919,789,715.64	16,919,789,715.64
State capital		16,919,789,715.64	16,919,789,715.64	16,919,789,715.64	16,919,789,715.64
Stated-owned legal person capital					
Collective capital					
Private capital					
Foreign capital					
# Minus: investment already returned					
Net amount of paid-up capital (or share capital)		16,919,789,715.64	16,919,789,715.64	16,919,789,715.64	16,919,789,715.64
Other equity instruments	8.63	11,699,847,532.06	12,057,260,000.00	13,565,797,307.18	13,985,880,000.00
Including: preferred stock					
Perpetual bonds		11,699,847,532.06	12,057,260,000.00	13,565,797,307.18	13,985,880,000.00
Capital reserve	8.64	18,239,287,477.74	9,468,074,619.26	23,351,726,635.52	6,900,446,206.62
Less: treasury shares					
Other comprehensive income	8.65	87,703,295.33	-1,306,863.55	826,555,825.89	-2,945,279.92
Special reserve		28,181,508.42		11,899,585.80	
Surplus reserves	8.66	374,781,669.17	266,555,224.57	374,781,669.17	266,555,224.57
Δ General risk reserve		318,141,892.26		318,141,892.26	
Undistributed profit	8.67	4,101,735,014.98	-7,243,551,437.30	3,578,554,896.25	-7,574,020,047.41
Total of owner's equity (or shareholder equity) attributable to the parent company		51,769,468,105.60	31,466,821,258.62	58,947,247,527.71	30,495,705,819.50
* Minority shareholder equity		123,478,759,548.46		111,920,113,145.18	
Total owners' equity (or shareholders' equity)		175,248,227,654.06	31,466,821,258.62	170,867,360,672.89	30,495,705,819.50
Total liabilities and owners' equity (or shareholders' equity)		729,648,956,219.05	151,012,022,310.76	653,440,324,363.05	138,154,985,574.98

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Consolidated and Separate Profit and Loss Statement

Prepared by: Zhuhai Huafa Group Co., Ltd

2023

Unit: RMB

Item	Note	2023		2022	
		Consolidated	Separate	Consolidated	Separate
I. Total operating income	8.68	175,686,878,681.12	635,598,683.16	157,512,397,385.17	406,332,596.83
Incl: Operating income	8.68	174,876,382,882.90	635,598,683.16	155,860,219,364.54	406,332,596.83
△ Interest income	8.68	480,286,469.75		1,125,651,322.38	
△ Premium already earned					
△ Charges and commission income	8.68	330,209,328.47		526,526,698.25	
II. Total operating cost		170,471,924,651.22	3,202,823,494.13	150,629,927,474.97	2,705,462,692.49
Incl: Operating cost	8.68	152,219,685,441.52	59,225,584.50	135,112,471,424.47	149,229,093.95
△ Interest expense	8.68	444,054,965.15		401,987,307.16	
△ Charges and commission expense	8.68	5,756,782.63		8,873,561.29	
△ Surrender charge					
△ Net compensation expense					
△ Net withdrawal of insurance liability reserve					
△ Policy bonus expense					
△ Reinsurance expenditure					
Tax and surtax	8.69	5,730,988,908.67	12,115,416.41	4,603,752,972.62	44,978,184.58
Sales expense		3,142,914,465.48		2,473,109,148.43	
Overhead		5,052,645,991.25	207,260,256.37	4,908,031,832.14	247,907,132.22
R&D expense		708,657,917.99		518,459,801.79	
Financial expense	8.70	3,167,220,178.53	2,924,222,236.85	2,603,241,427.07	2,263,348,281.74
Incl: Interest expense		4,293,763,064.49	4,212,072,101.88	3,385,463,866.67	3,572,047,986.30
Interest income		1,316,841,300.19	1,352,285,148.46	1,194,884,372.25	1,389,820,586.02
Other					
Plus: Other gain	8.71	695,534,537.92	3,559,429.74	479,788,136.64	3,688,554.27
Investment gain (- for loss)	8.72	2,497,383,694.53	4,130,747,137.08	3,593,872,139.87	2,613,024,474.05
Incl: Investment gain on joint venture and cooperative operation enterprises		1,189,245,013.86	83,637,929.25	2,965,673,914.64	72,544,756.47
Gain recognized from termination of financial asset measured by amortized cost		-8,360,255.13		-1,105,959.89	
△ Translation income (- for loss)		149,855.41		756,012.70	
Net exposure hedging gain (- for loss)					
Gain from change to the fair value (- for loss)	8.73	3,611,547,637.82	78,550,361.63	-92,254,286.15	-1,138,029.27

Item	Note	2023		2022	
		Consolidated	Separate	Consolidated	Separate
Credit impairment loss (-for loss)	8.74	-872,249,792.99	-5,120,174.22	-396,201,859.44	525,352.83
Asset impairment loss (- for loss)	8.75	-2,344,660,224.48		-1,108,527,779.72	
Gain from asset disposal (- for loss)	8.76	4,906,024.75	39,758.18	9,353,075.54	
III. Operating profit (- for loss)		8,807,565,762.86	1,640,551,701.44	9,369,255,349.64	316,970,256.22
Plus: non-operating income	8.77	428,996,519.53	134,350.00	158,245,509.98	20,000.00
Minus: Non-operating expenditure	8.78	81,674,762.91	8,485,855.24	120,599,045.51	12,243,979.56
IV. Total profit (- for total loss)		9,154,887,519.48	1,632,200,196.20	9,406,901,814.11	304,746,276.66
Minus: income tax	8.79	3,910,434,437.18	19,720,389.18	3,008,408,056.84	
V. Net profit (- for net loss)		5,244,453,082.30	1,612,479,807.02	6,398,493,757.27	304,746,276.66
1). By ownership					
1. Net profit attributable to owner of the parent company		1,764,691,482.04	1,612,479,807.02	1,529,685,070.84	304,746,276.66
2. Minority shareholder equity		3,479,761,600.26		4,868,808,686.43	
2) By operating continuity					
1. Net profit as a going concern (- for net loss)		5,244,453,082.30	1,612,479,807.02	6,398,493,757.27	304,746,276.66
2. Profit from cease of operation (- for net loss)					
VI. After-tax net amount of other comprehensive income		-558,368,309.68	1,638,416.37	-511,317,284.35	-4,730,302.40
Net after-tax amount of other comprehensive income attributable to the parent company		-710,050,230.96	1,638,416.37	-266,695,627.33	-4,730,302.40
1). other comprehensive income that can't be classified and included into the Profit and Loss in future.		-548,722,734.46	280,352.71	2,743,883.05	-22,746.17
1. Change resulting from re-measuring the defined benefit plan					
2. other comprehensive income that can't be reclassified to Profit and Loss under the Equity Method.		197,873.29	707,870.60	937,071.63	-22,746.17
3. Change to fair value of other equity instrument investment		-548,920,607.75	-427,517.89	1,806,811.42	
4. Change to fair value of the Company's own credit risk					
5. other					
2). other comprehensive income that will be reclassified to Profit and Loss		-161,327,496.50	1,358,063.66	-269,439,510.38	-4,707,556.23

Item	Note	2023		2022	
		Consolidated	Separate	Consolidated	Separate
1. Other comprehensive income that can be transferred to profit and loss under the equity method		-292,730,661.93	1,358,063.66	-347,187,757.14	-4,707,556.23
2. Change to fair value of other creditor's right investment		19,266,445.95		-2,647,259.04	
3. Gain or loss from change to the fair value of the available-for-sale financial asset					
4. Amount that the financial asset is reclassified into other comprehensive income					
5. Cash flow hedging reserve		7,213,416.60			
6. Credit impairment reserve of other creditor's right investment		112,592.90		82,064.00	
7. Change to fair value of investment real estate		27,938,774.61		-3,393,062.51	
8. Translation difference of financial statements in foreign exchange		76,871,935.37		83,706,504.31	
9. Other					
☼ Net after-tax amount of other comprehensive income attributable to minority shareholder		151,681,921.28		-244,621,657.02	
VII. Total of comprehensive gain		4,686,084,772.62	1,614,118,223.39	5,887,176,472.92	300,015,974.26
Total comprehensive gain attributable to owner of the parent company		1,054,641,251.08		1,262,989,443.51	
☼ Total comprehensive gain attributable to minority shareholder		3,631,443,521.54		4,624,187,029.41	

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Consolidated and Separate Cash Flow

Prepared by: Zhuhai Huafa Group Co., Ltd

Year 2023

Unit: RMB

Item	Note	2023		2022	
		Consolidated	Separate	Consolidated	Separate
I. Cash flow from operating activities:					
Cash received from sales of goods and provision of labor service		192,975,422,422.75	111,309,964.35	196,740,574,254.10	172,013,467.45
Δ Net increase of client deposit and interbank deposit		-2,431,842,346.55		1,020,040,873.90	
Δ Net increase from disposal of transaction financial assets		1,147,221,728.00		-397,616,755.05	
Δ Net increase from disposal of creditor's right investment		597,804,425.58		1,716,785,873.06	
Δ Net increase from disposal of other creditor's right investment		-129,745,688.20		-912,677,367.21	
Δ Net increase from disposal of other equity instrument investment		-5,555,956.57		-14,054.79	
Δ Net increase of the insured's deposit and investment					
Δ Net increase from disposal of derivative financial asset		-8,930,744.98		11,136,635.00	
Δ Cash from collection of interest, charges and commission		1,744,364,469.97		2,101,671,159.65	
Δ Net increase of fund borrowed		556,037,166.67			
Δ Net increase of repurchase fund		5,068,900,073.79		-68,911,936.03	
Δ Net cash received from transaction of securities under agency agreement		-257,469,781.99		-327,682,245.15	
Received refunds of taxes and dues		918,483,884.24		3,324,768,019.01	
Other cash received relating to operating activities		9,335,131,047.27	665,222,917.43	8,417,412,230.58	718,458,850.91
Sub-total of cash inflows	8、80	209,509,820,699.98	776,532,881.78	211,625,486,687.07	890,472,318.36
Cash paid for goods purchased and labor services received		116,706,872,699.13	7,247,875.25	136,506,722,765.72	
Δ Net increase of client loan and advance payment		-223,539,178.39		-1,447,793,990.47	
Δ Net increase of deposit with central bank and interbank deposit		1,826,698,458.53		-2,188,343,736.69	
Δ Net increase of available-for-sale financial asset purchased					
Δ Settlement fund paid for securities					
Δ Net decrease of repurchase fund					

Item	Note	2023		2022	
		Consolidated	Separate	Consolidated	Separate
Δ Net increase of fund subject to finance		-89,312,051.46		-181,432,312.44	
Δ Cash paid for compensation under direct insurance contracts					
Δ Net increase of fund lent		-383,962,833.33		-110,000,000.00	
Δ Cash paid for interest, charges and commission		423,733,883.03		193,570,009.23	
Δ Cash paid for policy dividend					
Cash paid to and for staff		9,628,122,845.51	73,923,383.59	10,265,448,531.83	88,063,260.07
Tax and charges paid		13,706,992,732.59	19,943,458.51	11,665,545,635.44	51,281,978.76
Other cash paid for operating activities		8,045,893,287.62	227,335,270.18	10,640,733,303.42	413,509,660.74
Subtotal of cash outflow for operating activities	8、80	149,641,499,843.23	328,449,987.53	165,344,450,206.04	552,854,899.57
Net cash flow from operating activities		59,868,320,856.75	448,082,894.25	46,281,036,481.03	337,617,418.79
II. Cash flow from investment activities					
Cash received from return of investment		36,772,307,755.41	8,889,505,341.41	28,562,272,407.99	6,962,589,000.00
Cash received from investment gain		1,926,527,190.75	1,519,801,848.73	2,030,015,965.98	657,990,684.23
Net cash received from disposal of fixed asset, intangible asset and other long-term asset		41,744,709.14	1,907.36	28,819,761.44	
Net cash received from disposal of subsidiaries and other operating units		3,141,393,203.06		30,850,000.00	
Cash received related with other investment activities		1,532,306,462.80		2,372,895,018.58	806,112,098.35
Subtotal of cash inflow from investment activities		43,414,279,321.16	10,409,309,097.50	33,024,853,153.99	8,426,691,782.58
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		64,148,384,359.79	23,266,359.71	47,597,660,199.61	23,323,945.51
Cash paid for investment		76,877,752,346.65	16,673,044,933.70	66,190,354,451.30	10,907,634,166.67
Δ Net increase of pledged loan					
Net cash paid for acquisition of subsidiaries and other operating units		2,779,493,746.17		353,626,047.18	
Other cash paid for investment activities		1,193,388,604.72	124,854,610.65	1,023,208,629.31	377,032,893.40
Subtotal of cash outflow for investment activities		144,999,019,057.33	16,821,165,904.06	115,164,849,327.40	11,307,991,005.58
Net cash flow from investment activities		-101,584,739,736.17	-6,411,856,806.56	-82,139,996,173.41	-2,881,299,223.00
III. Net cash from fund-raising activities					
Cash received from attraction of investment		46,448,032,756.51	6,182,530,000.00	32,831,279,042.45	11,791,680,000.00

Item	Note	2023		2022	
		Consolidated	Separate	Consolidated	Separate
Incl: cash received by subsidiaries from minority shareholders		40,215,486,318.16		20,016,568,146.40	
Cash received from receipt of loan		208,382,730,942.36	75,032,389,310.07	182,256,874,598.90	75,623,427,317.36
Other cash received from fund-raising activities		9,575,579,451.52	131,172,222,878.99	5,310,549,326.66	81,380,767,095.86
Subtotal of cash inflow from fund-raising activities		264,406,343,150.39	212,387,142,189.06	220,398,702,968.01	168,795,874,413.22
Cash paid for repayment of debt		175,146,541,001.18	62,660,580,700.00	148,538,351,678.81	58,702,560,000.70
Cash paid for distribution of dividend, profit or repayment of interest		19,635,026,369.82	5,298,239,877.79	19,304,611,858.65	6,105,861,812.23
Incl: cash paid by subsidiaries for dividend and profit to minority shareholders		3,679,475,048.68		2,713,606,741.02	
Other cash paid for investment activities		30,230,445,088.70	139,007,171,207.75	23,404,950,395.56	115,827,204,112.04
Subtotal of cash outflow for investment activities		225,012,012,459.70	206,965,991,785.54	191,247,913,933.02	180,635,625,924.97
Net cash flow from fund-raising activities		39,394,330,690.69	5,421,150,403.52	29,150,789,034.99	-11,839,751,511.75
IV. Influence of exchange ratio's change on cash and cash equivalent		-200,511,738.75	-1,186.03	207,390,851.76	13,360.00
V. Net increase of cash and cash equivalent		-2,522,599,927.48	-542,624,694.82	-6,500,779,805.63	-14,383,419,955.96
Add: opening balance of cash and cash equivalent		60,851,189,874.76	5,278,023,436.09	67,351,969,680.39	19,661,443,392.05
VI. Closing balance of cash and cash equivalent		58,328,589,947.28	4,735,398,741.27	60,851,189,874.76	5,278,023,436.09

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Consolidated Change to Owner's Equity

Prepared by Zhuhai Huafa Group Co., Ltd

Year 2023

Currency: RMB

Item	Line	Current year											Minority shareholder's equity	Total owner's equity	
		Owner's equity attributable to the parent company													
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			Subtotal
	Preferred stock	Perpetual bond	Other												
Column		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of previous year	1	16,919,789,715.64		13,565,797,307.18		23,351,726,635.52		826,555,825.89	11,899,585.80	374,781,669.17	318,141,892.26	3,578,554,896.25	58,947,247,527.71	111,920,113,145.18	170,867,360,672.89
Add: Change of the accounting policy	2														
Correction of error of the previous period	3														
Other	4														
II. Opening balance of the current year	5	16,919,789,715.64		13,565,797,307.18		23,351,726,635.52		826,555,825.89	11,899,585.80	374,781,669.17	318,141,892.26	3,578,554,896.25	58,947,247,527.71	111,920,113,145.18	170,867,360,672.89
III. Change of the current year (- for reduction)	6			-1,865,949,775.12		-5,112,439,157.78		-738,852,530.56	16,281,922.62			523,180,118.73	-7,177,779,422.11	11,558,646,403.28	4,380,866,981.17
1. Total comprehensive gain	7							-710,050,230.96				1,764,691,482.04	1,054,641,251.08	3,631,443,521.54	4,686,084,772.62
2. Shareholder's investment and reduction of capital	8			-1,865,949,775.12		-5,112,439,157.78			1,895,911.74				-6,976,493,021.16	11,647,450,563.92	4,670,957,542.76
1). Owner's investment on common shares	9					306,186,829.00							306,186,829.00	41,327,460,740.31	41,633,647,569.31
2). Investment from holders of other equity instrument	10			-1,865,949,775.12									-1,865,949,775.12	-4,565,350,519.56	-6,431,300,294.68
3). Share-based payment included into the owner's equity	11														
4). Other	12					-5,418,625,986.78			1,895,911.74				-5,416,730,075.04	-25,114,659,656.83	-30,531,389,731.87
3. Withdrawal and use of special reserve	13								14,386,010.88				14,386,010.88	35,633,483.29	50,019,494.17

Item	Line	Current year											Minority shareholder's equity	Total owner's equity
		Owner's equity attributable to the parent company												
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
Column	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1). Withdrawal of special reserve	14							97,757,104.60				97,757,104.60	272,670,890.02	370,427,994.62
2). Use of special reserve	15							-83,371,093.72				-83,371,093.72	-237,037,406.73	-320,408,500.45
4. Profit distribution	16										-1,270,313,662.91	-1,270,313,662.91	-3,755,881,165.47	-5,026,194,828.38
1). Withdrawal of surplus reserve	17													
Incl: statutory reserve	18													
Discretionary reserve	19													
# reserve fund	20													
# corporate development fund	21													
# Investment returned with profit	22													
2). Withdrawal of general risk reserve	23													
3). Distribution to owners (or shareholders)	24										-669,350,992.46	-669,350,992.46	-3,466,890,322.50	-4,136,241,314.96
4) Other	25										-600,962,670.45	-600,962,670.45	-288,990,842.97	-889,953,513.42
5. Internal carry-forward of the owner's equity	26							-28,802,299.60			28,802,299.60			
1). Convert capital reserve to capital (or share)	27													
2). Convert surplus reserve to capital (or share)	28													
3). Cover loss with surplus reserve	29													

Item	Line	Current year											Minority shareholder's equity	Total owner's equity	
		Owner's equity attributable to the parent company													
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus:treasur y stock	Other comprehensive income	Special reserve	Surplus reserve	General risk rese rve	Undistributed profit			Subtotal
			Preferre d stock	Perpetual bond	Other										
Column	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
4). Convert change from defined benefit plan to retained earning	30														
5). Carry-forward retained earning from change to defined benefit plan	31						-28,802,299.60					28,802,299.60			
6. Other	32														
IV. Closing balance of the current year	33	16,919,789,715.64		11,699,847,532.06		18,239,287,477.74		87,703,295.33	28,181,508.42	374,781,669.17	318,141,892.26	4,101,735,014.98	51,769,468,105.60	123,478,759,548.46	175,248,227,654.06

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Consolidated Change to Owner's Equity

Prepared by Zhuhai Huafa Group Co., Ltd

Year 2023

Currency: RMB

Item	Line	Previous Year											Minority shareholder's equity	Total owner's equity	
		Owner's equity attributable to the parent company													
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			Subtotal
Column	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
I. Closing balance of previous year	1	1,422,018,654.06		24,338,023,970.00		28,808,615,250.24		1,065,619,340.88	11,754,897.15	374,781,669.17	318,141,892.26	4,453,958,323.04	60,792,913,996.80	89,525,292,289.38	150,318,206,286.18
Add: Change of the accounting policy	2														
Correction of error of the previous period	3														
Other	4					1,506,881,309.96		-6,836.54				530,836,302.07	2,037,710,775.49	2,540,455.68	2,040,251,231.17
II. Opening balance of the current year	5	1,422,018,654.06		24,338,023,970.00		30,315,496,560.20		1,065,612,504.34	11,754,897.15	374,781,669.17	318,141,892.26	4,984,794,625.11	62,830,624,772.29	89,527,832,745.06	152,358,457,517.35
III. Change of the current year (- for reduction)	6	15,497,771,061.58		-10,772,226,662.82		-6,963,769,924.68		-239,056,678.45	144,688.65			-1,406,239,728.86	-3,883,377,244.58	22,392,280,400.12	18,508,903,155.54
1. Total comprehensive gain	7							-266,695,627.33				1,529,685,070.84	1,262,989,443.51	4,624,187,029.41	5,887,176,472.92
2. Shareholder's investment and reduction of capital	8	304,212,168.49		-10,772,226,662.82		8,229,788,968.41							-2,238,225,525.92	19,931,563,037.15	17,693,337,511.23
1). Owner's investment on common shares	9	304,212,168.49				8,695,787,831.51							9,000,000,000.00	26,188,679,905.25	35,188,679,905.25
2). Investment from holders of other equity instrument	10			-10,772,226,662.82									-10,772,226,662.82	-1,723,074,499.28	-12,495,301,162.10
3). Share-based payment included into the owner's equity	11														
4). Other	12					-465,998,863.10							-465,998,863.10	-4,534,042,368.82	-5,000,041,231.92
3. Withdrawal and use of special reserve	13								144,688.65				144,688.65	247,074.58	391,763.23

Item	Line	Previous Year											Minority shareholder's equity	Total owner's equity	
		Owner's equity attributable to the parent company													
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			Subtotal
			Preferred stock	Perpetual bond	Other										
Column	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
1). Withdrawal of special reserve	14							67,130,061.35				67,130,061.35	157,123,340.93	224,253,402.28	
2). Use of special reserve	15							-66,985,372.70				-66,985,372.70	-156,876,266.35	-223,861,639.05	
4. Profit distribution	16										-2,908,285,850.82	-2,908,285,850.82	-2,163,716,741.02	-5,072,002,591.84	
1). Withdrawal of surplus reserve	17														
Incl: statutory reserve	18														
Discretionary reserve	19														
# reserve fund	20														
# corporate development fund	21														
# Investment returned with profit	22														
2). Withdrawal of general risk reserve	23														
3). Distribution to owners (or shareholders)	24										-1,812,581,301.63	-1,812,581,301.63	-1,348,996,683.61	-3,161,577,985.24	
4) Other	25										-1,095,704,549.19	-1,095,704,549.19	-814,720,057.41	-1,910,424,606.60	
5. Internal carry-forward of the owner's equity	26	15,193,558,893.09				-15,193,558,893.09		27,638,948.88				-27,638,948.88			
1). Convert capital reserve to capital (or share)	27	15,193,558,893.09				-15,193,558,893.09									
2). Convert surplus reserve to capital (or share)	28														
3). Cover loss with surplus reserve	29														

Item	Line	Previous Year											Minority shareholder's equity	Total owner's equity	
		Owner's equity attributable to the parent company													
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			Subtotal
			Preferred stock	Perpetual bond	Other										
Column	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
4). Convert change from defined benefit plan to retained earning	30														
5). Carry-forward retained earning from change to defined benefit plan	31						27,638,948.88					-27,638,948.88			
6. Other	32														
IV. Closing balance of the current year	33	16,919,789,715.64		13,565,797,307.18		23,351,726,635.52		826,555,825.89	11,899,585.80	374,781,669.17	318,141,892.26	3,578,554,896.25	58,947,247,527.71	111,920,113,145.18	170,867,360,672.89

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Zhuhai Huafa Group- Change to Owner's Equity

Prepared by Zhuhai Huafa Group Co., Ltd

Year 2023

Currency: RMB

Item	Line	Current Year											
		Owner's equity attributable to the parent company											
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
Column	1	2	3	4	5	6	7	8	9	10	11	12	
I. Closing balance of previous year	1	16,919,789,715.64	-	13,985,880,000.00	-	6,900,446,206.62	-	-2,945,279.92	-	266,555,224.57	-	-7,574,020,047.41	30,495,705,819.50
Add: Change of the accounting policy	2												
Correction of error of the previous period	3												
Other	4												
II. Opening balance of the current year	5	16,919,789,715.64	-	13,985,880,000.00	-	6,900,446,206.62	-	-2,945,279.92	-	266,555,224.57	-	-7,574,020,047.41	30,495,705,819.50
III. Change of the current year (- for reduction)	6			-1,928,620,000.00		2,567,628,412.64		1,638,416.37				330,468,610.11	971,115,439.12
1. Total comprehensive gain	7							1,638,416.37				1,612,479,807.02	1,614,118,223.39
2. Shareholder's investment and reduction of capital	8			-1,928,620,000.00		2,567,628,412.64							639,008,412.64
1). Owner's investment on common shares	9					2,565,416,757.22							2,565,416,757.22
2). Investment from holders of other equity instrument	10			-1,928,620,000.00									-1,928,620,000.00
3). Share-based payment included into the owner's equity	11												
4). Other	12					2,211,655.42							2,211,655.42
3. Withdrawal and use of special reserve	13												

Item	Line	Current Year											
		Owner's equity attributable to the parent company											
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
			Preferr ed stock	Perpetual bond	Other								
Column	1	2	3	4	5	6	7	8	9	10	11	12	
1). Withdrawal of special reserve	14												
2). Use of special reserve	15												
4. Profit distribution	16										-1,282,011,196.91	-1,282,011,196.91	
1). Withdrawal of surplus reserve	17												
Incl: statutory reserve	18												
Discretionary reserve	19												
# reserve fund	20												
# corporate development fund	21												
# Investment returned with profit	22												
2). Withdrawal of general risk reserve	23												
3). Distribution to owners (or shareholders)	24										-669,350,992.46	-669,350,992.46	
4) Other	25										-612,660,204.45	-612,660,204.45	
5. Internal carry-forward of the owner's equity	26												
1). Convert capital reserve to capital (or share)	27												
2). Convert surplus reserve to capital (or share)	28												
3). Cover loss with surplus reserve	29												

Item	Line	Current Year											
		Owner's equity attributable to the parent company											
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
Preferr ed stock	Perpetual bond		Other										
Column		1	2	3	4	5	6	7	8	9	10	11	12
4). Convert change from defined benefit plan to retained earning	30												
5). Carry-forward retained earning from change to defined benefit plan	31												
6. Other	32												
IV. Closing balance of the current year	33	16,919,789,715.64	-	12,057,260,000.00	-	9,468,074,619.26	-	-1,306,863.55	-	266,555,224.57	-	-7,243,551,437.30	31,466,821,258.62

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Change to Owner's Equity

Prepared by Zhuhai Huafa Group Co., Ltd

Year 2023

Currency: RMB

Item	Line	Previous Year											
		Owner's equity attributable to the parent company											
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
Column	13	14	15	16	17	18	19	20	21	22	23	24	
I. Closing balance of previous year	1	1,422,018,654.06		24,585,350,000.00		14,571,917,357.77		1,785,022.48		266,555,224.57		-4,962,575,637.94	35,885,050,620.94
Add: Change of the accounting policy	2												
Correction of error of the previous period	3												
Other	4												
II. Opening balance of the current year	5	1,422,018,654.06		24,585,350,000.00		14,571,917,357.77		1,785,022.48		266,555,224.57		-4,962,575,637.94	35,885,050,620.94
III. Change of the current year (- for reduction)	6	15,497,771,061.58		-10,599,470,000.00		-7,671,471,151.15		-4,730,302.40				-2,611,444,409.47	-5,389,344,801.44
1. Total comprehensive gain	7							-4,730,302.40				304,746,276.66	300,015,974.26
2. Shareholder's investment and reduction of capital	8	304,212,168.49		-10,599,470,000.00		7,522,087,741.94							-2,773,170,089.57
1). Owner's investment on common shares	9	304,212,168.49				7,495,787,831.51							7,800,000,000.00
2). Investment from holders of other equity instrument	10			-10,599,470,000.00									-10,599,470,000.00
3). Share-based payment included into the owner's equity	11												
4). Other	12					26,299,910.43							26,299,910.43

Item	Line	Previous Year											
		Owner's equity attributable to the parent company											
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
Column	13	14	15	16	17	18	19	20	21	22	23	24	
3. Withdrawal and use of special reserve	13												
1). Withdrawal of special reserve	14												
2). Use of special reserve	15												
4. Profit distribution	16											-2,916,190,686.13	-2,916,190,686.13
1). Withdrawal of surplus reserve	17												
Incl: statutory reserve	18												
Discretionary reserve	19												
# reserve fund	20												
# corporate development fund	21												
# Investment returned with profit	22												
2). Withdrawal of general risk reserve	23												
3). Distribution to owners (or shareholders)	24											-1,812,581,301.63	-1,812,581,301.63
4) Other	25											-1,103,609,384.50	-1,103,609,384.50
5. Internal carry-forward of the owner's equity	26	15,193,558,893.09				-15,193,558,893.09							
1). Convert capital reserve to capital (or share)	27	15,193,558,893.09				-15,193,558,893.09							

Item	Line	Previous Year											
		Owner's equity attributable to the parent company											
		Paid-up capital (or share)	Other equity instrument			Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
Preferred stock	Perpetual bond		Other										
Column		13	14	15	16	17	18	19	20	21	22	23	24
2). Convert surplus reserve to capital (or share)	28												
3). Cover loss with surplus reserve	29												
4). Convert change from defined benefit plan to retained earning	30												
5). Carry-forward retained earning from change to defined benefit plan	31												
6. Other	32												
IV. Closing balance of the current year	33	16,919,789,715.64		13,985,880,000.00		6,900,446,206.62		-2,945,279.92		266,555,224.57		-7,574,020,047.41	30,495,705,819.50

Enterprise responsible individual: Li Guangning
Accounting supervisor: Yan Jun
Accounting department director: Yan Jun

Annotations to Financial Report

I. Company profile

The predecessor of Zhuhai Huafa Group Co., Ltd (hereinafter referred to as "Huafa") is Huafa Tourist Shopping Mall of Zhuhai Special Economic Zone Development Co., Ltd, which was renamed as "Zhuhai Special Economic Zone Huafa Company" on 25th April 1987 by Guangdong Province Zhuhai Special Economic Zone Administrative Committee through Notice ZTH [1987] No. 99, and then renamed as "Zhuhai Special Economic Zone Development Company" on 7th Jan. 1989 by Guangdong Province Zhuhai Special Economic Zone Administrative Committee through Document ZTH [1989] No. 2, and then renamed as "Zhuhai Special Economic Zone Huafa Group Co., Ltd" on 12th November 1991 by Zhuhai People's Government through Notice ZFBF [1991] No. 233. The registered capital is RMB 400 million (all of it is state-owned capital).

On 26th Dec. 2008, Zhuhai Special Economic Zone Huafa Group has carried out a corporate system reform in accordance with its 26th (Year of 2008) Board Meeting Minute ZTH [2008] No. 26, "Reply on Corporate System Reform of Zhuhai Special Economic Zone Huafa Group" ZGZ [2008] No. 304 issued by Zhuhai People's Government State-owned Asset Supervision and Administration Committee as well as Huafa's Articles of Association after the reform. After the reform, the registered capital of Huafa was RMB 400 million. Zhuhai People's Government State-owned Asset Supervision and Administration Committee invested a portion of net assets it owned in Zhuhai Special Economic Zone Huafa Group, and renamed it into Zhuhai Huafa Group Co., Ltd. The Company changed from "owned by whole people" to a wholly-state owned company with limited liability. Above matters have been verified by Reanda Xinlong CPA Firm through its Capital Verification Report LADYZ [2008] No. B-1044 and the Company has obtained a Corporate Entity Business License No. 44040000137047.

In accordance with "Advice for Approval of Increasing the Registered Capital of Huafa Group Co., Ltd" ZGZ [2010] No. 184 issued by Zhuhai People's Government State-owned Asset Supervision and Administration Committee and the revised Articles of Association, Huafa has increased its registered capital by RMB 600 million by transferring capital reserve into capital. The benchmark date for such transfer was 1st July 2010. After such change, the registered capital was RMB 1 billion. Above matter has been verified by Reanda CPA Co., Ltd Zhuhai Office through its Capital Verification Report LADYZ [2010] No. B-1049. On 6th September 2016, Huafa has obtained the Corporate Entity Business License with a Unified Social Credit Code No. 91440400190363258N.

In accordance with the "Reply on Change of Articles of Association of Huafa Group" ZGZ [2016] No. 256, which approved the change of Huafa's Articles of Association, Huafa's registered capital changed from RMB1,000,000,000 to RMB 1,119,789,715.64, resulting from transfer of capital reserve to capital. Above matters have been verified by Reanda CPA Firm (Special General Partnership) through its Capital Verification Report LADYZ [2016] Jing No. A2042

In accordance with the "Notice of Guangdong People's Government on Distributing the Implementation Plan that Guangdong Province Transfers Some State Capital to Replenish the Social Insurance Fund" (YF [2020] No.10) issued by Guangdong People's Government on 7th Feb. 2020 and the "Reply to Revision on Articles of Association of Zhuhai Huafa Group Co., Ltd" (GZ [2023] No. 230) issued by Zhuhai State Asset Supervision and Administration Commission on 29th July 2023, the State Asset Supervision and Administration Commission of Zhuhai People's Government transferred its 10% state-owned equity in Huafa to Guangdong Finance Bureau at one time.

In accordance with the shareholder's resolution on 3rd Nov. 2021, the Company's shareholders have passed the following resolution: agree that the shareholder Zhuhai People's Government State Asset Supervision and Administration Commission increase the capital fund of RMB 15.8 billion to Huafa by two contributions. The shareholder Zhuhai State Asset Supervision and Administration Commission increase its investment by RMB 8 billion to the Company in 2021, and the amount included into paid-up capital was RMB 302,228,938.42. In accordance with ZGZ [2021] No.342 "Reply to Zhuhai Huafa Group Co., Ltd's Change of Articles of Association and etc" issued by State Asset Supervision and Administration Commission of Zhuhai People's Government and revised Articles of Association, Huafa's registered capital was changed from RMB 1,119,789,715.64 to 1,422,018,654.06. The above matter has been verified by the Capital Verification Report ZTYZ (2021) 442C000811 issued by GrantThornton Certified Public Accountant Firm (Special General Partnership).

The shareholder Zhuhai State Asset Supervision and Administration Commission contributed the balance investment fund of RMB 7.8 billion in 2022 and the amount included into paid-up capital was RMB 304,212,168.49. Meanwhile, in accordance with the shareholder resolution on 29th June 2022, shareholders have passed the resolution that: agree that the capital reserve RMB 15,193,558,893.09 resulted from increase of investment from Zhuhai State Asset Supervision and Administration Commission is all converted to registered capital, and distributed in accordance with the share ratio of shareholders. While, Zhuhai State Asset Supervision and Administration Commission enjoys RMB 14,207,496,920.93, and Guangdong Province Fiscal Bureau enjoys RMB 986,061,972.16. After the capital reserve is converted into registered capital, Huafa's registered capital changes to RMB 16,919,789,715.64. Zhuhai State Asset Supervision and Administration Commission has subscribed the capital contribution of RMB 15,821,748,771.92 and Guangdong Province Fiscal Bureau has subscribed the capital contribution of RMB 1,098,040,943.72. The above matter has been verified by the Capital Verification Report ZTYZ (2022) 442C000365 issued by GrantThornton Certified Public Accountant Firm (Special General Partnership).

Legal representative: Li Guangning

Registered capital: RMB 16,919,789,715.64

Huafa is a comprehensive enterprise group and engages mainly in: urban operation, real estate development, financial investment, commerce, trading, logistics, cultural, education, tourist and modern service, including but not limited to land consolidation, infrastructure construction, development & operation of complementary facilities, construction and operation of terminal and complementary facilities, industrial investment, public infrastructure and asset operation & management, investment, construction and operation of elderly service facilities; real estate development and operation; financial service including securities, futures and equity investment, fund and asset management, financing guarantee, micro-loan, financial asset transaction, property right transaction, intellectual property transaction, financial lease and other financial service; sales of construction materials; landscaping and greening; concrete production and sales; automobile sales, maintenance, lease, exhibition, wholesale and retail; transportation and warehousing; cultural, sports, entertainment and education; lease and commercial service; business conference & exhibition; hotel management; public facility management; property management, trading brokerage and agency; printing and recording media reproduction; corporate management consultancy; advertising and etc.

Scope of business: real estate development and operation (with qualification certificates); house lease; export of light industry products, ferrous metal and other commodities, import of light industry products, apparatus, instrument and other commodities (in accordance with YJMJZ [1993] No. 254); bonded warehousing service (in accordance with the customs' approval), transit trade (in accordance with YJMJZ [1995] No. 256), wholesale and

retail of construction materials, hardware, arts and crafts, fashion and textile; project investment & investment management.

II. Basis for compilation of the financial statement.

This financial statements is compiled in accordance with the enterprise accounting standards, application guideline, explanation and other relevant rules (collectively termed as "Enterprise Accounting Standards) promulgated by the Ministry of Finance.

This financial statement is presented on the basis of ongoing concern.

III. Statement for compliance with corporate accounting standards

The financial statement compiled by Huafa complies with the requirements of enterprise accounting standards and reflects truthfully and completely the consolidated and separate financial position of Huafa on 31st December 2023 as well as the consolidated and separate operating result and cash flow of Huafa in 2023.

IV. Important accounting policy and accounting estimation

1. Accounting period

The Company adopts the solar calendar accounting year, i.e. from 1st Jan to 31st December.

2. Accounting currency

The Company's accounting currency is Renminbi.

3. Bookkeeping base and pricing principle

The Company adopts the accrual system as the bookkeeping base. Except for investment real estate and some financial instruments, this financial statement takes the historical cost as the basis for measuring. In case of asset impairment, the reserve is withdrawn in accordance with applicable rules.

4. Corporate merger

(1) Merger of enterprises under the same control

As to merger of enterprises under the same control, the asset and liabilities of the Acquired obtained by the acquirer during the merger are measured by the original book value in the consolidated financial report of the final controller on the day of merger except for the adjustment due to different accounting policy. The capital reserve is adjusted against the difference between the book value of the merger consideration and book value of net asset obtained through the merger. If the capital reserve is insufficient for such offset, the retained earnings shall be adjusted.

Direct expense incurred relating to merger of enterprises shall be included into current profit & loss when such expense is incurred.

(2) Merger of enterprises not under the same control

As to merger of enterprises not under the same control, the cost of merger is the fair value of the asset surrendered, liabilities incurred or shouldered and equity securities issued by Huafa to obtain the control right of

the acquired on the day of purchase. The asset, liability and contingent liability obtained by Huafa from the acquired is recognized in accordance with the fair value on the day of purchase.

Intermediary expense for merger of enterprises including audit, legal, appraisal and consultancy and other overhead shall be included into the current profit and loss when they are incurred. The transaction expense for equity securities or debt securities issued as merger consideration are included into the initial recognized amount of equity securities or debt securities.

The difference by which the merger cost is greater than the share of the fair value of the identifiable net asset of the acquired obtained during the merger is recognized as goodwill and is subsequently measured by deducting the accumulated impairment reserve from the cost. The difference by which that the merger cost is less than the share of the fair value of the identifiable net asset obtained during the merger is included into the current profit and loss after re-verification.

When the merger of enterprises not under the same control is achieved by steps through several transactions, the sum of the book value of the equity investment of the purchased held before the day of purchase and the new increase of investment cost on the day of purchase is taken as the initial investment cost of the investment. Other comprehensive income recognized because the equity investment held before the day of purchase is accounted by equity method is not treated on the day of purchase. This investment is treated by adopting the same accounting basis of the investee for direct disposal of relevant asset or liabilities. As to owner's equity recognized resulting from change of other owner's equity other than net profit and loss, other comprehensive income and profit distribution, it is converted to current profit and loss in the disposal period upon disposal of such investment. If the equity investment held before the day of purchase is measured by fair value, accumulated change of fair value originally included into other comprehensive income is transferred to retained income when it is accounted by the cost method. The cost of merger in the consolidated financial statement is the sum of consideration paid on the day of purchase and the fair value of the equity of the Acquired (already held before the day of purchase) on the day of purchase. The equity of the Acquired already held before the day of purchase is re-measured by its fair value on the day of purchase, and the difference between its fair value and book value is included into the current investment gain. If the equity of the Acquired already held before the day of purchase involves other comprehensive income, other change of the owner's equity shall be transferred to the current income on the day of purchase, except for other comprehensive income resulting from that the investee re-measures the net liability or net asset of the defined benefit plan.

Method to determine the day of purchase or day of sales for merger of enterprises not under the same control: the day of purchase or day of sales is determined based on when the Company obtains or loses the right of control on the Acquired.

Method to determine the fair value of relevant transactions on the day of merger: The Company determines the fair value of relevant transactions on the day of merger mainly based on the asset appraisal result. Refer to Note 4.36 for the specific method.

5. Method to compile consolidated financial report

The scope of consolidation in the consolidated financial report includes Huafa and all of its subsidiaries.

The scope of consolidation in the consolidated financial report is determined based on "control".

Huafa has compiled its consolidated financial report based on the financial report of Huafa and its subsidiaries as well as other relevant data. When the consolidated financial report is compiled, Huafa and its subsidiaries have been required to adopt consistent accounting policy and accounting period. Any major transaction and current account balance between these companies are offset.

The increase of any subsidiary and its business resulting from merger of enterprises under the same control during the reporting period shall be included into Huafa's scope of consolidation since the day when such subsidiary and its business are controlled by the final controller, and its operating result and cash flow shall be included into the consolidated balance sheet and cash flow statement from the day when it is also controlled by the final controller.

The part of shareholder's equity in the subsidiary that Huafa doesn't own is separately presented under the Shareholder Equity as minority shareholder's equity in the consolidated balance sheet. The share of the current net profit or loss of the subsidiary that belongs to minority shareholder's equity is presented as "minority shareholder's equity" under the Net Profit in the consolidated profit and loss statement. If the share of loss of the subsidiary shouldered by minority shareholders exceeds their shares in the opening owner's equity of the subsidiary, its balance still offsets the minority shareholder's equity.

Any transaction under which the control right of a subsidiary isn't lost after purchase of the minority equity of the subsidiary or disposal of some equity investment shall be accounted as an equity transaction. Meanwhile, it will adjust the book value of owner's equity attributable to the parent company and minority shareholder's equity to reflect the change of its equity in the subsidiary. The capital reserve is adjusted against the difference between the adjustment of minority shareholder's equity and fair value of consideration paid/received. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

If it lost the right of control on a former subsidiary due to disposal of some equity investment or other reasons, the remaining equity shall be re-measured in accordance with its fair value on the day when it lost the right of control. The difference between the sum of consideration obtained from disposal of equity and fair value of remaining equity, and its share of the net asset that it should have in accordance with the original share ratio (starting to calculate continuously since the day of purchase) is included into the investment gain for the period when it loses the control right and meanwhile offset the goodwill. Other comprehensive income related with the equity investment of original subsidiaries is transferred to investment gain for that period when it lost the right of control.

Other comprehensive income related with equity investment of the original subsidiary is transferred to the current profit or loss when it lost the control right, except for other comprehensive income resulting from that the investee re-measures the change of net liability or net asset of the Defined Benefit Plan.

If all transactions from disposal of equity investment in subsidiaries to loss of right of control belong to a package deal, the difference between every payment from disposal before it loses the control right and its share of net asset of the subsidiary that the investment disposal corresponds to is recognized as other comprehensive income in the consolidated financial statement and transferred to the current profit and loss when it lost the right of control.

6. Classification of joint operation arrangement and accounting method of cooperative operation

Joint operation arrangement refers to an arrangement that the joint control is exercised by two or more participants. Huafa's joint operation arrangement is divided to "cooperative operation" and "joint operation" enterprises.

(1). Cooperative operation

Cooperative operation refers to the joint operation arrangement that Huafa owns relevant asset of this arrangement and shoulders relevant liabilities of this arrangement.

Huafa recognizes following items related with the share of interests in such cooperative operation and conducts the accounting in accordance with relevant enterprise accounting standards.

- A. Recognize assets that Huafa owns separately, and recognize jointly-held assets by its shares
- B. Recognize liabilities that Huafa shoulders separately, and recognize jointly-shouldered liabilities by its shares.
- C. Recognize income arising from sales of its shares of yields from the cooperative operation;
- D. Recognize income arising from sales of yields from cooperative operation by its shares.
- E. Recognize expenses incurred separately, and recognize expenses incurred for cooperative operation by its shares

(2). Joint operation enterprise

Joint operation enterprise refers to the joint operation arrangement that Huafa is only entitled to the net assets of such arrangement.

Huafa conducts accounting on its investment into joint operation enterprises based on the equity method for long-term equity investment.

7. Cash and cash equivalent

Cash refers to cash in hand and the deposit readily available for payment. Cash equivalent refers to any investment held by the Company, with high liquidity, easy to convert a known amount of cash, and with slight risk to value change.

8. Foreign exchange transaction and translation of financial statements in foreign currency

(1) Foreign exchange transaction

For the purpose of foreign exchange transaction, the spot exchange rate on the date of transaction is used as the conversion rate for converting the foreign exchange amount into Renminbi.

In the balance sheet, the balance of monetary item in foreign exchange is converted in accordance with the spot exchange rate on the day of the balance sheet. The translation difference arising from any difference between the spot exchange rate on the day of balance sheet and the day of initial recognition or the previous day of balance sheet is included into the current profit and loss. As to non-monetary item in foreign exchange measured by its historical cost, it is converted by the spot exchange rate on the day of transaction. As to non-monetary item in foreign exchange measured by its fair value, it is converted by the spot exchange rate on the day when its fair value is determined. Any difference between the amount in accounting currency after the translation and that in original accounting currency is included into the current profit and loss.

(2) Translation of the financial statement in foreign currency

For the purpose of translating financial statements of overseas subsidiaries in foreign currency, the asset and

liability items in the Balance Sheet are translated by the spot exchange rate on the day of the Balance Sheet. Except for "undistributed profit" in the Owner's Equity, other items are translated by the spot exchange rate on the day of occurrence.

The revenue and expense items in the Profit Statement are translated by the spot exchange rate on the day of occurrence for such cash flow.

All items in the cash flow statement are translated by the spot exchange rate on the day when cash flow takes place. The influence of the change of the exchange rate on cash is reflected as an adjustment by being presented separately as "influence of exchange rate change on cash and cash equivalent" in the cash flow statement.

Any difference arising from translation of financial statement is reflected under "other comprehensive income" under Shareholder's Equity in the balance sheet.

9. Financial instrument

Financial instrument refers to contracts that constitute the financial asset of one party and financial liability or equity instrument of other parties.

(1) Recognize and terminate the recognition of financial instrument

The Company recognizes a financial asset or financial liability when the Company becomes one party to the financial instrument contract.

When the financial asset meets one of following conditions, stop the recognition:

- a. the contractual right of collecting cash flow from such financial asset is ended;
- b. this financial asset has been transferred and conforms to the condition to stop its recognition for transfer of financial assets.

When the current obligations arising from the financial liability has been released completely or partially, the recognition of such financial liability or a part of it shall be ended. When the Company (debtor) signs an agreement with the creditor and replaces the outstanding financial liability by shouldering new financial liability and the contractual articles of new and outstanding financial liabilities are essentially different, it shall stop recognition of outstanding financial liability and meanwhile recognize the new financial liability.

If the financial asset is sold and bought in a conventional way, the accounting recognition and end of recognition shall be conducted on the day of transaction.

(2). Classification and measuring of financial asset

Based on the Company's business model for management of financial assets and contractual cash flow features of financial assets, financial assets are classified into three types: financial assets measured by amortized cost, financial asset measured by fair value and with its change being included into other comprehensive income and financial assets measured by fair value and with its change being included into the current profit and loss, upon

initial recognition.

Financial asset measured by amortized cost

The Company classifies the financial asset that conforms to following conditions but are not classified as “financial assets measured by fair value and with its change being included into current profit and loss” into “financial assets measured by amortized cost”.

- the Company’s business model for management of financial assets targets at “collecting contractual cash flow”.
- The contract of such financial asset stipulates that the cash flow at a particular date only repays the principal and the interest based on the unpaid principal.

After the initial recognition, the Company measures the financial measures by the amortized cost through the actual interest rate method. The Company includes any gain or loss arising from the financial asset measured by the amortized cost but not belonging to any hedging relationship into current profit and loss when it ends the recognition, amortizes in accordance with the actual interest rate or recognizes the impairment.

Financial asset measured by fair value and with its change being included into other comprehensive income

The Company includes the financial assets that conform to following conditions, but is not designated as the financial assets measured by fair value and with its change being included into current profit and loss into “financial asset measured by fair value and with its change being included into other comprehensive income”.

- The Company’s business model for management of financial assets targets at “collecting contractual cash flow and selling this financial asset”.
- The contract of financial assets stipulates that the cash flow at a particular date is only for payment of principal and interest based on unpaid principal.

After initial recognition, the Company measures subsequently such financial assets by fair value. The Company includes the interest calculated by the actual interest rate method, impairment or exchange gain or loss into the current profit and loss, and other income or gain into other comprehensive income. Upon end of recognition, the Company transfers the accumulated gain or loss (that were previously included into other comprehensive income) from other comprehensive income, and includes it into the current profit and loss.

Financial asset measured by fair value and with its change being included into current profit and loss

Except for above financial assets measured by amortized cost and fair value and with its change being included into other comprehensive income, the Company classifies all other financial assets into financial assets measured by fair value and with its change being included into current profit and loss. In order to eliminate or reduce significantly accounting mismatch upon initial recognition, the Company designates irrevocably some financial assets that should have been measured by amortized cost or fair value and with its change being included into other comprehensive income into financial assets measured by fair value and with its change being included into

the current profit and loss.

After initial recognition, the Company measures subsequently such financial assets by its fair value and includes any gain or loss (including interest and dividend income) into current profit and loss, unless such financial assets belong to a part of the hedging relationship.

However, as to non-transaction equity instrument, the Company designates irrevocably them as financial assets measured by fair value and with its change being included into other comprehensive income, upon the initial recognition. Such designation is made based on a single investment, and relevant investment conforms to the definition of equity instrument from the issuer's perspective.

After the initial recognition, the Company measures such financial assets subsequently by its fair value. The Company includes qualifying dividend income into profit and loss and other profit or loss and change of fair value into other comprehensive income. Upon end of recognition, the Company transfers the accumulated gain or loss (that were previously included into other comprehensive income) from other comprehensive income and includes them into retained earnings.

The business model for managing the financial asset refers to how does the Company manage its financial assets to produce cash flow. The business model decides whether the origin of cash flow of financial assets managed by the Company is "collecting the contractual cash flow, selling the financial assets or both". The Company determines the business model for managing the financial assets by taking the objective facts as the foundation and by taking the special business target decided by key managers on management of financial assets as the basis.

The Company evaluates the feature of contractual cash flow of financial assets in order to determine whether the contractual cash flow of a relevant financial asset at a particular date only repays the principal and interest of unpaid principal. While, the principal refers to the fair value of the financial assets upon the initial recognition. The interest includes the consideration for the money's time value, credit risk related with the unpaid principal at a particular period, other basic loan risk, cost and profit. Moreover, the Company evaluates the contractual provisions that might result in change of time distribution or amount of the contractual cash flow from the financial asset in order to determine whether it meets above requirements with regards to the contractual cash flow.

Only when the Company changes the business model for managing the financial assets, all financial assets affected are reclassified on the first day of the first reporting period after the business model has been changed. Otherwise, the financial assets shall not be reclassified after initial recognition.

Financial assets are measured by fair value upon initial recognition. As to financial assets measured by fair value and with its change being included into current profit and loss, relevant transaction cost is directly included into current profit and loss. As to other types of financial assets, relevant transaction cost is included into the initial recognized amount. As to receivable arising from sales of products or provision of labor, excluding or taking no account of major financing components, the Company takes the consideration that it is entitled to collect as expected as the initial recognized amount.

(3) Classification and measurement of financial liabilities

Upon initial recognition, Huafa classifies its financial liabilities into financial liabilities measured by fair value and with its change being included into current profit and loss, and financial liabilities measured by amortized cost. As to financial liabilities not classed as “measured by fair value and with its change being included into current profit and loss”, relevant transaction cost is included into the initial recognized amount.

Financial liabilities measured by fair value and with its change being included into current profit and loss

The financial liabilities measured by fair value and with its change being included into current profit and loss include the transaction financial liabilities and financial liabilities that are designated as the “measured by fair value and with its change being included into current profit and loss upon initial recognition”. As to such financial liabilities, the Company measures them subsequently by fair value and includes “any gain or loss resulting from change of the fair value and dividend and interest expense related with such financial liabilities” into current profit and loss.

Financial liabilities measured by amortized cost

The Company adopts the actual interest rate method for other financial liabilities and measures them subsequently by amortized cost. Any gain or loss arising from end of recognition or amortization is included into current profit and loss.

Difference between financial liabilities and equity instrument

Financial liabilities refer to liabilities that conform to one of following conditions:

- (1) Contractual obligations of delivering cash or other financial assets to the other party
- (2) Contractual obligations of exchanging financial assets or financial liabilities with the other party under potential unfavorable conditions
- (3) Non-derivative instrument contract that must or could be settled by its own equity instrument in future, and the enterprise will deliver a variable quantity of its own equity instrument based on the contract.
- (4) Derivative instrument contract that must or could be settled by its own equity instrument in future, except for the derivative instrument contract under which a fixed quantity of its own equity instrument is exchanged for a fixed amount of cash or other financial asset.

Equity instrument refers to a contract that can prove the ownership on the remaining equity of an enterprise in the asset after deduction of all liabilities.

If the Company can't avoid unconditionally to perform one contractual obligation by delivering cash or other financial asset, such contractual obligation conforms to the definition of financial liability.

If a financial instrument must or could be settled by its own equity instrument, it needs to consider whether the Company's own equity instrument used to settle this financial instrument is used as substitute of cash or other financial asset, or used for the purpose that the instrument holder enjoys the residual equity of the issuer's asset after deduction of all liabilities. If the former case stands, this instrument is the Company's financial liabilities. If the latter case stands, this instrument is the Company's equity instrument.

(4). Derivative financial instrument and embedded derivative instrument

The Company's derivative financial instruments include long-term foreign exchange contract, currency exchange rate swap contract, interest rate swap contract and foreign exchange option contracts and etc. They are measured by the fair value on the day when the derivative transaction contract is signed and subsequently measured by its fair value. The derivative financial instrument with a positive fair value is recognized as an asset, and that with a negative fair value is recognized as a liability. Any gain or loss arising from change of fair value but not conforming to provisions for hedging accounting shall be included directly into the current profit and loss.

As to a mixed instrument that includes an embedded derivative instrument, it applies the rules about classification of financial assets as an entirety if the main contract is financial assets. If the main contract is not a financial asset, it is not measured by its fair value and with its change being included into the current profit and loss, and this embedded derivative instrument has not close relationship with the main contract in terms of economic features and risks, and it has the same condition with the embedded derivative instrument, and the instrument that exists separately conforms to the definition of derivative instrument, the embedded derivative instrument is split from the mixed instrument and handled as an independent derivative financial instrument. If it is impossible to measure separately the embedded derivative instrument upon acquisition or on subsequent day of balance sheet, the mixed instrument shall be designated entirely as the financial asset or financial liability measured by its fair value and with its change being included into the current profit and loss.

(5) Fair value of financial instrument

Refer to Note 4.36 for the method to determine the fair value of financial assets and financial liabilities.

(6) Impairment of financial assets

The Company accounts the impairment of following items and recognizes the impairment reserve based on the anticipated credit loss.

- Financial assets measured by amortized cost
- Receivable and creditor right's investment measured by fair value and with its change being included into other comprehensive income
- Contractual assets defined in Enterprise Accounting Rules No.14- Revenue
- Lease receivable
- Financial guarantee contract (measured by fair value and with its change being included into current profit and loss, except for financial assets whose transfer doesn't conform to the condition to end recognition or arising from its continual involvement in the transferred financial assets).

- **Measure the anticipated credit loss**

Anticipated credit loss refers to the weighted average of credit loss of the financial instrument, by taking the default risk as the weight. Credit loss refers to the present value of the difference between all contractual cash flow that the Company shall receive under the Contract and the anticipated receipt of all cash flow (i.e. all cash shortage) discounted in accordance with the actual interest rate.

The Company calculates the probability weighted amount for the present value of the difference between the cash

flow that the Company shall receive under the Contract and the anticipated receipt of cash flow by considering reasonable and well-founded information about past events, current situation and future economic forecast, and by considering the default risk as the weight.

The Company measures the anticipated credit risk of financial instruments in different stages. If the credit risk of the financial instrument doesn't increase significantly since its initial recognition, it is in the first stage, and the Company calculates the loss reserve, based on the anticipated credit loss within 12 months in future for this financial instrument. If the credit risk of this financial instrument has increased significantly since its initial recognition but has no credit impairment yet, it is in the second stage, and the Company calculates the loss reserve based on the anticipated credit loss during the entire lifespan for this financial instrument. If this financial instrument has already credit impairment since its initial recognition, it is in the third stage, and the Company calculates the loss reserve, based on the anticipated credit loss during the entire lifespan for this financial instrument.

As to financial instruments with low credit risks on the day of balance sheet, the Company assumes that its credit risk doesn't increase significantly since its initial recognition, and measures the loss reserve based on the anticipated credit loss within 12 months in future.

The anticipated credit loss during the entire lifespan refers to that the anticipated credit loss of the financial instrument resulting from all possible default events during the entire lifespan. The anticipated credit loss within 12 months in future refers to the anticipated credit loss resulting from possible default events of the financial instruments within 12 months after the date of balance sheet (which is the anticipated lifespan if the anticipated lifespan of the financial instrument is less than 12 months) and is a part of the anticipated credit loss during the entire lifespan.

When measuring the anticipated credit loss, the longest period that the Company needs to consider is the longest contract period that the Company is exposed to the credit risk (also taking into account the option to renew the contract).

As to financial instruments that are in the first and second stages and have low credit risks, the Company calculates the interest income based on the book amount (not deducted with the impairment reserve) and the actual interest rate. As to financial instruments in the third stage, the Company calculates the interest income based on the amortized cost of the book balance (deducted with the impairment reserve already withdrawn) and the actual interest rate.

As to notes receivable and account receivable whether they have major financing components or not, the Company calculates the loss reserve in accordance with the anticipated credit loss during the entire lifespan.

When features of credit risks are significantly different and it could evaluate reasonably the info of the anticipated credit loss with reasonable cost, the Company evaluates whether the credit risk of the financial instrument (a single financial instrument) has increased significantly or not and measures the anticipated credit loss. The Company withdraws the impairment reserve for notes or account that involve litigation or worsened financial situation by single items.

When it is impossible to evaluate the anticipated credit loss for a single instrument with reasonable cost, the Company divides notes receivable, account receivable and contract assets into several combinations based on their credit risk features and calculates the anticipated credit loss for such combinations. Below is the basis to determine these combinations:

A. Notes receivable	
● Note receivable combination 1	Bank acceptance bill
● Note receivable combination 2	Commercial acceptance bill
B. Account receivable	
● Account receivable combination 1	combination of companies, cooperative and joint operation enterprises and associated parties within the scope of consolidation
● Account receivable combination 2	combination of those that are both clients and suppliers within the same Group
● Account receivable combination 3	Combination of land bid bond
● Account receivable combination 4	Receivable from government
● Account receivable combination 5	Combination of Internal staff receivable, provision and land bid bond
● Account receivable combination 6	Receivable other than combinations 1, 2, 3, 4 and 5 (age combination)
C. Contract asset	
● Contract asset combination 1	Infrastructure construction projects
● Contract asset combination 2	Land primary development projects
D. Other receivable	
The Company classifies other receivable into several combinations based on credit risk features and calculates the anticipated credit loss based on such combinations, as below:	
● Other receivable combination 1	combination of companies, cooperative and joint operation enterprises and other associated parties within the scope of consolidation
● Other receivable combination 2	Combination of land bid bond
● Other receivable combination 3	Receivable from government
● Other receivable combination 4	Combination of Internal staff receivable, provision and land bid
● Other receivable combination 5	Receivable other than combinations 1, 2, 3, 4 (age combination)
Combination of receivable based on credit risk features and method to determine the anticipated credit loss	
When it is impossible to evaluate sufficient evidence of anticipated credit loss with reasonable cost, the Company classifies receivable (account receivable and other receivable) into several combinations based on similar credit risk feature, and calculates the anticipated credit loss based on such combinations, as below:	

Name of groups	Basis to determine groups	Method to determine the anticipated credit loss
Combination 1: combination of companies, cooperative and joint operation enterprises and other associated parties within the scope of consolidation	The risk that the receivable from companies, cooperative and joint operation enterprises included into the scope of consolidation can't be recovered is extremely low.	Anticipated credit loss is 0.
Combination 2: combination of those that are both clients and suppliers within the same Group	The same client has both receivable and payable in the Group, and the risk that it can't be recovered is extremely low.	Anticipated credit loss is 0.
Combination 3: Combination of land bid bond	The risk that the receivable of government land bid bond can't be recovered is extremely low.	Anticipated credit loss is 0.
Combination 4: Receivable from government	Receivable from the government, except for the land bid bond	Calculate in accordance with the comparison table of the anticipated credit loss rate during the entire lifespan
Combination 5: Combination of Internal staff receivable, provision and land bid bond	Combination of internal staff receivable, provision and land bid bond	Calculate in accordance with the comparison table of the anticipated credit loss rate during the entire lifespan
Combination 6: Receivable other than combinations 1, 2, 3, 4 and 5 (age combination)	Receivables of the same age have similar credit risk features.	Calculate in accordance with the comparison table of the anticipated credit loss rate based on the age of receivable and within 12 months in future

Creditor right investment, other creditor's right investment

As to creditor right investment and other creditor's right investment, the Company calculates the anticipated credit loss rate in accordance with the nature of the investment, types of counter-party and risk exposure, and the default risk exposure or the anticipated credit loss rate within 12 months in future or the entire lifespan.

Credit risks increase significantly

The Company determines any change on the default risk of the financial instruments during its anticipated lifespan by comparing the default risk of the financial instrument on the day of balance sheet and that on the day of initial recognition, and evaluates whether the credit risk of the financial instrument has increased significantly or not since the initial recognition.

When deciding whether the credit risk of financial instruments has increased significantly or not since its initial recognition, the Company considers reasonable and well-founded information, including prospective information, without the need of paying unnecessary extra cost. The information that the Company will consider include:

- The debtor fails to pay the principal and interest in accordance with the contractual dates;
- The external or internal credit rating (if any) on the financial instrument has seriously worsened or is expected to worsen
- The debtor's operating result has seriously worsened or is expected to worsen.
- The existing or anticipated change on technology, market, economy or legal environment will cause significant unfavorable influence on the debtor's ability to repay the Company.

The Company evaluates whether the credit risk of a single financial instrument or combination of financial instruments has increased significantly based on the nature of financial instruments. When making such evaluation on the combination of financial instruments, the Company could classify financial instruments based on the common feature of credit risks, like overdue information and credit risk rating.

If it has been overdue for more than 30 days, the Company determines that the credit risk of the financial instruments have increased significantly.

The Company thinks that breach of financial assets has occurred in case of following situations:

- The borrower is unlikely to repay in full amount to the Company, and this evaluation doesn't consider recourse actions adopted by the Company, like liquidating the collateral (if)
- The financial assets has been overdue for more than 90 days.

Financial assets for which credit impairment has occurred.

- The Company evaluates whether credit impairment has taken place on financial assets measured by amortized cost and creditor right investment measured by fair value and with its change being included into other comprehensive income on the day of balance sheet. When it is expected that one or several events that affect the anticipated future cash flow of a financial asset have occurred, it becomes the financial asset for which credit impairment has occurred. The evidence showing that the credit impairment has occurred for a financial asset includes the following observable information:
 - The issuer or debtor has fallen into serious financial difficulty;
 - The debtor breaches the contract, like failing or delaying to repay the interest or principal;
 - The creditor makes the concession which is impossible in any other situation to the debtor out of its consideration of the debtor's financial difficulty from the economic or contractual aspect.
 - The debtor might go to bankruptcy or undergo financial restructuring;
 - The issuer or debtor has financial difficulty, which causes that the active market for this financial asset disappears.

Presentation of anticipated credit loss reserve

To reflect any change on credit risk for an financial instrument since its initial recognition, the Company remeasures the anticipated credit loss on each day of balance sheet. Any increase or reversed amount on the loss

reserve arising thereof shall be included into current profit and loss as the impairment loss or gain. As to financial asset measured by amortized cost, the loss reserve offsets the book value of this financial asset presented in the balance sheet. As to creditor right investment measured by fair value and with its change being included into other comprehensive income, the Company recognizes the loss reserve in other comprehensive income, and doesn't offset the book value of the financial asset.

Offset

If the Company can't anticipate reasonably that the contractual cash flow of the financial assets could be recovered completely or partially, it will reduce directly the book value of the financial assets. Such reduction constitutes the end of recognition on relevant financial assets. This generally occurs when the Company decides that the debtor has no asset or source of income to generate sufficient cash flow to repay the amount reduced. However, the reduced financial asset might also be affected by execution activities in accordance with the Company's procedure of recovering the due payment.

If the reduced financial asset is recovered later, the reverse of impairment loss is included into current profit and loss.

(7) Transfer of financial assets

Transfer of financial asset refers to assignment or delivery of the financial asset to a party (receiving party) other than issuer of such financial asset.

When the Company has transferred almost all risks and rewards on ownership of the financial assets to the transferee, the Company will stop recognition of this financial asset. If the Company has kept almost all risks and rewards on ownership of the financial assets, the Company will not stop recognition of this financial asset.

When the Company neither transfers nor keeps almost all risks and rewards on ownership of the financial asset, it shall be handled differently based on following scenarios:

- If the Company gives up the right of control on such financial asset, stop recognition of such financial asset and recognize the asset and liabilities arising thereof,
- If the Company doesn't give up the right of control on such financial asset, recognize relevant financial asset based on the extent that the Company continues to involve in the financial asset transferred, and recognize relevant liabilities.

(8) Offset of financial asset and financial liability

When the Company has the statutory right to offset financial asset and financial liability already recognized and could now exercise such statutory right and meanwhile the Company plans to settle by the net amount or meanwhile liquidate such financial asset and repay the financial liability, the financial asset and financial liability shall be presented in the Balance Sheet by the offset amount. In other scenarios, the financial asset and financial liabilities shall be presented separately in the balance sheet and can't be offset.

10. Hedging accounting

Upon initial designation of the hedging relationship, the Company designates formally the hedging instrument and

hedged item, and maintains official documents to record the hedging relationship, risk management strategy and target, including the hedging instrument, hedged item or transaction, nature of risk to hedge, and the method to appraise the effectiveness of the hedging instrument.

The Company appraises the hedging effectiveness continuously and judges whether this hedging could meet the effectiveness requirements in the accounting period when this hedging relationship has been designated. If it doesn't meet such requirements, the Company will end this hedging relationship. When applying the hedging accounting, it shall meet the following requirements on hedging relationship:

- 1). The hedged item has an economic relationship with the hedging instrument.
- 2). Among the value change resulting from the economic relationship between the hedged item and hedging instrument, the credit risk doesn't have dominant influence.
- 3). The hedging ratio of the hedging relationship shall equal to the ratio between the volume of hedged item that the Company actually hedges and the actual volume of hedging instruments, but can't reflect the unbalance of relevant weights between hedged items and hedging instruments. This unbalance will cause ineffective hedging and might cause an accounting result inconsistent with the accounting target of hedging.

The Company stops the use of hedging accounting under any one of following situations:

- 1). Due to change of risk management target, the hedging relationship doesn't meet the risk management target anymore.
- 2). The hedging instrument has expired, was sold, the contract is terminated or exercised.
- 3). There is no more economic relationship between the hedged item and hedging instrument; or among the value change resulting from the economic relationship between the hedged item and hedging instrument, the credit risk begins to have dominant influence.
- 4). The hedging relationship doesn't meet other conditions for application of hedging accounting.

Hedging of fair value

Hedging of fair value refers to hedging on the risk exposure of change of fair value for recognized asset or liabilities, non-recognized definitive commitment or certain parts of these items. The change of fair value belongs to a specific category of risk and could affect the current profit and loss or other comprehensive income.

As to fair value hedging, the gain or loss resulting from the hedging instrument is included into the current profit and loss. The gain or loss resulting from risk exposure of the hedged item is included into the current profit and loss. Meanwhile, the book value of hedged item already recognized but not measured by its fair value is adjusted.

If the hedged item is the financial instrument (or its component) measured by its amortized cost, the adjustment on the book value of hedged item is amortized in accordance with the actual interest rate which is recalculated on the kick-off day of amortization and is then included into current profit and loss.

When the hedged item is an unrecognized definitive commitment (or its component), the accumulative change of fair value resulting from hedged risk after the hedging relationship is designated is recognized as an asset or liability and relevant gain or loss is included into the profit and loss of each relevant period. When the Company obtains an asset or shoulders a liability while fulfilling a definitive commitment, the Company adjusts the initially recognized amount of this asset or liability to include the accumulative change of the fair value of the hedged item

already recognized.

Cash flow hedging

Cash flow hedging refers to hedging on the risk of cash flow change. This cash flow change originates from certain type of special risks related with recognized asset or liability, highly likely anticipated transaction or components of above items and will affect the Company's profit and loss.

The part of gain or loss from the hedging instrument attributable to effective hedging is included into other comprehensive income as the cash flow hedging reserve. The part attributable to ineffective hedging (after deduction of other gain or loss included into other comprehensive income) is included into the current profit and loss.

As to cash flow hedging, when the hedged item is anticipated transaction which makes the Company to recognize afterwards a non-financial asset or non-financial liability, or the anticipated transaction of the non-financial asset or non-financial liability result in a definitive commitment suitable for fair value hedging accounting, the Company will transfer out the cash flow hedging reserve originally recognized in other comprehensive income and include it into the initially recognized amount of such asset or liability.

As to the cash flow hedging other than above situations, the Company transfers out the cash flow hedging reserve originally recognized in other comprehensive income during the same period when the hedged anticipated cash flow affects the profit and loss, and includes it into current profit and loss.

If the cash flow hedging reserve recognized in other comprehensive income is a loss and it is expected that this loss can't be not recovered completely or partially within the future accounting periods, the Company will transfer out the part that can't be recovered from other comprehensive income and include it into the current profit and loss when the Company anticipates that it can't be recovered.

When the Company ends the hedging accounting on the cash flow hedging, and if it is expected that the hedged future cash flow will still take place, the Company will retain the accumulative cash flow hedging reserve recognized in other comprehensive income until the anticipated transaction actually takes place and then handle it in accordance with above accounting policy for the cash flow hedging. If it is expected that the hedged future cash flow will no longer take place, the Company transfers out the accumulative cash flow hedging reserve recognized under other comprehensive income and includes it into the current profit and loss. If it is expected that the hedged future cash flow will "no longer happen extremely likely", but may still happen, the Company will retain the accumulative cash flow hedging reserve when it is expected that it may still happen until it really happens and then handles it in accordance with above accounting policy for the cash flow hedging.

11. Stock

(1) Classification of stock

Huafa's stock is classified into raw material, circulation material, inventory commodities, product in process, self-manufactured semi-finished products, entrusted-to-process materials, R&D cost, development product, leased product, delivered commodity, materials in transit, project construction, contractual performance cost, and etc.

(2) Pricing and amortization for delivery of stock

Huafa adopts a perpetual stock system for its stock verification. The stock is priced by its actual cost upon acquisition. Raw material and inventory commodity are priced by the weighted mean method when they are dispatched. Low-value consumables, and package materials used for circulation are amortized by one-time amortization method when they are collected for use.

Stock of real estate includes mainly inventory materials, development products under construction, finished development products and development products intended for sale but under temporary lease. The stock is initially measured by the actual cost. The actual cost of development products includes the land transfer fee, expenditure for infrastructure facilities, expense for construction and installation, loan expense incurred before completion of the development project, and other relevant expense during the development. When development products are delivered, the Company decides the actual cost by individual pricing method.

(3) Withdrawal method for falling price reserve of stock

If the stock cost is higher than the net realizable value on the day of balance sheet, falling price reserve of stock is withdrawn. Huafa withdraws the falling price reserve of stock for each single item of stock. If factors that result in reduction of value of stock disappeared on the day of balance sheet, the falling price reserve of stock is reversed within the amount withdrawn.

(4) Method to recognize net realizable value of stock

Net realizable value of stock is the amount resulting from the estimated selling price of the stock minus estimated cost, estimated sales expense and relevant tax until the work is finished. The net realizable value of stock is determined based on solid evidence obtained, purpose of holding the stock and events after the day of balance sheet.

12. Contract asset

The Company's right of collecting consideration from the client after transfer of commodity, which depends on factors other than the passing of time, is recognized as contract asset. The Company's unconditional right of collecting consideration from the client (i.e. depending only on the passing of time) from the client is presented separately as the receivable.

Refer to 4.9(6) Impairment of financial instrument for the method to determine the anticipated credit loss of contract assets and accounting method.

13. Long-term equity investment

The Company's long-term equity investment includes equity investment where the Company exercises control and significant influence on the investee and equity investment on joint ventures. Those investees that Huafa could exercise significant influence on are cooperative operation enterprises.

(1). To determine the investment cost

Long-term equity investment resulting from merger of enterprises: As to long-term equity investment resulting from merger of enterprises under the same control, the share of the owner's equity of the merged on the day of merger in the book value in the final controller's consolidated financial statement is the investment cost. As to long-term

equity investment resulting from merger of enterprises not under the same control, the merger cost is taken as the investment cost for the long-term equity investment. As to merger of enterprises not under the same control achieved by steps through several transactions, the cost of long-term equity investment is the sum of book value of equity investment of the acquired held before the day of purchase and incremental investment cost on the day of purchase.

As to long-term equity investment obtained through methods other than merger of enterprises:

- As to long-term equity investment obtained through cash payment, the purchase price actually paid is taken as the initial investment cost;
- As to long-term equity investment obtained through issuance of equity securities, the fair value of equity securities issued is taken as the initial investment cost.

(2) Subsequent measuring and method to recognize profit and loss

Huafa adopts the cost method for long-term equity investment that Huafa could exercise control on the investee; and adopts the equity method for investment on cooperative operation and joint operation enterprises.

As to long-term equity investment subject to cost accounting, the cash dividend or profit that the investee declares to distribute (except for cash dividend or profit already declared but not yet issued but already included in the payment or consideration actually paid upon acquisition of the investment) is recognized as the investment gain and is included into the current profit and loss.

When Huafa's long-term equity investment is subject to equity accounting, and the investment cost for the long-term equity investment is higher than its share of fair value of identifiable net asset of the investee, the investment cost of the long-term equity investment is not adjusted. If the investment cost of the long-term equity investment is lower than its share of the fair value of the identifiable net asset of the investee, the book value of the long-term equity investment is adjusted and the difference is included into the current profit and loss.

When it is subject to equity accounting, the shares it is entitled to or shall shoulder in the net profit and loss and other comprehensive income realized by the investee are recognized separately as investment gain and other comprehensive income, and the book value of the long-term equity investment is adjusted. The book value of the long-term equity investment shall be reduced by its share in the profit or cash dividend declared by the investee to distribute. As to other change to the owner's equity of the investee (except for net profit and loss, other comprehensive income and profit distribution), the book value of the long-term equity investment shall be adjusted and it is included into the owner's equity. When it recognizes its share in the net profit and loss of the investee, it shall adjust and recognize the net profit of the investee based on the fair value of identifiable assets of the investee upon acquisition of the investment and in accordance with Huafa's accounting policy and accounting period.

If the Company could exercise significant influence or joint control on the investee resulting from the increase of investment but it doesn't constitute "control", the sum of the fair value of the equity investment originally held and the cost of increased investment is taken as the initial investment cost when it is changed to equity accounting. As to the equity that is originally classified as "investment on non-transaction equity instrument measured by fair value and with its change being included into other comprehensive income", the accumulated change of fair value originally included into other comprehensive income is included into the current profit and loss when it is changed

to equity accounting.

The part of unrealized gain or loss from internal transaction between the Company and cooperative operation and joint operation enterprises attributable to the Company is calculated in accordance with the share ratio and the investment gain or loss is recognized after offset. If the unrealized internal transaction loss between the Company and the investee belongs to the impairment loss of transferred asset, it will not be offset.

(3). Basis to determine "having control, joint control and significant influence" on the investee

Control refers to that the Company holds the power on the investee, and could enjoy variable return through participating in relevant activities of the investee, and is capable of exercising its power on the investee to influence the amount of return. A subsidiary refers to an entity (including a divisible part of an enterprise or investee, and structuralized entity controlled by an enterprise) controlled by the Company.

Joint control refers to common control on an arrangement through an agreement, and relevant activities of such arrangement could be decided only after all participants that share the right of control have agreed unanimously. Before finding out whether there is joint control, one must firstly make a judgment whether all participants or groups of participants control such an arrangement collectively. If all participants or a group of participants must act in concert in order to decide relevant activities of an arrangement, it is regarded as that all participants or a group of participants control this arrangement collectively. Secondly, one must make a judgment whether the decision on relevant activities of an arrangement must be agreed unanimously by participants that exercise collective control on this arrangement. If two or more groups of participants could control an arrangement collectively, it doesn't constitute joint control. When finding out whether there is joint control, one doesn't need to consider any entitlement to protective rights.

Significant influence refers to that the investor has the power to participate in the decision-making of the financial and operation policy of the investee, but can't control or control together with other parties the decision on such policy. For the purpose of determining whether the investor could exercise significant influence on the investee, one shall consider the influence of voting share of the investee held by the investor directly or indirectly, and potential voting right held by the investor or other parties that can be executed in the current period, if it is converted to equity of the investee, including current convertible warrant, stock option, convertible corporate bond and etc issued by the investee.

When the Company owns directly or indirectly through subsidiaries more than 20% (including 20%) but lower than 50% of voting share, it shall be recognized that the Company has significant influence on the investee unless there is definitive evidence showing that the Company can't participate in decision-making on operation of the investee and can't exercise significant influence under this situation. If the Company has less than 20% (not including 20%) of the voting share of the investee, it is generally not recognized as that the Company has significant influence on the investee unless there is definitive evidence showing that the Company can participate in decision-making on operation of the investee, and can exercise significant influence.

(4) Disposal of long-term equity investment

As to disposal of long-term equity investment, the difference between its book value and actual payment received shall be included into the profit and loss. As to long-term equity investment subject to equity accounting and if

other change to the owner's equity of the investee (except for net profit and loss) is included into the owner's equity, the part originally included into the owner's equity is transferred into current profit and loss upon disposal of such investment.

When the Company has lost joint control or significant influence on the investee due to disposal of a part of the equity investment or other reasons, the difference between the fair value and book value of the remaining equity after such disposal on the day when the Company lost joint control or significant influence is included into the current profit and loss. Other comprehensive income recognized on the original equity investment due to adoption of equity accounting shall be accounted on the same basis adopted by the investee for its direct disposal of relevant assets or liabilities when it stops the application of equity accounting. Other changes of the owner's equity related with the original equity investment is transferred to current profit and loss.

When the Company has lost its control on the investee due to disposal of a part of equity investment, but could still exercise joint control or significant influence on the investee with the remaining equity after disposal, it is changed to equity accounting and the remaining equity shall be adjusted as if it has adopted equity accounting upon its acquisition. If the Company could not exercise joint control or significant influence on the investee with the remaining equity after disposal, it is changed to the accounting method in accordance with applicable rules in "Enterprise Accounting Standard No. 22- Recognition and Measuring of Financial Instrument", and any difference between its fair value and book value on the day when it lost its control shall be included into current profit and loss.

When the Company has lost its control on the investee but could exercise joint control or significant influence on the investee when other investors increase their investment, which results in that the Company has a lower share ratio, it shall determine the Company's share on the net asset of the investee due to increase of capital and expansion of shares in accordance with the new share ratio and include the difference with the original book value of the long-term equity investment that the reduction of the carry-forward share ratio corresponds to into the current profit and loss. Then, the Company makes the adjustment under the equity method based on the new share ratio from the time when it has obtained the investment.

(5). Impairment testing method and withdrawal method of impairment reserve

Refer to Note 4.24 for the Company's withdrawal method of impairment for investment into subsidiaries, cooperative operation enterprises and joint ventures.

14. Investment real estate

Investment real estate refers to the real estate held for earning rental or capital appreciation or held for both purposes. The Company's investment real estate includes the land use right already leased, land use right held to transfer after appreciation, and buildings leased.

The Company's investment real estate are located in areas with an active market for transaction of real estate. The Company could obtain the market price and other relevant information of same or similar real estate from the real estate transaction market and could estimate reasonably the fair value of its investment real estate. Thus, the Company adopts a fair value model for subsequent measuring of the investment real estate and any change to the fair value is included into the current profit and loss.

When deciding the fair value of an investment real estate, the Company refers to current market price of same or similar real estate in an active market. If it is impossible to obtain the current market price of same or similar real estate, the Company refers to the latest transaction price of same or similar real estate in an active market and takes also into account the transaction situation, transaction date, area and other factors in order to estimate reasonably the fair value of the investment real estate. Alternately, the Company could determine its fair value based on the estimated future rental and present value of relevant cash flow.

The balance of the disposal income from the sales, transfer, write-off or destruction of the investment real estate after deduction of its book value, tax and charges is included into the current profit and loss.

15. Fixed assets

(1). Recognition conditions

Fixed assets are tangible assets held for producing goods, providing labor, leasing or operation and management and whose lifespan exceeds one accounting year.

Fixed assets are only recognized when related economic benefits might flow into the Company and its cost could be reliably measured.

The Company's fixed assets are initially measured by the actual cost upon acquisition.

(2). Classification and depreciation policy of fixed assets

The Company adopts a straight-line method to withdraw the depreciation. The Company starts to withdraw depreciation when the fixed asset reaches the "predefined usable state" and stop withdrawal when its recognition is ended or it is reclassified as held-for-sale non-current asset. If impairment reserve is not considered, the Company determines the annual depreciation rate for each type of fixed assets in accordance with the type of fixed asset, anticipated lifespan and anticipated residual value, detailed as below.

Type of fixed asset	Lifespan	Residual ratio %	Annual depreciation rate %
House, buildings	15-50 years	0-10	6.67-1.8
Equipment	5-15.5 years	0-10	20-5.81
Vehicles	5-10 years	0-10	20-9
Electronic equipment and other	2-10 years	0-10	50-9

As to fixed asset for which impairment reserve is already withdrawn, the depreciation rate shall be determined by deducting the accumulated impairment reserve of fixed assets already withdrawn.

(3). Refer to Note 4.24 for the impairment testing method and withdrawal method of impairment reserve of fixed assets

(4). At the end of each year, the Company checks again the lifespan, anticipated net residual value and depreciation method on fixed assets.

If the expected lifespan is different from the original estimation, the lifespan of fixed asset shall be adjusted. If the anticipated net residual value is different from the original estimation, the anticipated net residual value shall be

adjusted.

(5). Overhaul expense

As to the overhaul expense arising from regular inspection on fixed assets, the part for which there is solid evidence showing that they conform to recognition conditions of fixed assets is included into the cost of fixed assets; and the part that don't conform to recognition conditions of fixed assets is included into the current profit and loss. Depreciation is still withdrawn in periods between regular overhaul of fixed assets.

16. Construction in process

The Company decides the cost of construction in process in accordance with the actual project expenditure, including necessary project expenditure, loan expense that shall be capitalized before the project reaches the preset usable state and other relevant expense incurred during the construction period.

Construction in process is transferred to fixed asset when it reaches the preset usable state.

Refer to Note 4.24 for the withdrawal method of asset impairment for construction in process.

17. Loan expense

(1) Recognition principle for capitalization of loan expense

The loan expense incurred by the Company and directly attributable to purchase, construction or production of assets that conform to the condition of capitalization is capitalized and included into relevant asset cost. Other loan expense is recognized as expense when incurred based on the amount incurred, and included into current profit and loss. The Company starts to capitalize the loan expense when it conforms to all of following conditions:

- A. The capital expenditure has been spent, and it includes any payment incurred by ways of paying cash, transfer of non-cash asset or assumption of interest-bearing debt and etc. for purchase, construction or production of assets that conform to the condition of capitalization;
- B. Loan expense has been spent;
- C. Purchase, construction or production activities necessary for bringing the asset to preset usable state or marketable state have already started.

(2) Capitalization period of the loan expense

The Company will stop capitalization of the loan expense when the asset purchased, constructed or produced by the Company and also conforming to the condition of capitalization has reached the preset usable or marketable state. The loan expense incurred after the asset that conforms to the condition of capitalization has reached the preset usable or marketable state is recognized as expense when incurred based on the amount incurred and is included into the current profit and loss.

If the asset that meets the condition of capitalization has been suspended abnormally during the purchase, construction or production and the suspension has exceeded three months continuously, the Company will stop temporarily the capitalization of loan expense. Otherwise, the Company will continue to capitalize loan expense during the normal suspension period.

18. Use right assets

(1). Recognition condition of use right assets

The Company's use right assets refers to the Company's right of using the leased assets as the lessee during the lease period.

The Company measures the use right asset initially by the cost on the kickoff day of the lease. The cost includes the initial amount of the lease liability; the lease payment paid on or before the kickoff date of the lease period; deducted by the amount of lease stimulant (if any) already enjoyed, initial direct expense incurred by the Company as the lessee; the cost that the Company is anticipated to incur for tearing down or removing the leased assets, restoring the leased asset or venue of the leased asset to the state agreed under the lease. The Company recognizes and measures the cost for tearing down, restoration and etc, as the lessee, in accordance with "Enterprise Accounting Rules No. 13- Contingency", and adjusts subsequently again any re-measurement of the lease liabilities.

(2). Depreciation method of the use right asset

The Company adopts the linear method to withdraw the depreciation. When the Company could determine reasonably that it will get the ownership of the leased assets upon expiry of the lease period, the Company withdraws the depreciation during the residual lifespan of the leased asset. When the Company couldn't determine reasonably that it will get the ownership of the leased assets upon expiry of the lease period, the Company withdraws the depreciation within the residual period of the lease or residual lifespan of the leased assets, whichever is shorter.

(3). Refer to Note 4.24 for the method of impairment testing of use right assets and the withdrawal method of the impairment reserve.

19. Intangible assets

The Company's intangible assets include software, land use right, patent and etc.

The Company measures initially the intangible asset based on the cost, and makes a judgment on its lifespan upon its acquisition. If the lifespan is limited, the Company amortizes the intangible asset within the anticipated lifespan by a method that reflects the anticipated realization method of economic benefits related with such asset since such intangible asset is available for use. If it is impossible to determine reliably the expected realization method, the Company will amortize it with a straight-line method. Intangible assets with an uncertain lifespan will not be amortized. Intangible assets with a limited lifespan is amortized as below:

Type	Lifespan	Amortization method	Remarks
Land use right	50	Straight line method	
Software	10	Straight line method	
Patent	10	Straight line method	
Other	10	Straight line method	

The Company will revisit the lifespan and amortization method on intangible assets with a limited lifespan at the end of each year. If there is any change, it will adjust the original estimation and be handled as changes in

accounting estimates.

If it is anticipated that certain intangible asset can't bring future economic benefits to the Company on the day of balance sheet, the book value of such intangible assets will be transferred entirely into current profit and loss.

Refer to Note 4.24 for the withdrawal method for impairment of intangible assets.

20. R&D expense

The Company divides the expense for its internal R&D project into "research-stage expense" and "development-stage expense".

The research-stage expense is included into the current profit and loss when it is incurred.

The development-stage expense is capitalized only when it meets all of following conditions: namely, complete this intangible asset and render it technically feasible for use or sales; has the intention to complete this intangible asset and use or sell it; the ways by which intangible asset could produce economic benefits include that "the product produced by application of such intangible asset has a market or the intangible asset itself has a market, could prove the usefulness of the intangible asset if it is used internally; has sufficient technical and financial resource and other support to complete development of the intangible asset, has the ability to use or sell this intangible asset; the development-stage expense attributable to this intangible asset could be measured reliably. The development expense not meeting above conditions is included into the current profit and loss.

When a project meets above conditions and has passed the technical and economic feasibility study and is approved, it then enters into the development stage.

The development-stage expense already capitalized is presented as development expense on the balance sheet, and is transferred to intangible asset when the project reaches the preset usage.

21. Long-term deferred expense

The Company's long-term deferred expense includes: long-term prepaid rental, improvement expense on fixed assets leased through an operating lease.

The Company's long-term deferred expense is priced based on the actual lost and is amortized by a straight-line method over the anticipated beneficial period. As to long-term deferred expense that can't benefit future accounting periods, the amortized value of the item when determined is included into the current profit and loss.

22. Maintenance fund

The Company doesn't withdraw reserve for maintenance fund. The maintenance expense is accounted when it is actually spent. If the development project that needs maintenance hasn't been sold out, it is included into the "development cost" of the project. If the development project that needs maintenance has been sold out, it is included into the "overhead expense".

23. Quality warranty deposit

When the settlement payment is made for construction and installation works, the quality warranty deposit shall be deducted in accordance with the percentage as agreed in the contract and accounted for different units under the entry of "other payable". After the works has passed acceptance inspection and is free from quality issues during the quality warranty period, the quality warranty deposit will be refunded.

24. Asset impairment

The Company makes a judgment on whether impairment is possible for an asset on the day of balance sheet. If there is any sign of impairment, the Company will estimate the recoverable amount and test the impairment. The Company will test every year the impairment for goodwill resulting from merger of enterprises, intangible assets with an uncertain lifespan, and intangible assets that haven't reached the usable state.

Recoverable amount is the difference between the fair value of an asset and its disposal expense, or the present value of the anticipated future cash flow from the asset, whichever is higher. The Company estimates the recoverable amount based on each single asset. If it is difficult to estimate the recoverable amount of a single asset, the Company will determine the recoverable amount of a group of assets that such asset belongs to. For the purpose of identifying a group of assets, the Company takes into account whether the main cash inflow from a group of assets is independent from cash inflow of other assets or other groups of assets.

When the recoverable amount of an asset or a group of assets is lower than its book value, the Company will reduce its book value to the recoverable amount. The amount reduced is included into current profit and loss. Meanwhile, an equivalent amount of impairment reserve is withdrawn.

As to impairment testing of goodwill, the book value of goodwill resulting from merger of enterprises is amortized into relevant groups of assets by a reasonable method since the day of purchase. If it is difficult to amortize to relevant groups of assets, it is amortized to relevant portfolios of asset groups. Relevant asset groups or portfolios of asset groups refer to those asset groups or portfolios of assets groups that can benefit from the synergistic effect of merger, and is not greater than the reported division determined by the Company.

If it shows signs of impairment for asset groups or portfolios of asset groups related with goodwill during the impairment testing, one shall test the impairment on asset groups or portfolios of asset groups that don't include goodwill, calculate the recoverable amount and recognize relevant impairment loss. Then, one shall test the impairment on asset groups or portfolios of asset groups that include goodwill, compare their book value and recoverable amount and then recognize the impairment loss of goodwill if the recoverable amount is lower than the book value.

The impairment loss, once recognized, will not be reversed in future accounting periods.

25. Staff payroll

(1). Scope of staff payroll

Staff payroll refers to various types of remuneration or compensation paid by the enterprise to obtain the service provided by staff or for termination of labor relationship. Staff payroll includes short-term payroll, benefit after severance, benefit after dismissal, and other long-term benefit to staff. Benefits provided by the enterprise to spouses, children, dependent of staff and family members and other beneficiaries of the deceased staff belong

also to staff payroll.

(2). Short-term payroll

The Company recognizes the staff salary, bonus, social insurance premium (including medical premium, work-related injury premium and birth premium paid in accordance with stipulated benchmark and percentage) and housing fund as liabilities and includes them into current profit and loss or relevant asset cost. If it is anticipated that this liability can't be fully paid within twelve months after the reporting period for the year when staff provides service is ended and it causes significant financial influence, the liability shall be measured by a discounted amount.

(3). Benefits after severance (BAS)

Benefits after severance plan includes defined contribution plans and defined benefit plans. The defined contribution plans refer to that the enterprise is not liable for further payment after having submitted a fixed amount of fee to an independent fund. Defined benefit plans refer to post-severance benefit plans other than the defined contribution plans.

BAS defined contribution plan is mainly for basic social life insurance, unemployment insurance and etc organized and implemented by local labor and social security institutions; The enterprise will recognize the amount of payable calculated in accordance with the defined contribution plan as liabilities and include it into the current profit and loss or relevant asset cost during the accounting period when the staff works for the Company.

The Company has no other payment obligations after having made above regular payment in accordance with national standards and the pension plan.

(4) Dismissal benefit

Dismissal benefit refers to the compensation offered by the Company when the Company dissolves the labor relationship with the staff before the labor contract expires or encourages staff to accept lay-off voluntarily. The Company recognizes the compensation given by the Company due to termination of labor relationship as liabilities and includes it into the current profit and loss on the day when the Company can't withdraw the plan to terminate the labor relationship or lay-off advice unilaterally or the day to recognize the cost related with reorganization that involves payment of dismissal benefit, whichever is earlier.

The Company provides internal retirement benefit to employees who accept the internal retirement arrangement. Internal retirement benefit refers to the salary paid to and social premium paid for employees who haven't reached the national retirement age but volunteer to exit the job position as approved by the Management. The Company pays the internal retirement benefits to internal retired employees from the kick-off day of internal retirement arrangement to the day when employees reach the normal retirement age. The Company will account the internal retirement benefits with reference to dismissal benefits. When it meets the condition to recognize dismissal benefits, the Company will recognize the payroll payable to internally retired employees and social premium payable from the day when these employees stop provision of service until their normal retirement as liabilities and include it into the current profit and loss once for all. Any difference arising from change of actuarial assumption and adjustment of internal retirement benefit standard will be included into the current profit and loss when they occur.

(5) Other long-term benefit

If other long-term staff benefits provided by the Company meets the condition of "defined contribution plan", they shall be handled in accordance with rules for defined contribution plans. If they meets the condition of defined benefit plan, they shall be handled in accordance with rules for defined benefit plans. Any change arising from re-measuring net liability or net asset of the defined benefit plan in the staff payroll cost shall be included into current profit and loss or relevant asset cost.

26. Dividend payment

(1) Types of divided payment

The Company's dividend payment is made by "equity settlement" or "cash settlement".

(2) Method to determine the fair value of equity instrument

The Company determines the fair value of granted option and other equity instruments that have an active market in accordance with the quotation in the active market. As to granted option and other equity instruments that don't have an active market, it adopts the option pricing model to determine its fair value. The Company shall take into account the following factors when choosing the pricing model for options: A. exercise price of options. B. effective period of options, C. current price of target share, D. anticipated fluctuation rate of stock price. E. anticipated dividend of stock, F. no-risk interest rate within the effective period of option.

(3) Basis to determine the best estimation of exercisable equity instrument

On each day of balance sheet in the vesting period, the Company makes the best estimation in accordance with available latest information, including the change to the number of employees with exercisable options, and revises the quantity of anticipated exercisable equity instrument. On the vesting date, the final quantity of estimated exercisable equity instrument shall be consistent with the actual exercisable quantity.

(4) Accounting for implementation, revision and termination of stock payment plan

The stock payment settled by equity is measured by fair value of equity instrument granted to employees. If it can be exercised immediately after grant, it is included into relevant cost or expense in accordance with the fair value of the equity instrument on the grant date, and capital reserve is increased accordingly. If it could be exercised only after one has finished the service or achieved the required performance within the vesting period, the Company will include the service acquired at that period into relevant cost or expense and capital reserve in accordance with the fair value of the equity instrument on the grant date based on the best estimate on the quantity of exercisable equity instrument on each day of the balance sheet during the vesting period. The Company will no longer adjust relevant cost or expense and total owner's equity after the vesting date.

The stock payment settled by cash is measured by fair value of liabilities shouldered by the Company and calculated based on stock or other equity instrument. If it is immediately exercisable after grant, the Company includes the fair value of liabilities shouldered on the grant date into relevant cost or expense, and increases the liabilities accordingly. If it could be exercised only after one has finished the service or achieved the required performance within the vesting period, the Company will include the service acquired at that period into relevant cost or expense and relevant liabilities based on the best estimate of exercisable rights on each day of the balance sheet during the vesting period. On each day of balance sheet and settlement day before settlement of relevant liabilities, the Company remeasures the fair value of liabilities and includes its change into current profit and loss.

If the equity instrument granted is revoked during the vesting period, the Company will handle the granted equity instrument that is revoked as accelerated exercise, include the amount that shall be recognized during the balance vesting period into current profit and loss and meanwhile recognize the capital reserve. If the employees or other parties could choose to meet non-exercisable conditions, but doesn't meet such condition in the vesting period, the Company will handle it as the cancellation of granted equity instrument.

27. Bond payable

The Company measures initially external issuance of bonds in accordance with the fair value minus the transaction cost, and measures it subsequently in accordance with the amortized cost during the bond's duration under the actual interest rate method.

The interest expense is directly included into current profit and loss except for being capitalized when it meets the condition for capitalization of loan expense.

28. Anticipated liability

If an obligation related with a contingent event conforms to all of following conditions, the Company will recognize it as an anticipated liability:

- (1) This obligation is the current obligation that the Company shoulders;
- (2) Fulfillment of this obligation will likely result in that economic benefit flow out of the Company;
- (3) The amount of this obligation could be measured reliably.

The Company measures initially the anticipated liability in accordance with the best estimate on expense necessary for fulfillment of relevant current obligations, and also takes into account risks, uncertainties, time value of money and etc related with the contingent event. If the time value of currency has significant influence, the Company determines the best estimate by discounting the future cash outflow. The Company will check again the book value of the anticipated liabilities on the day of balance sheet, and adjust the book value to reflect the current best estimate.

If it is expected that all or a part of expenses necessary for repayment of anticipated liabilities will be compensated by a third party or another party, the amount of compensation could only be recognized separately when it is basically certain that it can be recovered. The recognized amount of compensation doesn't exceed the book value of recognized liabilities.

29. Preferred stock, perpetual bond and other financial instrument

Financial instruments issued by the Company are initially recognized and measured in accordance with financial instrument standards. Then, interest is withdrawn or dividend is distributed on each day of balance sheet in accordance with relevant accounting standards. Namely, the Company will decide the accounting method for interest expense or dividend distribution for this instrument based on the classification of equity instrument issued. As to financial instrument classified as equity instrument, its interest expense or dividend distribution is regarded as the Company's profit distribution, and its repurchase, cancellation and etc are regarded as the change of equity. As to financial instrument classified as financial liabilities, the interest expense or dividend distribution is handled as loan expense in principle, and any gain or loss arising from its repurchase or redemption is included into the current profit and loss.

When the Company issues financial instruments, the charges, commission and other transaction fees are included into the initial measured amount of the instrument issued if they are classified as debt instrument and measured by amortized cost.; or deducted from the equity if they are classified as equity instrument.

30. Principle for income recognition

(1) General principle for income recognition

Income is recognized when the Company has fulfilled its contractual obligations as set out in the Contract, i.e. when the client has obtained the right of control to relevant commodity or service.

When the Contract includes two or several contractual obligations, the Company divides the transaction price into each single contractual obligation in accordance with the relative percentage of the separate price of the commodity or service promised by each contractual obligation and calculates the income in accordance with the transaction price allocated to each single contractual obligation.

The transaction price is the consideration that the Company expects to collect from transfer of commodity or service to the client, not including the amount collected on behalf of any third party. The transaction price recognized by the Company doesn't exceed the amount of the accumulated recognized income that has the extreme possibility of no reversal after the relevant uncertainty is eliminated. When the consideration that the Company is entitled to collect is non-cash, the Company recognizes the transaction price in accordance with the fair value of the non-cash consideration. The amount that is expected to return to the client is not included into the transaction price. When the Contract has a significant financial factor, the Company determines the transaction price as per the amount payable by the client when obtaining the right of control to the commodity or service. Any difference between the transaction price and contractual consideration is amortized in accordance with the actual interest rate within the contractual period.

When it meets one of following conditions, the Company fulfills the contractual obligation within a certain period. Otherwise, the Company fulfills the contractual obligation at a certain time point.

- (1). The client has obtained and consumed the economic benefit resulting from the Company's fulfillment of its contractual obligations when the Company fulfills its contractual obligation.
- (2). The client could control the construction in process while the Company fulfills its contractual obligation.
- (3). The commodity produced by the Company while fulfilling its contractual obligations has an irreplaceable usage, and the Company is entitled to collect payment from the partial fulfillment of contractual obligations that has been accumulated until now during the entire contract period.

As to the contractual obligation that shall be fulfilled within a certain period, the Company recognizes the income in accordance with the progress of fulfillment of contractual obligations within this period. When the progress of fulfillment of contractual obligations can't be reasonably determined, and it is anticipated that the cost incurred by the Company could be compensated, the Company recognizes the income in accordance with the cost incurred until the progress of fulfillment of contractual obligations could be reasonably determined.

As to the contractual obligation that shall be fulfilled at a certain point of time, the Company recognizes the income

when the client has obtained the right of control to relevant commodity or service. When judging whether the client has obtained the right of control to the commodity or service, the Company shall consider following signs:

- (1). The Company has the right to collect payment for the commodity or service;
- (2). The Company has transferred the physical commodity to the client.
- (3). The Company has transferred the statutory ownership of this commodity or major risks and rewards on the ownership to the client.
- (4). The client has accepted this commodity or service.

The Company's right of collecting the consideration for commodity or service already transferred to the client (and the right depends on factors other than passing of time) is presented as the contractual asset. Impairment reserve is withdrawn based on the anticipated credit loss of the contractual asset. The Company's right of unconditionally (only depending on the passing of time) collecting consideration from the client is presented as the receivable. The Company recognizes the liabilities of transferring the commodity for the consideration that the Company has collected or will collect as the contractual liabilities.

(2). Income treatment for special transactions

A. Contracts with the clause of sales return

When the client has obtained the right of control to relevant commodities, the Company shall recognize the income based on consideration that the Company has the anticipated right to collect for transfer of the commodity and shall recognize the liabilities based on the anticipated amount to return for sales return.

The balance between the book value of the commodity that is anticipated to return upon the sales and the anticipated cost for recovery of such commodity (including the value impairment of the commodity returned) shall be accounted under "receivable return cost".

B. Contracts with the clause of quality warranty

The Company shall find out whether it will provide an independent service other than the warranty to the client that the commodity sold conforms to a predefined standard. If the Company provides extra service, it shall be regarded a single contractual obligation and the accounting shall be carried out in accordance with the income criteria. Otherwise, the quality warranty liability shall be accounted as per the accounting principle for contingencies.

C. Sales contracts with the client's option of additional purchase

The Company shall find out whether such an option has provided a significant right to the client. If it provides a significant right, it shall be regarded as a single contractual obligation and the transaction price will be allocated to this contractual obligation. Income is recognized when the client has obtained the right of control to the commodity when the client exercises the right of option to purchase in future or when this option become invalid. If the separate price for the client's option of additional purchase can't be directly observed, the Company shall estimate reasonably by considering the difference of the discount that the client will get by exercising or not exercising this option, the possibility that the client will exercise the right of option and all other relevant information.

(3). Specific method for income recognition

A. Real estate sales

As to sales of real estate for which the contractual obligation shall be fulfilled in accordance with the sales contract, regional laws and regulatory requirements within a certain period, the Company recognizes the income in accordance with the progress of fulfillment of the contractual obligations within this period. As to other sales of real estate, the Company recognizes the realization of sales income when the real estate has been completed and passed the acceptance inspection, the sales contract has been signed, the buyer's payment certificate has been obtained, it has reached the delivery conditions as agreed in the sales contract and the client has obtained the right of control on the commodity.

B. Construction contract

The Company recognizes the income in accordance with the progress of fulfillment of the contractual obligation, and determines the progress of fulfillment of the contractual obligation based on the percentage of the contractual workload already completed against the total anticipated workload as set out in the contract.

C. Provision of labor

If the result of labor transaction could be reliably estimated on the date of balance sheet, the Company recognizes the income within a certain period based on the progress of labor already provided. The progress of labor already completed is decided based on the percentage of the cost incurred against the total anticipated cost.

4. Commodity sales

Generally, the commodity sales contract between the Company and its clients include only the contractual obligation for transfer of commodities. Generally, the Company recognizes the income when the control right on goods is transferred to the buyer by considering following factors: having obtained the current right of collecting payment for the commodity, major risks and rewards on the commodity's ownership has been transferred, the statutory ownership of the commodity has been transferred, the physical asset of the commodity has been transferred and the client accepts the commodity.

Recognition of income from domestic sales of commodity shall meet the following conditions: the Company has delivered and the client has accepted the product as agreed in the Contract, has obtained the payment or the proof to collect the payment and relevant economic benefits will likely flow in, major risks and rewards on the commodity's ownership has been transferred and the statutory ownership of the commodity has been transferred.

Recognition of income from export sales of commodity: The Company has finished the customs declaration formalities in accordance with the Contract, has obtained the payment or the proof to collect the payment and relevant economic benefits will likely flow in, major risks and rewards on the commodity's ownership has been transferred and the statutory ownership of the commodity has been transferred.

31. Contract cost

The contract cost includes the incremental cost incurred for obtaining the contract and the cost for fulfilling the contractual obligation.

The incremental cost incurred for obtaining the contract refers to the cost that the Company will not incur if the contract has not been contained (like sales commission and etc). If it is anticipated that the cost can be recovered, the Company shall recognize the cost for obtaining the contract as an asset. Expense incurred by the Company for obtaining the contract other than the incremental cost that is anticipated to recover is included into the current

profit and loss.

If the cost incurred for performance of the contract doesn't belong to the scope of enterprise accounting criteria like the stock but meets the following condition, the Company shall recognize the cost of contractual performance as an asset.

- A. The cost is directly related with an existing contract or a contract that is anticipated to get, including the direct labor, direct material, manufacture expense (or similar expense), cost that is shouldered definitely by the client and other cost incurred only for obtaining the contract.
- B. The cost has increased the Company's resource for fulfilling the contractual obligation in future.
- C. It is anticipated that the cost could be recovered.

The asset recognized from the cost for obtaining the contract and the asset recognized from the cost of contract performance (hereinafter referred to the asset related with the contract cost) is amortized on the same basis for recognition of income from the commodity or service related with the asset and is included into the current profit and loss.

When the book value of the asset related with the contract cost is higher than the difference between following two items, the Company shall withdraw the impairment reserve for the excess and recognize it as the impairment loss of asset.

- 1). The balance consideration that the Company is anticipated to obtain for transfer of the commodity or service related with this asset.
- 2). Cost that is estimated to incur for transfer of the relevant commodity or service.

As to the contract performance cost recognized as the asset, it shall be presented under "stock" if the amortization period doesn't exceed one year or one normal operating cycle upon initial recognition; or presented under "other non-current asset" if the amortization period exceeds one year or one normal operating cycle upon initial recognition.

As to the cost for obtaining the contract recognized as asset, it shall be presented under "other current asset" if the amortization period doesn't exceed one year or one normal operating cycle upon initial recognition; or presented under "other non-current asset" if the amortization period exceeds one year or one normal operating cycle upon initial recognition.

32. Government subsidy

Government subsidy is recognized when it meets the attached conditions for the government subsidy and can be obtained.

The government subsidy that belongs to monetary assets shall be measured by the amount that the Company has received or shall receive. The government subsidy that are non-monetary assets shall be measured by fair value. If the fair value can't be obtained reliably, it shall be measured by the nominal amount of RMB 1.

Asset-related government subsidy refers to the government subsidy that the Company has obtained and used for purchase, construction or formation of long-term assets in other forms. Except for that, they are benefit-related government subsidy.

If the government document hasn't specified the object of subsidy and it could constitute long-term assets, the part of government subsidy that corresponds to the asset value is taken as the asset-related government subsidy. The remaining part is taken as the benefit-related government subsidy. If it is difficult to distinguish, the entire government subsidy is taken as the benefit-related government subsidy.

Asset-related government subsidy is recognized as deferred benefits and included into the profit and loss by a reasonable and systematic method within the lifespan of relevant asset. As to the benefit-related government subsidy, If it is used to compensate relevant cost, expense or loss that already incurred, it is directly included into the current profit and loss or offsets relevant cost; if it is used to compensate cost, expense or loss that will incur during the later periods, it is recognized as deferred income and is included into the current profit and loss or offsets relevant cost in the period that the cost, expense or loss is recognized; the government subsidy measured by the nominal amount is directly included into current profit and loss. The Company adopts the consistent method to handle same or similar government subsidy.

Government subsidy related with daily activities is included into other income or offsets relevant cost and expense in accordance with the nature of economic transactions. Government subsidy not related with daily activities is included into non-operating income.

When the government subsidy already recognized shall be returned and if there is deferred income, the Company offsets the book value of relevant deferred income, and includes the exceeding part into the current profit and loss. If it belongs to other situations, it is directly included into the current profit and loss.

33. Deferred income tax asset and deferred income liabilities

Income tax includes the current income tax and deferred income tax. The deferred income tax related with adjustment of goodwill resulting from merger of enterprises, or transactions or matters directly included into the owner's equity shall be included into the current profit and loss as the income tax expense.

The Company recognizes the deferred income tax in accordance with the temporary difference between the book value and tax base of the assets and liabilities on the day of balance sheet by adopting the balance sheet liability method.

The Company recognizes relevant deferred income tax liability for each taxable temporary difference unless it is resulted from the following transactions:

(1) Initial recognition of goodwill or initial recognition of asset or liability resulting from transactions with following features: this transaction is not merger of enterprises and will influence neither the accounting profit nor taxable income when the transaction takes place.

(2) As to taxable temporary difference related with investment into subsidiaries, joint and cooperative operation enterprises, its reversal period is controllable and it might not be reversed in the anticipated future.

As to deductible temporary difference, deductible loss and tax credit that can be carried forward to future years, the Company recognizes the deferred income tax asset arising thereof up to amount of future taxable income that could possibly be used to deduct the deductible temporary difference, deductible loss and tax credit, unless such deductible temporary difference results from the following transactions.

(1) this transaction is not merger of enterprises and will influence neither the accounting profit nor taxable income when the transaction takes place.

(2) As to taxable temporary difference related with investment into subsidiaries, joint and cooperative operation enterprises, the Company recognizes the deferred income tax asset when it meets all of following conditions: the temporary difference will possibly be reversed in the foreseeable future, and it is quite likely to obtain taxable income used to deduct the deductible temporary difference.

On the day of balance sheet, the Company measures the deferred income tax asset and deferred income tax liability with the applicable tax rate for the period when it is anticipated to recover the asset or pay off the liability and reflects the influence of anticipated method of asset recovery or liability pay-off on the income tax on the day of balance sheet.

On the day of balance sheet, the Company checks again the book value of deferred income tax asset. If it is improbable to obtain sufficient taxable income in future to deduct the benefit of deferred income tax asset, the Company will write down the book value of the deferred income tax asset. If it is probable to obtain sufficient taxable income, the written-down amount will be reversed.

34. Lease

(1). Identification of lease

On the kickoff day of the Contract, the Company, as the lessee or lessor, evaluates whether the client in the Contract has the right to obtain almost all economic benefits because of the use of identified assets during the use period, and the right to play a dominant role in using the identified assets during the use period. If one party of the Contract has exchanged the right to use one or several identified assets during a certain period for the consideration, the Company shall regard this Contract as a lease or including a lease.

2). The Company as the lessee

On the kick-off day of the lease period, the Company recognizes the use right asset and lease liabilities on all lease, except for short-term lease and low-value asset lease that are processed by simplification.

Refer to Note 4.18 for the accounting policy of the use right asset.

The lease liabilities is measured initially by the present value of unpaid rental on the kickoff date of the lease period calculated in accordance with the increment interest rate. The lease rental includes: the fixed rental and the essential fixed rental, deducted by the relevant amount of lease stimulus (if any); variable rental depending on an index or rate; the exercise price of purchase option; provided that the lessee has decided reasonably that it will exercise the option; the amount of payable to exercise the option to terminate the lease provided the lease period reflects that the lessee will exercise the option to terminate the lease; and the amount of anticipated payable

based on the balance of guarantee provided by the lessee. The Company calculates the interest expense of the lease liabilities during each stage of the lease period in accordance with a fixed cyclic interest rate, and includes it into current profit and loss. Variable lease payment not included into the measurement of lease liabilities is included into the current profit and loss when they incur.

Short-term lease

The short-term lease refers to the lease with a lease period not exceeding 12 months from the kickoff date of the lease, except for the lease that includes the purchase option.

The Company includes the lease payment for the short-term lease during each stage of the lease period into relevant asset cost or current profit and loss in accordance with the straight line method.

As to short-term lease, the Company adopts a simple method for lease assets that meet the short-term lease conditions as below:

- Electronic equipment
- Vehicles

Low-value asset lease

Low-value asset lease refers to the lease where the value of a single leased assets is lower than RMB 40,000 when it is new.

As to lease of low-value asset, the Company adopts the above simplification method based on the actual situation of each lease.

The Company includes the lease payment of low-value asset lease into relevant asset cost or current profit and loss in accordance with the straight line method during each stage of the lease period.

(3). The Company as the lessor

The Company, as the lessor, recognizes the financial lease for which all risks and rewards related with the asset's ownership has been essentially transferred, as the financial lease and the lease other than the financial lease as the operational lease.

Financial lease

In the financial lease, and on the kick-off day of the lease period, the Company takes the net investment on the lease as the entry value of the financial lease receivable. The net investment on the lease is the sum of balance not guaranteed and the present value of the lease payment not received yet on the kick-off day of the lease period, discounted by the inclusive interest rate of the lease. As the lessor, the Company calculates and recognizes the interest income during each stage of the lease period in accordance with the fixed cyclic interest rate. The Company includes the variable lease payment obtained as the lessor, but not included into the net investment of the lease into the current profit and loss when they occur.

End of recognition and impairment of the financial lease receivable shall be accounted in accordance with “Enterprise Accounting Rule No. 22- Recognition and Measurement of Financial Instrument”, and “Enterprise Accounting Rule No. 23- Transfer of Financial Asset”.

Operational lease

The Company recognizes the rental of the operational lease as the current profit and loss in each stage of the lease period in accordance with the straight-line method. Initial direct expense related with the operational lease shall be capitalized, and amortized based on the same basis for recognition of the rental income during the lease period and is included into the current profit and loss in each stage. Variable lease payment obtained, related with the operational lease and not included into the lease payment is included into current profit and loss when they incur.

(4). Sales and leaseback

The lessee and lessor evaluates and determines whether the asset transfer in the transaction of sales and leaseback belongs to sales in accordance with “Enterprise Accounting Rule No. 14- Revenue”.

If the asset transfer in the leaseback transaction belongs to sales, the lessee shall measure the use right asset arising from the leaseback by taking the part in the original book value of the asset related with the use right obtained from the leaseback, and recognizes the gain or loss only for the right transferred to the lessor. The lessor accounts the asset purchase in accordance with other applicable “Enterprise Accounting Rules” and account the asset lease in accordance with these rules.

If the asset transfer in the leaseback transaction doesn't belong to sales, the lessee continues to recognize the transferred assets and meanwhile recognizes a financial liability equivalent to the transfer income, and accounts such financial liabilities in accordance with “Enterprise Accounting Rule No.22- Recognition and Measurement of Financial Instrument”. The lessor doesn't recognize the transferred asset, but recognizes a financial asset equivalent to the transfer income and account such financial assets in accordance with “Enterprise Accounting Rule No. 22- Recognition and Measurement of Financial Instrument”.

35. Held-for-sale and end of operation

(1) Classification and measuring of held-for-sale non-current asset or disposal set

When the Company recovers the book value by selling (including non-monetary asset exchange with a commercial substance), not by using continuously a non-current asset or disposal set, such non-current asset or disposal set is classified as held-for-sale category.

Above non-current asset doesn't include investment real estate that adopts fair value model for subsequent measurement, biological asset measured by the net amount between the fair value and sale expense, asset formed by staff payroll, financial asset, deferred income tax asset and rights arising from insurance contracts.

Disposal set refers to a set of asset sold as an entirety or disposed together by other methods in one transaction and liabilities directly related with the asset transferred in this transaction. Under special situations, the disposal set includes goodwill obtained from merger of enterprises.

Non-current asset or disposal set that meet all of following conditions is classified as held-for-sale category:

- This non-current asset or disposal set could be immediately sold under current situations based on the common practice for sales of such asset or disposal set in similar transactions;
- Sales will take place very likely, i.e. having made decision for one sales plan and having obtained definite commitment to purchase, and it is expected that the sales will be completed within one year.
- If it lost the right of control on subsidiaries due to sales of investment on such subsidiaries, and no matter the Company keeps a part of the equity investment after sales or not, and when the investment on subsidiary to sell meets the classification condition of held-for-sale, the investment on subsidiaries will be classified as held-for-sale as an entirety in separate financial statement, and all assets and liabilities of subsidiaries be classified as held-for-sale in the consolidated financial statement.

When it measures initially or again the non-current asset or disposal set held for sale on the day of balance sheet, the difference that the book value is higher than the net amount of fair value minus the sale expense is recognized as asset impairment loss. The Company will offset the book value of goodwill in the disposal set against the asset impairment loss recognized for the held-for-sale disposal set, and then deducts its book value proportionally based on the percentage of the book value of various non-current assets in the disposal set.

If the net amount of the fair value of the held-for-sale non-current asset or disposal set minus the sales expense on the day of balance sheet is increased, the Company shall restore the amount written down previously and reverse within the amount of asset impairment loss recognized after it is classified as held-for-sale. The reversed amount is included into current profit and loss. However, the book value of goodwill already deducted will not be reversed.

As to held-for-sale non-current asset and assets in held-for-sale disposal set, no depreciation is withdrawn and they are not amortized. The Company will continue to recognize interest and other expense of liabilities in the held-for-sale disposal set. As to all or a part of investment on cooperative or joint operation enterprise classified as held-for-sale, the part classified as held-for-sale will not longer use equity accounting, and the retained part (not classified as held-for-sale) will continue to use equity accounting. When the Company has lost its significant influence on cooperative and joint operation enterprises, it will stop the use of equity accounting.

When one non-current asset or disposal set is classified as held-for-sale, but doesn't meet such classification conditions for held-for-sale afterwards, the Company will stop such classification and measure it by the lower of following two amount:

- 1). The balance of the book value of asset or disposal set before being classified as held-for-sale adjusted against the depreciation, amortization or impairment that should be recognized as if it is not classified as held-for-sale
- 2). Recoverable amount

(2) End of operation

End of operation refers to that parts that meet one of following conditions and are already disposed by the enterprise or classified by the enterprise as held-for-sale and could be singled out:

- 1). This part represents one independent major business or one independent area for operation.

- 2). This part is a portion in the disposal plan on an independent major business or one independent area of operation.
- 3). This part is a subsidiary acquired only for resale.

(3) Presentation

The asset in held-for-sale non-current asset or held-for-sale disposal set in the balance sheet is presented as "held-for-sale asset", and the liability in the held-for-sale disposal set is presented as "held-for-sale liability".

The Company presents separately the gain and loss as an ongoing concern and also under discontinued operation in the profit and loss statement. As to held-for-sale non-current asset or disposal set that don't meet the definition of discontinued operation, impairment loss, reversed amount and disposal gain or loss is presented as profit and loss as an ongoing concern. Operating profit and loss from end of operation, including impairment loss and reversed amount and disposal gain and loss are presented as gain and loss under discontinued operation.

As to disposal set that will be out of use as planned, but not be sold, and meet the condition of discontinued operation shall be present as discontinued operation since the day when they are out of use.

As to current presentation of discontinued operation, the information originally presented as profit and loss as an ongoing concern is presented again as the profit and loss under discontinued operation during the comparative accounting period. When it doesn't meet the condition for classification into held-for-sale under discontinued operation, the information originally presented as profit and loss under discontinued operation is presented as profit and loss as an ongoing concern during the comparative accounting period in the current financial statement.

36. Measure fair value

Fair value refers to the price that can be received for sales of an asset or transfer of certain liability in the orderly transaction by the market participants on the measuring day.

Assets and liabilities that the Company measures by fair value include: financial asset measured by its fair value and with its change being included into the current profit and loss, investment real estate, financial assets measured by fair value and with its change being included into other comprehensive income and financial liability measured by its fair value and with its change being included into the current profit and loss.

Assume that any orderly transaction for sales of assets or transfer of liabilities is carried out in major markets of relevant asset or liabilities; if there aren't such markets, the Company assumes that such transaction is carried out in the most favorable markets of relevant assets or liabilities. Major markets (or the most favorable markets) refer to the transaction markets that the Company could enter on the day of measurement. The Company adopts the assumption used by the market player in maximizing its economic benefits when pricing such asset or liability.

As to financial asset or financial liability that has an active market, the Company adopts the quotation in the active market to determine its fair value. If the financial instrument doesn't have an active market, the Company determines its fair value through valuation. The valuation models include mainly cash flow discount model, market comparable company model and etc. The input for evaluation includes mainly "risk-free interest rate, benchmark interest rate, exchange ratio, credit spread, liquidity premium, discount for lack of liquidity and etc.

As to non-financial asset measured by fair value, the Company considers the market player's ability of applying this asset for best usage to produce the economic benefit or the ability of selling this asset to other market players that can apply it for the best usage in order to produce the economic benefit.

The Company adopts the evaluation method that is suitable under current situation and has sufficient available data and other information to support, and uses relevant observable input in priority. Only when it is impossible or unfeasible to obtain the observable input, the Company uses un-observable input.

As to any asset or liability measured or disclosed by its fair value in the financial statement, the level of fair value that it belongs to is determined based on the lowest level of input that is significant to the measurement by fair value as a whole.

- The first level of input refers to the non-adjusted quotation of same asset or liability that can be obtained in an active market;
- The second level of input refers to directly or indirectly observable input of relevant asset or liability except for the first level of input.
- The third level of input refers to non-observable input of relevant asset or liability.

On the day of balance sheet, the Company reevaluates the asset and liability recognized and measured continuously by its fair value in the financial statement to determine whether it will switch between measuring levels of fair value.

37. Asset securitization

The Company securitizes some financial asset by selling the financial asset to a special purpose vehicle, which will then issue financial asset-backed securities to investors. Some or all assets the Company has transferred might meet the condition for end of recognition. Refer to the accounting policy for end of recognition for financial asset and financial liability.

The asset securitization equity retained by the Company is mainly sub-prime asset-backed securities. The profit or loss arising from asset securitization is included into the current profit and loss. The gain or loss arising from asset securitization is the difference between the book value of assets for which recognition is ended and retained asset and its fair value on the day of transfer.

38. Safe production expense

The safe production expense withdrawn by the Company in accordance with national regulations is included into the cost or current profit and loss of relevant products and meanwhile is included into the "special reserve". When the safe production expense withdrawn is used and if it is expense, it will offset the special reserve directly. When it forms the fixed assets, and it is the expense incurred under "construction in process", it is recognized as fixed assets when the safety project is completed and reached the predefined usable state. Meanwhile, the special reserve is offset by the cost that forms the fixed assets and the same amount of accumulated depreciation is recognized. No depreciation will be withdrawn in future for this fixed asset.

39. Free transfer of subsidiaries between solely or wholly state-owned enterprises

(1). Accounting of the transferee enterprise

On the day of acquiring the control right of the transferred enterprise, the Company debits the entry of “long-term equity investment” and credits the entry of “capital reserve (capital premium) (if the Reply specifies clearly that it is the capital input, it is entered under “paid-up capital”, the same below) in accordance with the amount approved by the state asset administration committee.

In the consolidated balance sheet, the Company adjusts the balance sheet of the transferred enterprise based on the book value of the assets and liabilities as audited and approved by the state asset administration committee and any change before transfer of the control right of the transferred enterprise and includes any difference with the asset and liabilities of the transferred enterprise it is entitled to after the adjustment into the capital reserve (capital premium).

The consolidated profit and loss statement in the period when the Company has obtained the control right of the transferred enterprise includes the net profit of the transferred enterprise from the benchmark date of the reply from the state asset administration commission to end of the period in which the control right is transferred.

The consolidated statement on change to the owner’s equity includes the change to the owner’s equity from the benchmark date of the reply from the state administration commission to end of the period in which the control right is transferred. The consolidated statement on change to the owner’s equity could be compiled based on the consolidated balance sheet and consolidated profit statement.

(2). Accounting by the transferring enterprise

On the day when the Company loses its control right on the transferred enterprise, the Company debits the entry of “capital reserve” (capital premium) based on the book value of the long-term equity investment of the transferred enterprise (if the Reply specifies clearly “to offset the capital”, it shall debit the entry of “paid-up capital”, the same below); and credits the entry of “long-term equity investment (transferred enterprise). If the capital reserve (capital premium) is insufficient to offset, it shall then offset the surplus reserve and undistributed profit in sequence.

On the day when the Company loses its control right on the transferred enterprise, it will not include the transferred enterprise into the scope of consolidated financial statement anymore and terminates the recognition of assets, liabilities, minority shareholder’s equity and other equity items of the transferred enterprise reflected formally in the consolidated financial statements. The difference will offset the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, it shall then offset the surplus reserve and undistributed profit in sequence. Meanwhile, unrealized internal profit and loss incurred before transfer of the control right between the Company and the transferred enterprise shall be transferred to the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, it will then offset the surplus reserve and undistributed profit in sequence.

V. Change of accounting policy, accounting estimate and correction of error

(1). Change of accounting policy

1. Explanation No. 16 on Enterprise Accounting Standard

The Ministry of Finance issued “Explanation No. 16 on Enterprise Accounting Standard” (CK [2022] No. 31) (hereinafter referred to as Explanation No. 16). in Nov. 2022

In accordance with Explanation No. 16, as to single transactions which are not merger of enterprises and the transaction, when occurred, doesn't affect the accounting profit nor the taxable income (or deductible loss), and asset and liabilities initially recognized produce an equivalent sum of taxable temporary difference and deductible temporary difference, the taxable temporary difference and deductible temporary difference resulting from initial recognition of asset and liabilities shall be recognized separately as deferred income tax liabilities and deferred income tax asset when occurred in accordance with applicable provisions in “Enterprise Accounting Standard No. 18- Income Tax”. As to above-mentioned transactions occurred from the opening period to the day when this explanation is implemented in the earliest period presented by the financial statement that implements the above-mentioned provisions for the first time, the enterprise shall adjust the opening retained income and other relevant entries in the earliest period of the financial statement against the cumulative effects in accordance with above-mentioned provisions. The above accounting treatment shall be implemented since 1st Jan. 2023.

As to taxable temporary difference and deductible temporary difference resulting from lease liabilities and use right asset recognized by the Company for lease business, and anticipated liabilities and assets for abandoned liabilities recognized, it shall be adjusted in accordance with Explanation No. 16.

Below is the influence of above accounting policy on the consolidated balance sheet on 31st Dec. 2022 and the consolidated profit and loss statement of 2022.

Consolidated balance sheet (31 st Dec. 2022)	Before adjustment	Amount adjusted	After adjustment
Deferred income tax asset	5,295,036,935.52	3,886,332.89	5,298,923,268.41
Deferred income tax liabilities	1,463,345,875.69	785,965.40	1,464,131,841.09
Undistributed profit	3,577,998,754.19	556,142.06	3,578,554,896.25
Minority shareholder 's equity	111,917,568,919.75	2,544,225.43	111,920,113,145.18

Consolidated profit and loss statement (2022)	Before adjustment	Amount adjusted	After adjustment
Income tax expense	3,008,396,325.61	11,731.23	3,008,408,056.84
Minority shareholder's equity	4,868,804,916.68	3,769.75	4,868,808,686.43

(II). Change to accounting estimate

There is no important change to the accounting estate in the current period.

(III). Correction of major errors in past periods

There is no correction of major errors in the current period.

VI. Tax

(1) Major taxes and tax rate

Tax	Taxation base	Statutory tax rate %
Value-added tax	Taxable income	1、 3、 5、 6、 9、 13
Urban maintenance and construction tax	Taxable turnover	1、 5、 7
Education surtax	Taxable turnover	3
Local education surtax	Taxable turnover	2、 1.5、 1
Land value-added tax	The balance of sales income from real estate minus deductible amount when the project is completed.	Super-rate progress tax rate 30%~60%
Property tax	The taxable base is 70% of the original property value (or rental income)	1.2、 12
Corporate income tax	Taxable income	25、 20、 15

The Company's overseas subsidiaries apply different income tax rates. Its subsidiaries registered in Hong Kong apply an income tax rate of 16.5% (the income tax rate for first HK 2 million is 8.25%), and its subsidiaries registered in Macao apply an income tax rate of 12%. Its subsidiaries registered in the United States, British Virgin Islands, the Cayman Islands, Milan, Thailand, Singapore and etc pay tax in accordance with the tax policy in these countries (regions).

(2) . Tax incentive policy and basis

1. In accordance with "Notice of the Ministry of Finance and State Taxation Administration on Corporate Income Tax Preferential Policy for Hengqin Guangdong-Macao In-depth Cooperation Area" (CS[2022] No.19), enterprises registered in Hengqin Guangzhou-Macao In-depth Cooperation Area and belonging to "Hengqin Guangdong --Macao In-depth Cooperation Area List of Industries Subject to Preferential Corporate Income Tax (2021) is subject to the corporate income tax rate of 15% when they are operating. Its subsidiaries Zhuhai Sanjiang Human Resource Service Co., Ltd, Zhuhai Huafa International Conference and Exhibition Management Co., Ltd, Zhuhai Huafa Modern Service Investment Holding Co., Ltd, Zhuhai Huajian United Investment Holding Co., Ltd, Zhuhai Huafa Supply Chain Finance Service Co., Ltd, Zhuhai International Intellectual Property Transaction Center Co., Ltd, Zhuhai Engineering Supervision Co., Ltd and Zhuhai Huanxin Founder Technology Co., Ltd are registered in Hengqin, Zhuhai and belong to modern service industry as listed in "Hengqin Guangdong-Macao In-depth Cooperation Area List of Industries Subject to Preferential Cooperate Income Tax" (2021). Its subsidiary Zhuhai Huafa Sports Operation & Management Co., Ltd is registered in Hengqin, Zhuhai and belongs to travel industry as listed in "Hengqin Guangdong-Macao In-depth Cooperation Area List of Industries Subject to Preferential Cooperate Income Tax" (2021). They comply with the above-mentioned corporate income tax preferential policy.

2. The Subsidiary Shenzhen Weiye Decoration Inc. obtained the "Hi-tech Enterprise Certificate" (Certificate No.: GR202144201734) on 23rd Dec. 2021 and was recognized as a hi-tech enterprise. Thus, It is subject to the corporate tax rate of 15% for three years.

3. The Subsidiary Zhuhai Power Design Institute Co., Ltd obtained the "Hi-tech Enterprise Certificate" (Certificate No.: GR202144005137) in Jan. 2023 and was recognized as a hi-tech enterprise. Thus, It is subject to the corporate tax rate of 15% for three years.

4. The Subsidiary Zhuhai Power Construction Engineering Co., Ltd obtained the "Hi-tech Enterprise Certificate" (Certificate No.: GR202144013643) in Jan. 2023 and was recognized as a hi-tech enterprise. Thus, It is subject to the corporate tax rate of 15% for three years.

5. The subsidiary Zhuhai Huafa Shuzi Technology Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202244001860) in Dec. 2022 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

6. The subsidiary Zhuhai Huafa Group Technical Research Institute Co., Ltd obtained the Hi-tech Enterprise Certificate (No.:GR202244013041) in Dec. 2022 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

7. The subsidiary Zhuhai Guangku Technology Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202344008435) in Dec. 2022 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

8. The subsidiary Zhuhai Guangchen Technology Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202144005641) in Dec. 2021 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

9. The subsidiary Zhuhai Jiahua Weijie Technology Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202344011079) in Dec. 2023 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

10. The subsidiary Zhuhai Huaguan Technology Inc. passed the hi-tech enterprise review in 2023, obtained the Hi-tech Enterprise Certificate (No.: GR202344009890) and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

11. The subsidiary Chongqing Founder Gaomi Electronic Co., Ltd. obtained the Hi-tech Enterprise Certificate (No.: GR202251100356) in Oct. 2022 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

12. The subsidiary Zhuhai Founder Technology Gaomi Electronic Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202344001934) in Dec 2023 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

13. The subsidiary Zhuhai Huafa Civic Comprehensive Service Co., Ltd passed the hi-tech enterprise review in 2022, obtained the Hi-tech Enterprise Certificate (No.: GR202244013688) and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

14. The subsidiary Zhuhai Founder Technology Multi-layer Circuit Board Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202144008890) in Dec 2021 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

15. In accordance with “Notice of Ministry of Finance and State Administration of Taxation on Further Implementation of Corporate Income Tax Preferential Policy for Small-and-Micro Enterprises” (CS [2022] No.13), as to small-and-micro enterprises, the part of annual taxable income exceeding RMB 1 million but less than RMB 3 million will be included into the taxable income by 25%, and be subject to the corporate income tax rate of 20% from 1st Jan. 2022 to 31st Dec. 2024.

In accordance with “Notice of Ministry of Finance and State Administration of Taxation on Corporate Income Tax Preferential Policy for Small-and-Micro Enterprises and Individual Business” (MOF STA Notice 2023 No. 6), as to small-and-micro enterprises, the part of annual taxable income not exceeding RMB 1 million will be included into the taxable income by 25%, and be subject to the corporate income tax rate of 20%.

16. Hong Kong has adopted the two level system for income tax in 2019, stipulating that the first HKD 2 million of a Hong Kong company will be subject to an income tax rate of 8.25% and further profit will be subject an income tax rate of 16.5%.

17. In accordance with Thailand Investment Promotion Committee (BOI) Certificate, Guangku Thailand Co., Ltd could obtain preferential tax policy for its investment. Total operating profit less than 100% of the investment (exclusive of land and operating capital) subject to BOI will be exempted of corporate income tax within the approval period. The income tax rate in the current period is 0%.

18. In accordance with the “Notice of Ministry of Finance, State Taxation Administration and State Development and Reform Committee on Continuing the Corporate Income Tax Policy for Grand West Development” (MOF Notice 2020 No. 23) and “Tibet Autonomous Region Corporate Income Tax Implementation Method (Provisional) issued by Tibet Autonomous Region People’s Government, Zhuhai Huafa International Hotel Management Co., Ltd Milin Branch enjoys the corporate income tax preferential policy for grand west development and is subject to the corporate income tax rate of 15%.

VII. Merger of enterprises and consolidated financial statement

(1). Profile of subsidiaries included into the consolidated financial statement in 2023

1. List of subsidiaries (exclusive of subsidiaries of the listed company)

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
1	Zhuhai Huafa Comprehensive Development Co., Ltd	Zhuhai	Zhuhai	service	80.14	17.69	establish
2	Zhuhai Huafa Modern Service Investment Holding Co., Ltd	Zhuhai	Zhuhai	service		97.82	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
3	Zhuhai Shizimen International Conference and Exhibition Center Management Co., Ltd	Zhuhai	Zhuhai	conference & exhibition		97.82	establish
4	Zhuhai Sanjiang Human Resource Service Co., Ltd	Zhuhai	Zhuhai	human resource service		68.47	establish
5	Zhuhai Huafa International Hotel Management Co., Ltd	Zhuhai	Zhuhai	hotel management		97.82	establish
6	Zhuhai Huafa International Conference and Exhibition Management Co., Ltd	Zhuhai	Zhuhai	conference & exhibition management		97.82	establish
7	Zhuhai Huafa Industry New Space Development Co., Ltd	Zhuhai	Zhuhai	merchant soliciting, operation and comprehensive service		95.80	establish
8	Zhuhai Huafa Commercial Asset Operation Service Co., Ltd	Zhuhai	Zhuhai	comprehensive service		97.82	establish
9	Zhuhai Huafa Commerce & Trade Holding Co., Ltd	Zhuhai	Zhuhai	commodity sales	20.00	78.25	establish
10	Zhuhai Huafa Greening Engineering Co., Ltd	Zhuhai	Zhuhai	landscape greening		98.25	establish
11	Zhuhai Lian'an Construction Material Co., Ltd	Zhuhai	Zhuhai	commodity sales		98.25	establish
12	Zhuhai Hualing Construction Engineering Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
13	Zhuhai Huajin Inclusive Financial Development Co., Ltd	Zhuhai	Zhuhai	on-lending service		99.08	establish
14	Zhuhai Guangke Electronic Technology Co., Ltd	Zhuhai	Zhuhai	production & sale		98.25	establish
15	Zhuhai Huafa Automobile Sales Co., Ltd	Zhuhai	Zhuhai	vehicle sales		98.25	establish
16	Zhuhai Huafa Shangzong Automobile Co., Ltd	Zhuhai	Zhuhai	vehicle sales		98.25	establish
17	Zhuhai Huafa Ruida Automobile Co., Ltd	Zhuhai	Zhuhai	vehicle sales		98.25	establish
18	Zhuhai Chuanghua International Trading Co., Ltd	Zhuhai	Zhuhai	commodity sales		98.25	establish
19	Zhuhai Zhihua International Trading Co., Ltd	Zhuhai	Zhuhai	commodity sales		98.25	establish
20	Zhuhai Huafa Cultural, Education, Tourism Industry Development Co., Ltd	Zhuhai	Zhuhai	service	100.00		establish
21	Zhuhai Huafa Cultural Industry Investment Holding Co., Ltd	Zhuhai	Zhuhai	service		99.07	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
22	Beijing Huafa Shengtai Cultural Industry Investment Holding Co., Ltd	Beijing	Beijing	service		100.00	establish
23	Zhuhai Huafa Huasheng Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
24	Zhuhai Huaxin Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
25	Zhuhai Huafa Huayu Investment & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
26	Zhuhai Huafa Auction Co., Ltd	Zhuhai	Zhuhai	service		64.40	establish
27	Zhuhai Huafa Sports Development Co., Ltd	Zhuhai	Zhuhai	other real estate		100.00	establish
28	Zhuhai Huafa CPPA Management Co., Ltd	Zhuhai	Zhuhai	service		50.00	establish
29	Zhuhai Huafa Investment Holding Group Co., Ltd	Zhuhai	Zhuhai	equity investment management	57.80	41.28	establish
30	Zhuhai Huachuang Investment Management Co., Ltd	Zhuhai	Zhuhai	project investment, investment management		99.08	establish
31	Zhuhai Huajin Financing Guarantee Co., Ltd	Zhuhai	Zhuhai	financial guarantee		99.08	establish
32	Huajin Asset Management (Shenzhen) Co., Ltd	Shenzhen	Shenzhen	equity investment management		99.08	establish
33	Zhuhai Jinkong Jinwan Investment Co., Ltd	Zhuhai	Zhuhai	equity investment management		70.76	establish
34	Zhuhai Jinchuang Pharmaceutical Industry Investment Fund (limited partnership)	Zhuhai	Zhuhai	service		64.87	establish
35	Zhuhai Jinkong Hi-tech Venture Capital Investment Co., Ltd	Zhuhai	Zhuhai	service		70.76	establish
36	Beijing Huajin Ruiying Investment Management Co., Ltd	Beijing	Beijing	equity investment management		99.08	establish
37	Zhuhai Hengqin New Zone Huachuang New Material Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	equity investment management		43.34	establish
38	Zhuhai Hengqin New Zone Fenghua Equity Investment Fund Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		50.53	establish
39	Zhuhai Jinkong Investment Co., Ltd	Zhuhai	Zhuhai	equity investment management		99.08	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
40	Shanghai Huafa Yingqi Industry Co., Ltd	Shanghai	Shanghai	Futures		99.08	establish
41	Zhuhai Property Right Transaction Center Co., Ltd	Zhuhai	Zhuhai	service		64.40	establish
42	Zhuhai Jinkong Hi-tech Industry Investment Center (limited partnership)	Zhuhai	Zhuhai	equity investment management		76.07	establish
43	Tianjin Huachuang Ronghui Investment Management Co., Ltd	Tianjin	Tianjin	equity investment management		99.08	establish
44	Shanghai Huakai Equity Investment Co., Ltd	Shanghai	Shanghai	equity investment management		99.08	establish
45	Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	Zhuhai	Zhuhai	project investment		95.80	establish
46	Zhuhai Huafa Affordable Housing Construction Holding Co., Ltd	Zhuhai	Zhuhai	affordable housing development		95.80	establish
47	Zhuhai Huafa Talent Mansion Affordable Housing Construction Co., Ltd	Zhuhai	Zhuhai	affordable housing development		95.80	establish
48	Zhuhai Huafa Qinyuan Affordable Housing Construction Co., Ltd	Zhuhai	Zhuhai	affordable housing development		95.80	establish
49	Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	Zhuhai	Zhuhai	construction of Shizimen Business District		95.94	establish
50	Zhuhai Hengqin New Zone Shizimen International Finance Center Construction Co., Ltd	Zhuhai	Zhuhai	construction of Shizimen Business District		95.94	establish
51	Zhuhai Huafa Hi-tech Construction Holding Co., Ltd	Zhuhai	Zhuhai	project development & construction		47.90	establish
52	Zhuhai Huafa Urban Center Construction Holding Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
53	Zhuhai Huajin Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
54	Zhuhai Huahao Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
55	Zhuhai Huabao Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
56	Zhuhai Huafa Huarui Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		95.80	establish
57	Hong Kong Huafa Investment Holding Co., Ltd	Hong Kong	Hong Kong	equity investment management	100.00		establish
58	Zhuhai Huafa Group Financial Co., Ltd	Zhuhai	Zhuhai	finance	30.00	61.93	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
59	Zhuhai Huafa Innovation Investment Holding Co., Ltd	Zhuhai	Zhuhai	equity investment management	100.00		establish
60	Yufa (Macao) Co., Ltd	Macao	Macao	service		100.00	establish
61	Zhuhai Huafa Industrial Inc. (Huafa Inc.)	Zhuhai	Zhuhai	real estate development	26.34	3.23	establish
62	Beijing Huafa Enterprise Management Co., Ltd	Beijing	Beijing	real estate development		100.00	establish
63	Chengfa Enterprise Co., Ltd	Hong Kong	Hong Kong	service		100.00	establish
64	Zhuhai Huachen Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development		95.80	establish
65	Zhuhai Huafa Sports Operation Management Co., Ltd	Zhuhai	Zhuhai	project operation		100.00	establish
66	Zhuhai Huafa ZhuAo Development Co., Ltd	Zhuhai	Zhuhai	project operation		95.80	establish
67	Zhuhai Huafa Urban Service Management Co., Ltd	Zhuhai	Zhuhai	art research & promotion		100.00	establish
68	Zhuhai Huafa Island Investment and Development Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
69	Zhuhai Huajin Hi-tech Venture Capital Investment Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		70.76	establish
70	Hengqin International Intellectual Property Transaction Center Co., Ltd	Zhuhai	Zhuhai	service		50.53	establish
71	Zhuhai Huahao Investment Holding Co., Ltd	Zhuhai	Zhuhai	equity investment management		99.08	establish
72	Zhuhai Hengqin New Zone Huachuang Environmental Protection Industrial Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	equity investment management		35.38	establish
73	Wuhan Huajin Ruiying Equity Investment Management Co., Ltd	Tianjin	Tianjin	equity investment management		99.08	establish
74	Zhuhai Huaping Construction Management Co., Ltd	Zhuhai	Zhuhai	project construction		88.03	establish
75	Zhuhai Huakai Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development		50.53	establish
76	Hengqin South China SME Listing Service Co., Ltd	Zhuhai	Zhuhai	service		79.26	establish
77	Huajin Inifiniti Investment Holding Co., Ltd	Cayman Island	Cayman Island	equity investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
78	Zhuhai Huafa Holding Co., Ltd	Zhuhai	Zhuhai	equity investment management	100.00		establish
79	Huaxing Investment Holding Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	establish
80	Tibet Huasheng Logistics Development Co., Ltd	Nyingchi	Nyingchi	logistics		98.25	establish
81	Zhuhai Huaqin Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development		97.82	establish
82	Zhuhai Huagang Construction Investment Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
83	Zhuhai Huafa Zhigu Investment & Operation Co., Ltd	Zhuhai	Zhuhai	office building and commercial property development		96.40	establish
84	Guangdong Hengqin Guangdong-Macao Deep Cooperation Area Huafa Heptachord Intellectual Property Operation Service Co., Ltd	Zhuhai	Zhuhai	intellectual property management and consulting		50.53	establish
85	Zhuhai Development & Investment Fund Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		56.73	establish
86	Zhuhai Urban Development Fund Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		99.08	establish
87	Zhuhai Huajian United Investment Holding Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
88	Zhuhai Huafa International Conference and Exhibition Co., Ltd	Zhuhai	Zhuhai	conference & exhibition		97.82	establish
89	Zhuhai Anzhi Hulian Equity Investment Fund Partnership (Limited Partnership)	Zhuhai	Zhuhai	asset management		20.63	establish
90	Huajin International Commercial Factoring (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	factoring		99.08	establish
91	Zhuhai Huafa Huiju Jikang Construction Co., Ltd	Zhuhai	Zhuhai	conversion and expansion of Xiangzhou District People's Hospital		86.22	establish
92	Huafa 2018 I Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	establish
93	Wuhan Huafa Heptachord Hangyi Intellectual Property Operation Co., Ltd	Wuhan	Wuhan	intellectual property management and consulting		25.77	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
94	Huafa Urban Operation (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	project development & construction		95.80	establish
95	Zhuhai Huashou Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		99.08	establish
96	Zhuhai Hegang I Equity Investment Fund (Limited Partnership)	Zhuhai	Zhuhai	equity investment management		27.40	establish
97	Huafa Urban Operation (Israel) Co., Ltd	Israel	Israel	service		95.80	establish
98	Huafa 2019 I Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	establish
99	Zhuhai Huafa Technical Group Co., Ltd (Huafa Technical)	Zhuhai	Zhuhai	investment management	88.46		establish
100	Zhuhai Huafa Industrial Park Operation & Management Co., Ltd	Zhuhai	Zhuhai	investment management		88.46	establish
101	Zhuhai Huajin Qiyuan Fund Management Co., Ltd	Zhuhai	Zhuhai	Fund and equipment management		99.08	establish
102	Shanghai Shaohua International Trading Co., Ltd	Shanghai	Shanghai	commodity sales		98.25	establish
103	Nantong Yaohua International Trading Co., Ltd	Nantong	Nantong	commodity sales		98.25	establish
104	Zhuhai Phoenix Parking Building Management Co, Ltd	Zhuhai	Zhuhai	Conference and performance		97.82	transfer
105	Zhuhai Hi-tech Headquarter Base Construction & Development Co., Ltd	Zhuhai	Zhuhai	project development		95.80	merger of enterprises not under the same control
106	Huajin Securities Inc. (Huajin Securities)	Shanghai	Shanghai	securities		78.28	merger of enterprises not under the same control
107	Huajin Boulevard Investment Co., Ltd	Zhuhai	Zhuhai	securities		78.28	establish
108	Huajin Futures Co., Ltd	Tianjin	Tianjin	Futures		99.08	merger of enterprises not under the same control
109	Zhuhai Huafa Dehe Automobile Co., Ltd	Zhuhai	Zhuhai	vehicle sales		98.25	merger of enterprises not under the same control

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
110	Zhuhai Huafa Tiancheng Automobile Co., Ltd	Zhuhai	Zhuhai	vehicle sales		98.25	merger of enterprises not under the same control
111	Zhuhai Hairong Investment Co., Ltd	Zhuhai	Zhuhai	equity management		99.08	merger of enterprises not under the same control
112	Zhuhai Fushan Industrial Park Investment & Development Co., Ltd	Zhuhai	Zhuhai	project construction		97.82	transfer
113	Zhuhai Development Investment Fund (Limited Partnership)	Zhuhai	Zhuhai	investment	26.79	0.59	merger of enterprises not under the same control
114	Zhuhai Huajin Micro-loan Inc.	Zhuhai	Zhuhai	micro-loan service		97.12	merger of enterprises not under the same control
115	Zhuhai Yitong Electrical Appliance Co., Ltd	Zhuhai	Zhuhai	project development & construction		76.64	merger of enterprises not under the same control
116	Zhuhai Huafa Shuzhi Digital Co., Ltd	Zhuhai	Zhuhai	service		77.31	merger of enterprises under the same control
117	Zhuhai Huafa Shuzhi Energy Co., Ltd	Zhuhai	Zhuhai	service		77.31	merger of enterprises under the same control
118	Guangdong Fuyuan Industrial Group Co., Ltd	Zhuhai	Zhuhai	real estate development		97.82	transfer
119	Zhuhai Fuhua Real Estate Co., Ltd	Zhuhai	Zhuhai	project development & construction		98.25	transfer
120	Zhuhai Urban Construction Group Co., Ltd	Zhuhai	Zhuhai	property lease and construction for clients		95.94	transfer
121	Zhuhai Urban Construction Property Development Co., Ltd	Zhuhai	Zhuhai	construction for clients		95.94	transfer
122	Zhuhai Urban Construction Asset Operation & Management Co., Ltd	Zhuhai	Zhuhai	asset operation		100.00	transfer

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
123	Zhuhai Chengjie Smart Parking Management Co., Ltd	Zhuhai	Zhuhai	meter parking		75.00	transfer
124	Zhuhai Urban Civic Construction Co., Ltd	Zhuhai	Zhuhai	construction for clients		95.94	transfer
125	Zhuhai Engineering Supervision Co., Ltd	Zhuhai	Zhuhai	project supervision		100.00	transfer
126	Zhuhai Urban Construction Investment and Development Co., Ltd	Zhuhai	Zhuhai	construction for clients		95.94	transfer
127	Zhuhai Urban Construction Haiyun Asset Operation & Management Co., Ltd	Zhuhai	Zhuhai	property lease, asset operation		95.94	transfer
128	Guangdong Chengzhi Technology Co., Ltd	Zhuhai	Zhuhai	smart city		95.94	transfer
129	Zhuhai Urban Construction Energy Saving Technology Co., Ltd	Zhuhai	Zhuhai	smart city		95.94	transfer
130	Zhuhai Urban Construction Smart Technology Co., Ltd	Zhuhai	Zhuhai	smart city		67.16	transfer
131	Zhuhai Huafa New Energy Operation & Management Co., Ltd	Zhuhai	Zhuhai	smart city		95.94	transfer
132	Zhuhai Wisdom New Energy Investment Co., Ltd	Zhuhai	Zhuhai	smart city		95.94	transfer
133	Foshan Chengzhi New Energy Co., Ltd	Foshan	Foshan	smart city		95.94	transfer
134	Zhuhai Textile Industry Group Co., Ltd	Zhuhai	Zhuhai	property lease, asset operation	100.00		transfer
135	Zhuhai Guanhua Light Industry and Textile Co., Ltd	Zhuhai	Zhuhai	property lease, asset operation		100.00	transfer
136	Zhuhai Yuhua Polyester Co., Ltd	Zhuhai	Zhuhai	PTT production		100.00	transfer
137	Zhuhai Affordable Housing Group Co., Ltd	Zhuhai	Zhuhai	affordable/talent housing development, construction and management	100.00		transfer
138	Zhuhai Zhengqing Construction Reconnaissance Design Consultancy Co., Ltd	Zhuhai	Zhuhai	review of construction drawings/property lease		100.00	transfer
139	Zhuhai Housing Lease Co., Ltd	Zhuhai	Zhuhai	public lease housing/public ownership housing lease management		100.00	transfer
140	Wuxi Huafa Heptachord Intellectual Property Operation Co., Ltd	Wuxi	Wuxi	intellectual property service		50.53	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
141	Zhuhai Huafa Zhigu Wafer Operation & Management Co., Ltd	Zhuhai	Zhuhai	project operation		88.46	establish
142	Zhuhai Huafa Zhihui Bay Operation & Management Co., Ltd	Zhuhai	Zhuhai	project operation		88.46	establish
143	Zhuhai Huafa Zhongyi Industrial Park Operation & Management Co., Ltd	Zhuhai	Zhuhai	project operation		88.46	establish
144	Weiyi Construction Group Inc. (Weiyi Inc.)	Shenzhen	Shenzhen	building decoration and design		28.77	merger of enterprises not under the same control
145	Zhuhai Huafa Group Research Institute Co., Ltd	Zhuhai	Zhuhai	service	100.00		establish
146	Hong Kong Johnson Holdings Co., Ltd (Johnson Holding)	Cayman Island	Hong Kong	equity investment management		42.27	merger of enterprises not under the same control
147	Guang Yu Global Fund LP	Cayman Island	Hong Kong	Fund and equipment management		100.00	establish
148	Huafa 2020 I Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	establish
149	Huajin Research (International) Co., Ltd	Hong Kong	Hong Kong	service		100.00	merger of enterprises under the same control
150	Huajin Finance (International) Co., Ltd	Hong Kong	Hong Kong	service		100.00	merger of enterprises under the same control
151	Huajin Finance (International) Holding Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	merger of enterprises under the same control
152	Huajin Securities (International) Co., Ltd	Hong Kong	Hong Kong	service		100.00	merger of enterprises under the same control

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
153	Huajin Futures (International) Co., Ltd	Hong Kong	Hong Kong	service		100.00	merger of enterprises under the same control
154	Huajin Financing (International) Co., Ltd	Hong Kong	Hong Kong	service		100.00	merger of enterprises under the same control
155	Huajin International (BVI) Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	merger of enterprises under the same control
156	Huajin International Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	merger of enterprises under the same control
157	Huajin Fund I GP	Cayman Island	Hong Kong	investment management		100.00	merger of enterprises under the same control
158	Huajin International Investment (Cayman) Limited Partnership Co., Ltd	Cayman Island	Hong Kong	investment management		100.00	merger of enterprises under the same control
159	Huajin International Equity Investment (Cayman) Limited Partnership	Cayman Island	Hong Kong	investment management		100.00	merger of enterprises under the same control
160	Huajin International Investment (Cayman) Co., Ltd	Cayman Island	Hong Kong	investment management		100.00	merger of enterprises under the same control
161	Huajin International Hong Kong Management Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	merger of enterprises under the same control
162	Huajin Linghang Investment and Management (Zhuhai) Enterprise (Limited Partnership)	Zhuhai	Zhuhai	investment management		100.00	merger of enterprises under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
163	Huajin International China Investment Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	merger of enterprises under the same control
164	Zhuhai Huajin Qihang Consultancy Service Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	merger of enterprises under the same control
165	Huajin International Investment Management Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	merger of enterprises under the same control
166	Huajin Financial Holding Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	establish
167	Hong Kong Huafa Financial and Asset Center Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	establish
168	Zhuhai Huafa Xijiang Environmental Protection Industrial Park Operation & Management Co., Ltd	Zhuhai	Zhuhai	project operation		88.46	establish
169	Zhuhai Huafa Physical Industry Research Institute Co., Ltd	Zhuhai	Zhuhai	industrial study		88.46	establish
170	Zhuhai Huashi Zhiying Industrial Investment Co., Ltd	Zhuhai	Zhuhai	investment management		88.46	establish
171	Zhuhai Venture Investment Pilot Fund Co., Ltd	Zhuhai	Zhuhai	investment management	-	88.46	merger of enterprises not under the same control
172	Zhuhai Huafa Supply Chain Financial Service Co., Ltd	Zhuhai	Zhuhai	service		99.08	establish
173	Zhuhai Huafa Financial Technology Research Institute Co., Ltd	Zhuhai	Zhuhai	service		99.08	establish
174	Zhuhai Huafa Seaside Building Hotel Co., Ltd	Zhuhai	Zhuhai	service		100.00	transfer
175	Wuhan Qinhu International Trading Co., Ltd	Wuhan	Wuhan	commodity sales		98.25	establish
176	Zhuhai Dahuanshan Group Inc.	Zhuhai	Zhuhai	property lease		60.68	transfer
177	Zhuhai Development Investment Fund II (Limited Partnership)	Zhuhai	Zhuhai	fund management		36.25	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
178	Shanghai Kaidui Industrial Development Co., Ltd	Shanghai	Shanghai	real estate development and operation		99.08	establish
179	Shanghai Kaidui Property Management Co., Ltd	Shanghai	Shanghai	property management		99.08	establish
180	Shanghai Duodui Information Technology Co., Ltd	Shanghai	Shanghai	project construction		99.08	establish
181	Shanghai Mingdui Property Management Co., Ltd	Shanghai	Shanghai	property management		99.08	establish
182	Shanghai Huadui Industrial Development Co., Ltd	Shanghai	Shanghai	real estate development and operation		99.08	establish
183	Shanghai Fengdui Industrial Development Co., Ltd	Shanghai	Shanghai	real estate development and operation		99.08	establish
184	Dongguan Huafa Heptachord Intellectual Property Service Co., Ltd	Dongguan	Dongguan	intellectual property transaction service		50.53	establish
185	Yantai Huafa Heptachord Intellectual Property Operation Co., Ltd	Yantai	Yantai	intellectual property transaction service		50.53	establish
186	China Hubei Free Trade Pilot Zone (Xiangyang Area) Huafa Heptachord Intellectual Property Service Co., Ltd	Xiangyang	Xiangyang	intellectual property transaction service		50.53	establish
187	Zhuhai Anyi Construction Investment Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		100.00	establish
188	Zhuhai Huahong Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		47.90	establish
189	Zhuhai Huafa Petrochemical Energy Co., Ltd	Zhuhai	Zhuhai	wholesale and retail		49.13	establish
190	Zhuhai Huafa Urban Research Institute Co., Ltd	Zhuhai	Zhuhai	service		97.82	establish
191	Zhuhai Huafa Cultural and Sports Conference & Exhibition Hall Management Co., Ltd	Zhuhai	Zhuhai	hall service		97.82	establish
192	Zhuhai Huafa Aofu Enterprise Incubation Management Co., Ltd	Zhuhai	Zhuhai	service		88.46	establish
193	Zhuhai Huashi Zhiyuan Asset Management Co., Ltd	Zhuhai	Zhuhai	service		88.46	establish
194	Huajin Business Operation & Management (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	business service		99.08	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
195	Zhuhai Juanhua Trading Co., Ltd	Zhuhai	Zhuhai	commodity sales		98.25	establish
196	Zhuhai Guangku Technology Inc. (Guangku Technology)	Zhuhai	Zhuhai	manufacture		21.09	merger of enterprises not under the same control
197	Zhuhai Huashi Zhixing Investment Co., Ltd	Zhuhai	Zhuhai	service		88.46	establish
198	Zhuhai Huafa Modern Agricultural Technology Investment Holding Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		88.46	merger of enterprises under the same control
199	Zhuhai Hezhoubei Huafa Modern Agricultural Technology Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		88.46	merger of enterprises under the same control
200	Zhuhai Huabei Operation & Management Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		88.46	merger of enterprises under the same control
201	Zhuhai Jihua Ecological Technology Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		88.46	merger of enterprises under the same control
202	Zhuhai Jihua Operation Management Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		88.46	merger of enterprises under the same control
203	Zhuhai Huaju Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		95.80	transfer
204	Zhuhai Huazhao Development Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		95.80	transfer
205	Zhuhai Huazhao Development Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		95.80	transfer
206	Huafa Urban Operation (Gwadar) Co., Ltd	Pakistan	Pakistan	real estate development and operation		95.80	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
207	Zhuhai Juanhua I Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		98.25	establish
208	Suzhou Huafa Heptachord Intellectual Property Operation Co., Ltd	Suzhou	Suzhou	intellectual property transaction service		50.53	establish
209	Shanghai Shuodui Property Management Co., Ltd	Shanghai	Shanghai	property management		99.08	establish
210	Beijing Digitone Trading Inc. (Digitone)	Beijing	Beijing	retail and wholesale		53.80	merger of enterprises not under the same control
211	Zhuhai West Coast Apartment Management Co., Ltd	Zhuhai	Zhuhai	hotel management		97.82	establish
212	Huafa 2021 I Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	establish
213	Zhuhai Huafa Shengboli Operation Management Co., Ltd	Zhuhai	Zhuhai	business service		88.46	establish
214	Zhuhai Huafa Zhongyi Innovation Center Operation Management Co., Ltd	Zhuhai	Zhuhai	business service		88.46	establish
215	Zhuhai Juanhua II Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		19.65	establish
216	Zhuhai Juanhua III Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		19.65	establish
217	Zhuhai Juanhua IV Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		19.65	establish
218	Zhuhai Juanhua V Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		19.65	establish
219	Zhuhai Large Scale Industry Cluster Development Co., Ltd	Zhuhai	Zhuhai	project construction		95.80	establish
220	Zhuhai Huaqing Large Scale Industrial Cluster Development Co., Ltd	Zhuhai	Zhuhai	project construction		95.80	establish
221	Zhuhai Huafa Industry New Space Holding Co., Ltd	Zhuhai	Zhuhai	corporate management	4.65	49.66	establish
222	Zhuhai Huafa Industry New Space Operation Service Co., Ltd	Zhuhai	Zhuhai	operation service		54.31	establish
223	Zhuhai Hi-tech Huafa Industry New Space Park Comprehensive Service Co., Ltd	Zhuhai	Zhuhai	operation service		54.31	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
224	Zhuhai Jinwan District Huafa Industry New Space Park Operation Co., Ltd	Zhuhai	Zhuhai	operation service		54.31	establish
225	Zhuhai Huafa New Space Merchant Service Co., Ltd	Zhuhai	Zhuhai	merchant service		54.31	establish
226	Zhuhai Huafa New Space Investment & Development Co., Ltd	Zhuhai	Zhuhai	investment management		54.31	establish
227	Zhuhai Huafa Industry New Space Construction Co., Ltd	Zhuhai	Zhuhai	project construction		54.31	establish
228	Zhuhai Huajin Industry New Space Construction Co., Ltd	Zhuhai	Zhuhai	project construction		54.31	establish
229	Zhuhai Huagang Industry New Space Investment & Development Co., Ltd	Zhuhai	Zhuhai	project construction		70.48	establish
230	Zhuhai Huazhen Industry New Space Construction Co., Ltd	Zhuhai	Zhuhai	project construction		54.31	establish
231	Zhuhai Huawei Development & Construction Co., Ltd	Zhuhai	Zhuhai	project construction		69.68	establish
232	Zhuhai Huaxin Industry New Space Construction Co., Ltd	Zhuhai	Zhuhai	project construction		54.31	establish
233	Zhuhai Huachen Industry New Space Construction Co., Ltd	Zhuhai	Zhuhai	project construction		54.31	establish
234	Zhuhai Huafa Industry New Space Photovoltaic Construction Co., Ltd	Zhuhai	Zhuhai	power supply		95.80	establish
235	Zhuhai Huaxu New Energy Construction Co., Ltd	Zhuhai	Zhuhai	power supply		95.80	establish
236	Zhuhai Huaxin New Energy Construction Co., Ltd	Zhuhai	Zhuhai	power supply		95.80	establish
237	Zhuhai Hualing Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		95.80	establish
238	Zhuhai Huating Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		51.54	establish
239	Zhuhai Huabin Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		51.34	establish
240	Zhuhai Huayi Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		61.96	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
241	Zhuhai Huaqi Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		51.33	establish
242	Zhuhai Huafa New Energy Investment & Development Inc.	Zhuhai	Zhuhai	power supply		95.80	establish
243	Zhuhai Huafa New Energy Development Co., Ltd	Zhuhai	Zhuhai	power supply		95.80	establish
244	Zhuhai Lover Coast Construction Co., Ltd	Zhuhai	Zhuhai	road construction		100.00	establish
245	Zhuhai Gongbei Port Reform and Expansion Project Management Co., Ltd	Zhuhai	Zhuhai	project management		100.00	establish
246	Zhuhai Jinwan Huafa Hotel Management Co., Ltd	Zhuhai	Zhuhai	hotel management		97.82	establish
247	Suzhou Taicang Huafa Hotel Management Co., Ltd	Suzhou	Zhuhai	hotel management		97.82	establish
248	Shanwei Huafa Hotel Management Co., Ltd	Shanwei	Zhuhai	hotel management		97.82	establish
249	Zhuhai Huahe Industry Equity Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	equity investment management		99.94	establish
250	Zhuhai Huashi Huanxin Fangke Investment Enterprise (Limited Partnership)	Zhuhai	Zhuhai	corporate management		88.46	establish
251	Zhuhai Huaguan Technology Inc. (Huaguan Technology)	Zhuhai	Zhuhai	electronic technology		29.21	merger of enterprises not under the same control
252	Zhuhai Huasheng New Energy Development Co., Ltd	Zhuhai	Zhuhai	power supply		95.80	establish
253	Zhuhai Huafa New Energy Technology and Engineering Research Institute Co., Ltd	Zhuhai	Zhuhai	research and experimental development		95.80	establish
254	Zhuhai Huayu New Energy Construction Co., Ltd	Zhuhai	Zhuhai	power supply		95.80	establish
255	Zhuhai Huayao New Energy Construction Co., Ltd	Zhuhai	Zhuhai	power supply		95.80	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
256	Zhuhai Huale Industry New Space Investment & Development Co., Ltd	Zhuhai	Zhuhai	project construction		54.31	merger of enterprises not under the same control
257	Luoding Huayi New Energy Development Co., Ltd	Luoding	Luoding	power supply		88.37	establish
258	Zhuhai Central Station Urban Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
259	Zhuhai Huahuan Construction Management Co., Ltd	Zhuhai	Zhuhai	project development & construction		95.80	establish
260	Founder Technology Group Inc. (Founder Technology)	Zhuhai	Zhuhai	manufacture		20.79	merger of enterprises not under the same control
261	Huafa Investment Holding 2022 I Co., Ltd	British Virgin Island	British Virgin Island	capital service (Shenzhen Cooperation Area issuance of overseas bond)		99.08	establish
262	Huajin (Macao) One Man Co., Ltd	Macao	Macao	corporate management consultancy, business consultancy		99.08	establish
263	Huafa Investment Holding (Macao) Co.,Ltd	Hong Kong	Hong Kong	corporate management consultancy, business consultancy, investment and financial consultancy		99.08	establish
264	Zhuhai Huafa Cultural Broadcast Co., Ltd	Zhuhai	Zhuhai	planning & promotion		97.82	merger of enterprises under the same control
265	Zhuhai Huafa Yuechao Culture Co., Ltd	Zhuhai	Zhuhai	book, retail and wholesale		97.82	merger of enterprises under the same control
266	Zhuhai Technology Venture Capital Co., Ltd	Zhuhai	Zhuhai	equity investment	100.00	-	transfer
267	Zhuhai Kechuang Hi-tech Venture Investment Fund Co., Ltd	Zhuhai	Zhuhai	fund management	-	100.00	transfer

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
268	Zhuhai Kechuang Hengrui Investment Co., Ltd	Zhuhai	Zhuhai	equity investment		100.00	transfer
269	Zhuhai Kechuang Zhiyuan Investment Co., Ltd	Zhuhai	Zhuhai	equity investment		100.00	transfer
270	Zhuhai Kechuang Haiyuan Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	equity investment		100.00	transfer
271	Kechuang Fengyuan (International) Investment Consulting Co., Ltd	Hong Kong	Hong Kong	equity investment		100.00	transfer
272	Kechuang Huatong (International) Equity Investment Co., Ltd	British Virgin Island	Hong Kong	equity investment		100.00	transfer
273	Zhuhai International Exchange Center Co., Ltd	Zhuhai	Zhuhai	foreign affair-related consultancy service		100.00	transfer
274	Wuxi Huafa Sports Operation & Management Co., Ltd	Wuxi	Wuxi	sports stadium and hall operation		100.00	establish
275	Zhuhai Huayu Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development		95.94	establish
276	Zhuhai Huazhang Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development		95.94	establish
277	Zhuhai Binxing Development & Construction Co., Ltd	Zhuhai	Zhuhai	equity investment		51.34	establish
278	Zhuhai Tingxing Development & Construction Co., Ltd	Zhuhai	Zhuhai	equity investment		51.54	establish
279	Zhuhai Lingxing Development & Construction Co., Ltd	Zhuhai	Zhuhai	equity investment		51.89	establish
280	Zhuhai Yixing Development & Construction Co., Ltd	Zhuhai	Zhuhai	equity investment		51.35	establish
281	Zhuhai Aoyue Energy Co., Ltd	Zhuhai	Zhuhai	investment management		48.86	merger of enterprises not under the same control
282	Zhuhai Huidafeng Power Development (Group) Co., Ltd	Zhuhai	Zhuhai	investment management		35.55	merger of enterprises not under the same control
283	Zhuhai Hengyuan Power Construction Co., Ltd	Zhuhai	Zhuhai	power project construction		48.86	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
284	Zhuhai Doumen District Power Construction Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		48.86	merger of enterprises not under the same control
285	Zhuhai Power Construction Engineering Co., Ltd	Zhuhai	Zhuhai	power project construction		35.55	merger of enterprises not under the same control
286	Guangdong Guangda Electrical Co., Ltd	Zhuhai	Zhuhai	power project construction		35.55	merger of enterprises not under the same control
287	Zhuhai Kangtaming Transmission and Transformation Engineering Co., Ltd	Zhuhai	Zhuhai	power project construction		35.55	merger of enterprises not under the same control
288	Zhuhai Power Engineering Supervision Co., Ltd	Zhuhai	Zhuhai	power project supervision		35.55	merger of enterprises not under the same control
289	Zhuhai Power Design Institute Co., Ltd	Zhuhai	Zhuhai	power engineering design		35.55	merger of enterprises not under the same control
290	Guangdong Jiahe Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		35.55	merger of enterprises not under the same control
291	Zhuhai Zhongnan Jingze Real Estate Co., Ltd	Zhuhai	Zhuhai	real estate development and operation		35.55	merger of enterprises not under the same control
292	Guangdong Jiahe Property Service Co., Ltd	Zhuhai	Zhuhai	property management		35.55	merger of enterprises not under the same control
293	Guangyuan Electromechanical Co., Ltd	Hong Kong	Zhuhai	machinery and equipment production		35.55	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
294	Zhuhai Anxin Housing Lease Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
295	Zhuhai Qixing Development & Construction Co., Ltd	Zhuhai	Zhuhai	equity investment		51.33	establish
296	Zhuhai Huahe Ecological Technology Co., Ltd	Zhuhai	Zhuhai	power supply		95.73	establish
297	Hefei Shufa New Energy Co., Ltd	Hefei	Hefei	power supply		95.80	establish
298	Zhuhai Huayi New Energy Construction Co., Ltd	Zhuhai	Zhuhai	power supply		95.80	establish
299	Zhongshan Huaxu New Energy Development Co., Ltd	Zhongs han	Zhongs han	power supply		95.80	establish
300	Zhuhai Huaping New Energy Development Co., Ltd	Zhuhai	Zhuhai	power supply		95.80	establish
301	Green Investment Co., Ltd	British Virgin Island	Zhuhai	equity investment		95.80	merger of enterprises not under the same control
302	Shantou Huafa International Conference and Exhibition Development Co., Ltd	Shanto u	Shantou	conference and exhibition service		97.82	establish
303	Meizhou Huafa Modern Agricultural Technology Co., Ltd	Meizho u	Meizho u	modern agricultural production		88.46	establish
304	Zhuhai Huacheng Ruiying Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	equity investment		99.08	establish
305	Zhuhai Fund III Industrial Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	equity investment		9.09	establish
306	Meizhou Huafa New Energy Development Co., Ltd	Meizho u	Meizho u	power supply		95.80	establish
307	Zhuhai Hengqin Zhuhua Yueheng Industry New Space Investment Partnership	Zhuhai	Zhuhai	equity investment	52.06	0.02	establish
308	Huafa Modern Service (Macao) Co., Ltd	Zhuhai	Zhuhai	service		97.82	establish
309	Zhuhai Hengqin Modern Service Operation & Management Co., Ltd	Zhuhai	Zhuhai	service		97.82	establish
310	Zhuhai Zhengqin Engineering Technology Co., Ltd	Zhuhai	Zhuhai	service		100.00	establish
311	Shanghai Hailan Chengjian Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development		95.94	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct	Indirect	
312	Zhuhai Huafa Liangang Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development		76.64	establish

2. Subsidiaries of Johnson Holdings and its share ratio

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Johnson Investment Holding Co., Ltd	British Virgin Island	Hong Kong	holding	100.00		Merger of enterprises not under the same control
2	Johnson Co., Ltd	Hong Kong	Hong Kong	cleaning		100.00	Merger of enterprises not under the same control
3	Huachen Security Service Co., Ltd	Hong Kong	Hong Kong	security service		100.00	Establish
4	Johnson Environmental Protection Co., Ltd	Hong Kong	Hong Kong	garbage transportation		100.00	Establish
5	Johnson Professional Service Co., Ltd	Hong Kong	Hong Kong	pest management		100.00	

3. Subsidiaries of Weiye Inc. and its share ratio

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Shenzhen Shengtaowan Construction Material Co., Ltd	Shenzhen	Shenzhen	purchase and sales of building and decoration materials	100.00		establish
2	Shenzhen Weiye Huijing Landscape Co., Ltd	Shenzhen	Shenzhen	landscape greening	100.00		establish
3	Guangdong Weiye Technology Co., Ltd	Guangdong	Zhuhai	building decoration	100.00		establish
4	Shenzhen Weiye Zhihui Equity Investment & Management Co., Ltd	Shenzhen	Shenzhen	equity investment	100.00		establish
5	Zhuhai Huafa Jinglong Construction Co., Ltd	national	Zhuhai	building decoration	100.00		merger of enterprises under the same control
6	Jiantai Construction Co., Ltd	national	Zhuhai	construction	100.00		merger of enterprises under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
7	Zhuhai Huafa Jinglong Household Decoration Co., Ltd	Zhuhai	Zhuhai	building decoration		100.00	merger of enterprises under the same control
8	Zhuhai Shitai Construction Engineering Co., Ltd	Zhuhai	Zhuhai	construction		100.00	merger of enterprises under the same control
9	Weiyee (Macao) Co., Ltd	Macao	Macao	equity investment		100.00	establish
10	Zhuhai Urban Construction Weiyee Decoration Engineering Co., Ltd	Zhuhai	Zhuhai	construction	100.00		merger of enterprises not under the same control
11	Shenzhen Weiyee Construction Engineering Co., Ltd	Shenzhen	Shenzhen	construction		100.00	establish
12	Guangdong Quansheng Construction Co., Ltd	Zhuhai	Zhuhai	construction		100.00	merger of enterprises not under the same control
13	Guangdong Hongtai Building Material Trading Co., Ltd	Zhuhai	Zhuhai	material sales		100.00	establish
14	Zhuhai Huafa Landscape Engineering Co., Ltd	Zhuhai	Zhuhai	landscape greening	100.00		merger of enterprises under the same control
15	Zhuhai Huaheng Green Plant Management Co., Ltd	Zhuhai	Zhuhai	landscape greening		100.00	merger of enterprises under the same control
16	Jiangsu Lianjing Construction Engineering Co., Ltd	Suzhou	Suzhou	building decoration		100.00	merger of enterprises not under the same control
17	Zhuhai Weiyee Meihua Architectural Design Co., Ltd	Zhuhai	Zhuhai	construction		100.00	merger of enterprises not under the same control

4.. Subsidiaries of Guangku Technology and its share ratio

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Guangku Telecommunication Co., Ltd	Hong Kong	Hong Kong	industry	100.00		merger of enterprises under the same control
2	Zhuhai Guangchen Technology Co., Ltd	Zhuhai	Zhuhai	industry	100.00		merger of enterprises not under the same control

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
3	Zhuhai Jiahua Weijie Technology Co., Ltd	Zhuhai	Zhuhai	industry	100.00		merger of enterprises not under the same control
4	Guangku Milan Co., Ltd	Milan, Italy	Milan, Italy	industry	100.00		establish
5	Guangku Thailand Co., Ltd	Thailand	Thailand	industry	99.78	0.22	establish

2. Subsidiaries of Huaguan Technology and its share ratio

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Zhuhai Huashi Medical Technology Holding Co., Ltd	Zhuhai	Zhuhai	research and experimental development	100.00		establish
2	Zhuhai Huashi Medical Apparatus Co., Ltd	Zhuhai	Zhuhai	medical machinery	100.00		establish
3	Zhuhai Huashi Medical Equipment Co., Ltd	Zhuhai	Zhuhai	special equipment manufacture	100.00		establish

5. Subsidiaries of Huafa Inc. and its share ratio

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Zhongshan Huafa Real Estate Development Co., Ltd	Zhongshan	Zhongshan	real estate development	100.00		establish
2	Zhuhai Huafa Aotemei Health Management Co., Ltd	Zhuhai	Zhuhai	club operation	90.00	10.00	establish
3	Zhuhai Huafa Investment & Development Co., Ltd	Zhuhai	Zhuhai	real estate development	80.00	20.00	establish
4	Zhuhai Huafa Construction Design Consultancy Co., Ltd	Zhuhai	Zhuhai	architectural design	90.00	10.00	establish
5	Zhuhai Huafa Real Estate Marketing Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate marketing	90.00	10.00	establish
6	Zhuhai Huafa Youjia Engineering Service Co., Ltd	Zhuhai	Zhuhai	building decoration	72.96	27.04	establish
7	Zhuhai Huana Investment & Development Co., Ltd	Zhuhai	Zhuhai	real estate development	50.00	50.00	establish
8	Zhuhai Huarong Investment & Development Co., Ltd	Zhuhai	Zhuhai	real estate development	69.57	30.43	establish
9	Zhuhai Huafu Commerce & Trading Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
10	Zhuhai Huayao Trade Development Co., Ltd	Zhuhai	Zhuhai	real estate development		52.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
11	Zhongshan Huayi Business Operation & Management Co., Ltd	Zhongshan	Zhongshan	real estate development		100.00	establish
12	Zhongshan Huasheng Real Estate Development Co., Ltd	Zhongshan	Zhongshan	real estate development		100.00	establish
13	Zhuhai Huafa Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development	100.00		establish
14	Zhuhaio Aohua Enterprise Management Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate development	71.98	28.02	establish
15	Baotou Huafa Real Estate Co., Ltd	Baotou	Baotou	real estate development	90.00	10.00	establish
16	Dalian Huafa Real Estate Development Co., Ltd	Dalian	Dalian	real estate development		100.00	establish
17	Zhuhai Huarong Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
18	Zhuhai Huafa Commercial Property Management Co., Ltd	Zhuhai	Zhuhai	property lease	100.00		establish
19	Guangxi Huacheng Real Estate Investment Co., Ltd	Nanning	Nanning	real estate development	98.90	1.10	establish
20	Shenyang Huana Real Estate Co., Ltd	Shenyang	Shenyang	real estate development	100.00		establish
21	Shenyang Huayao Real Estate Co., Ltd	Shenyang	Shenyang	real estate development	100.00		establish
22	Wuhan Huafa Real Estate Co., Ltd	Wuhan	Wuhan	real estate development	100.00		establish
23	Dalian Huafeng Real Estate Development Co., Ltd	Dalian	Dalian	real estate development		100.00	establish
24	Shenyang Huayun Real Estate Co., Ltd	Shenyang	Shenyang	real estate development	100.00		establish
25	Shenyang Huarong Real Estate Co., Ltd	Shenyang	Shenyang	real estate development	100.00		establish
26	Weihai Huafa Investment Co., Ltd	Weihai	Weihai	project investment		50.53	establish
27	Rongcheng Huafa Real Estate Development Co., Ltd	Rongcheng	Rongcheng	real estate development	65.00		establish
28	Shenyang Huachang Real Estate Co., Ltd	Shenyang	Shenyang	real estate development	100.00		establish
29	Shenyang Huabo Real Estate Co., Ltd	Shenyang	Shenyang	real estate development	100.00		establish
30	Shenyang Huahao Real Estate Co., Ltd	Shenyang	Shenyang	real estate development	66.00	34.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
31	Shenyang Huarang Real Estate Co., Ltd	Shenyang	Shenyang	real estate development	100.00		establish
32	Zhuhai Huafa Real Estate Agency Co., Ltd	Zhuhai	Zhuhai	Property agency		100.00	establish
33	Zhuhai Huafa Cultural Club	Zhuhai	Zhuhai	Cultural and sport events	100.00		establish
34	Guangzhou Huafeng Investment Co., Ltd	Guangzhou	Guangzhou	real estate development	46.64	53.36	establish
35	Zhuhai Huayi Investment Co., Ltd	Zhuhai	Zhuhai	real estate investment	89.31	10.69	establish
36	Zhuhai Huaguo Trading Co., Ltd	Zhuhai	Zhuhai	wholesale, retail	49.00	51.00	establish
37	Huafa Industry (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	property trading		100.00	establish
38	Guangxi Huaming Investment Co., Ltd	Nanning	Nanning	real estate development	100.00		establish
39	Weihai Huafa Real Estate Development Co., Ltd	Weihai	Weihai	real estate development	88.40	11.60	establish
40	Beijing Huafu Yongsheng Investment Co., Ltd	Beijing	Beijing	real estate development		100.00	establish
41	Zhuhai Huafa Commercial City Business Operation Co., Ltd	Zhuhai	Zhuhai	property management		100.00	establish
42	Zhuhai Huashang Department Store Co., Ltd	Zhuhai	Zhuhai	wholesale, retail		100.00	establish
43	Guangzhou Huarong Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
44	Guangzhou Huahao Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development	20.17	79.83	establish
45	Guangzhou Huasheng Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
46	Wuhan Huafa Hongrui Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		99.00	establish
47	Wuhan Huamao Changsheng Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		99.00	establish
48	Zhuhai Hengqin Huafa Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development	89.80	10.20	establish
49	Zhuhai Huafa Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development	80.00	20.00	establish
50	Zhuhai Huafa Software Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	merger of enterprises under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
51	Zhuhai Huafa Enterprise Management Co., Ltd	Zhuhai	Zhuhai	real estate development	4.00	96.00	merger of enterprises under the same control
52	Zhuhai Huafa Information Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate development	5.26	94.74	merger of enterprises under the same control
53	Zhuhai Huachuang Trading Development Co., Ltd	Zhuhai	Zhuhai	real estate development	39.73	60.27	merger of enterprises under the same control
54	Zhuhai Huamao Real Estate Investment Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate development	100.00		merger of enterprises not under the same control
55	Zhuhai Huajun Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development	100.00		merger of enterprises not under the same control
56	Baotou Mingliu Real Estate Co., Ltd	Baotou	Baotou	real estate development		100.00	merger of enterprises not under the same control
57	Zhuhai Yonghongji Commerce & Trading Co., Ltd	Zhuhai	Zhuhai	real estate development	100.00		merger of enterprises not under the same control
58	Zhongshan Huafa Ecopark Real Estate Development Co., Ltd	Zhongshan	Zhongshan	real estate development	98.97	1.03	merger of enterprises not under the same control
59	Zhongshan Ziyueshanyuan Real Estate Development Co., Ltd	Zhongshan	Zhongshan	real estate development		100.00	merger of enterprises not under the same control
60	Dalian Huateng Real Estate Development Co., Ltd	Dalian	Dalian	real estate development	80.00	20.00	merger of enterprises not under the same control
61	Zhuhai Huaming Technical Development Co., Ltd	Zhuhai	Zhuhai	comprehensive	100.00		merger of enterprises not under the same control
62	Zhuhai Yinhe Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development	100.00		merger of enterprises not under the same control
63	Dalian Huakun Real Estate Development Co., Ltd	Dalian	Dalian	real estate development	80.00	20.00	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
64	Zhuhai Haofeng Trading Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	merger of enterprises not under the same control
65	Wuhan Huafa Midtown Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
66	Guangzhou Huaning Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development	49.00	51.00	establish
67	Guangzhou Huachuang Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		99.40	establish
68	Shenyang Huadi Business Investment Co., Ltd	Shenyang	Shenyang	business operation & management	100.00		establish
69	Wuhan Huayao Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
70	Shanghai Huafa Chuangsheng Real Estate Co., Ltd	Shanghai	Shanghai	real estate development	100.00		establish
71	Huachuang Real Estate (Macao) One Person Co., Ltd	Macao	Macao	property trading		100.00	establish
72	Tianjin Huafa Real Estate Co., Ltd	Tianjin	Tianjin	real estate development		95.74	establish
73	Zhuhai Zhongtai Investment Co., Ltd	Zhuhai	Zhuhai	real estate development	90.00		merger of enterprises not under the same control
74	Shanghai Huafu Chuangsheng Real Estate Co., Ltd	Shanghai	Shanghai	real estate development	100.00		establish
75	Wuhan Huafa Business Operation Management Co., Ltd	Wuhan	Wuhan	business operation & management		100.00	establish
76	Shanghai Huapeng Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
77	Zhuhai Huahai Real Estate Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
78	Zhuhai Huafa Business Operation Management Co., Ltd	Zhuhai	Zhuhai	business operation & management	100.00		establish
79	Zhuhai Huafa New Horizon Business Operation Co., Ltd	Zhuhai	Zhuhai	property lease		100.00	establish
80	Zhuhai Huashun Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
81	Zhuhai Huayi Investment & Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
82	Shanghai Huafa Zongsheng Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
83	Zhuhai Huaxin Investment & Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
84	Zhuhai Huahao Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
85	Huafa Industry (the USA) Co., Ltd	USA	USA	real estate development		100.00	establish
86	Huafa Century Co., Ltd	USA	USA	real estate development		100.00	establish
87	Wuhan Huafa Changmao Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
88	Wuhan Huafa Changsheng Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		65.00	establish
89	Shanghai Huafa Zongsheng Real Estate Marketing Co., Ltd	Shanghai	Shanghai	real estate marketing		100.00	establish
90	Wuhan Huafa Real Estate Marketing Consultancy Co., Ltd	Weihai	Weihai	real estate marketing		100.00	establish
91	Wuhan Huafa Real Estate Marketing Consultancy Co., Ltd	Wuhan	Wuhan	real estate marketing		100.00	establish
92	Huafa Real Estate (Macao) Co., Ltd	Macao	Macao	property trading	90.00	10.00	establish
93	Guangzhou Huafa Real Estate Marketing Consultancy Co., Ltd	Guangzhou	Guangzhou	real estate marketing		100.00	establish
94	Shanghai Huahong Shanglong Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		50.01	establish
95	Zhuhai Anying Investment Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
96	Zhuhai Huafa Urban Upgrade Investment Holding Co., Ltd	Zhuhai	Zhuhai	Urban upgrade management	100.00		establish
97	Zhuhai Huayi Business Operation and Management Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
98	Shenzhen Huafa Real Estate Development Co., Ltd	Shenzhen	Shenzhen	real estate development		100.00	establish
99	Zhuhai Haichuan Real Estate Co., Ltd	Zhuhai	Zhuhai	real estate development	50.20		merger of enterprises under the same control
100	Suzhou Huafu Chuangsheng Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		100.00	establish
101	Suzhou Huashun Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		100.00	establish
102	Zhuhai Huafa Guotong Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish
103	Nanjing Huashun Real Estate Development Co., Ltd	Nanjing	Nanjing	real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
104	Hangzhou Huahong Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		100.00	establish
105	Zhuhai Huafa Zhonglei Real Estate Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish
106	Zhuhai Huafa Huayi Investment Holding Co., Ltd	Zhuhai	Zhuhai	project investment	100.00		establish
107	Zhuhai Huaying Investment Co., Ltd	Zhuhai	Zhuhai	real estate development		52.00	establish
108	Suzhou Huali Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		100.00	establish
109	Zhuhai Huarui Investment Co., Ltd	Zhuhai	Zhuhai	real estate development	92.00		establish
110	Zhuhai Huafa West Zone Commerce Co., Ltd	Zhuhai	Zhuhai	business operation & management		100.00	establish
111	Huafa Property (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	real estate development	100.00		establish
112	Palo Alto Properties Investment LLC	USA	USA	real estate development		100.00	establish
113	Zhuhai Huahan Investment Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
114	Huafa Industry (East America) Co.,Ltd	USA	USA	real estate development		100.00	establish
115	Beijing Huafa Real Estate Co., Ltd	Beijing	Beijing	real estate development		100.00	establish
116	Shenzhen Huafa Pengtai Investment Co., Ltd	Shenzhen	Shenzhen	real estate development		100.00	establish
117	Foshan Huafeng Real Estate Development Co., Ltd	Foshan	Foshan	real estate development		100.00	establish
118	Hua Guang Investment Holdings Limited	British Virgin Island	British Virgin Island	project investment		100.00	establish
119	Zhuhai Huafa Yunda Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		50.00	establish
120	Wah Chi Commercial Investment Holdings Limited	British Virgin Island	British Virgin Island	project investment		100.00	establish
121	Wah Chi Real Estate Agency Limited	British Virgin Island	British Virgin Island	property agency		100.00	establish
122	Wah Chi Construction Design Consultancy Limited	British Virgin Island	British Virgin Island	architectural design		100.00	establish
123	Wah Hing Investment Holdings Limited	British Virgin Island	British Virgin Island	investment management		100.00	establish
124	Huafa Real Estate Agency (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	property agency		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
125	Bespoke Design Group Co., Ltd	Hong Kong	Hong Kong	architectural design		100.00	establish
126	Wuhan Huashuo Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
127	Wuhan Huajing Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
128	Wah Lung Investment Holdings Limited	British Virgin Island	British Virgin Island	project investment		100.00	establish
129	Wah Lung Property (HK) Limited	Hong Kong	Hong Kong	investment management		100.00	establish
130	Nanjing Huajing Jusheng Real Estate Development Co., Ltd	Nanjing	Nanjing	real estate development		50.00	establish
131	Shanghai Huajing Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
132	Zhuhai Huawei Investment Co., Ltd	Zhuhai	Zhuhai	project investment		100.00	establish
133	Huafa Infinity (Hong Kong) Investment Ltd.	Hong Kong	Hong Kong	investment management		80.00	establish
134	Zhuhai Huayi Construction Co., Ltd	Zhuhai	Zhuhai	real estate development		80.00	establish
135	Zhuhai Huazhi Real Estate Agency Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	establish
136	Zhuhai Huajia Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
137	Zhuhai Huahe Construction Co., Ltd	Zhuhai	Zhuhai	real estate development		80.00	establish
138	Zhongshan Huatai Upgrade Real Estate Co., Ltd	Zhongshan	Zhongshan	real estate development		100.00	establish
139	Zhuhai Huafa West Real Estate Co., Ltd	Zhuhai	Zhuhai	property lease		100.00	establish
140	Shanghai Huazhao Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
141	Jiaxing Xinjin Real Estate Co., Ltd	Jiaxing	Jiaxing	real estate development		34.00	merger of enterprises not under the same control
142	Wuhan Huahe Real Estate Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
143	Zhuhai Hualong Architectural Design Consultancy Co., Ltd	Zhuhai	Zhuhai	architectural design		100.00	establish
144	Hangzhou Huafeng Jinlan Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		100.00	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
145	Taicang Hefa Real Estate Development Co., Ltd	Taicang	Taicang	real estate development		100.00	merger of enterprises not under the same control
146	Hangzhou Huafeng Jinxuan Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		100.00	merger of enterprises not under the same control
147	Wuhan Linjiang Xingcheng Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		80.00	merger of enterprises not under the same control
148	Zhuhai Huajing Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
149	Zhuhai Huahui Commerce Management Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
150	Zhongshan Huateng Real Estate Co., Ltd	Zhongshan	Zhongshan	real estate development	100.00		establish
151	Zhongshan Huadi Real Estate Co., Ltd	Zhongshan	Zhongshan	real estate development		100.00	establish
152	Wuhan Huafa Hongye Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
153	Wuhan Huafa Urban Development Investment Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
154	Wuxi Huajun Real Estate Development Co., Ltd	Wuxi	Wuxi	real estate development		100.00	establish
155	Shenyang Huateng Real Estate Marketing & Planning Co., Ltd	Shenyang	Shenyang	real estate marketing		100.00	establish
156	Zhuhai Huafa Real Estate Marketing & Planning Co., Ltd	Zhuhai	Zhuhai	real estate marketing		100.00	establish
157	Dalian Huafa Capital Real Estate Agency Co., Ltd	Dalian	Dalian	real estate brokerage		100.00	establish
158	Chi Yui Planning Co., Ltd	Hong Kong	Hong Kong	planning		100.00	establish
159	Intelligence and Integrity Surveyor Ltd	Hong Kong	Hong Kong	planning		100.00	establish
160	Cheung Chong Property Limited	Hong Kong	Hong Kong	real estate investment		100.00	establish
161	Cheung Cheong Property Limited	Hong Kong	Hong Kong	real estate investment		100.00	establish
162	Cheung Min Property Limited	Hong Kong	Hong Kong	real estate investment		100.00	establish
163	Cheung Yung Property Limited	Hong Kong	Hong Kong	real estate investment		100.00	establish
164	Cheung Sing Investment Holdings Limited	British Virgin Island	British Virgin Island	investment holding		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
165	Cheung Chong Investment Holdings Limited	British Virgin Island	British Virgin Island	investment holding		100.00	establish
166	Cheung Cheong Investment Holdings Limited	British Virgin Island	British Virgin Island	investment holding		100.00	establish
167	Cheung Min Investment Holdings Limited	British Virgin Island	British Virgin Island	investment holding		100.00	establish
168	Cheung Yung Investment Holdings Limited	British Virgin Island	British Virgin Island	investment holding		100.00	establish
169	Panjin Jinhong Real Estate Development Co., Ltd	Panjin	Panjin	real estate development		100.00	merger of enterprises not under the same control
170	Qingdao Huafa Investment Co., Ltd	Qingdao	Qingdao	real estate development	100.00		establish
171	Zhuhai Huafa U-life Property Operation & Management Co., Ltd	Zhuhai	Zhuhai	property lease	100.00		establish
172	Guangzhou Huafa Urban Upgrade Investment Co., Ltd	Guangzhou	Guangzhou	urban upgrade consultancy		100.00	establish
173	Wuhan Huafa Borui Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		99.85	establish
174	Wuhan Huacong Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		80.00	establish
175	Wuhan Huafa Yucheng Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
176	Wuhan Huahao Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		60.00	establish
177	Wuhan Huafa Yuehong Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
178	Wuhan Huaying Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
179	Guangzhou Huafa Industrial Development Co., Ltd	Guangzhou	Guangzhou	real estate development	100.00		establish
180	Qingdao Hua'ang Real Estate Co., Ltd	Qingdao	Qingdao	real estate development		98.38	establish
181	Zhuhai Huafa Asset Management Co., Ltd	Zhuhai	Zhuhai	asset management	100.00		establish
182	Zhanjiang Huafa Real Estate Development Co., Ltd	Zhanjiang	Zhanjiang	real estate development		100.00	establish
183	Baotou Huafa Business Management Co. Ltd	Baotou	Baotou	real estate development		100.00	establish
184	Cheung Fai Investment Holdings Limited	British Virgin Island	British Virgin Island	investment holding		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
185	Zhongshan Huayue Hongxuan Real Estate Development Co., Ltd	Zhongshan	Zhongshan	real estate development		51.00	establish
186	Shanghai Huazong Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
187	Shanghai Huakuan Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		96.01	establish
188	Shanghai Huazi Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
189	Shanghai Huabo Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
190	Shanghai Huadi Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		99.07	establish
191	Cheung Wang Investment Holdings Ltd	British Virgin Island	British Virgin Island	investment holding		100.00	establish
192	Shanghai Gaodu Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		30.32	merger of enterprises not under the same control
193	Wenzhou Jingducheng Real Estate Development Co., Ltd	Wenzhou	Wenzhou	real estate development		28.80	merger of enterprises not under the same control
194	Zhuhai Huajing Management Consultancy Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
195	Zhuhai Huazhi Management Consultancy Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
196	Zhuhai Huajian Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
197	Guangzhou Huayao Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		49.70	establish
198	Wuhan Huazhongsheng Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		60.00	establish
199	Zhuhai Huafa Zhengfang City Upgrade Development Co., Ltd	Zhuhai	Zhuhai	real estate development		32.50	establish
200	Guangzhou Huateng Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
201	Weihai Huafa Business Operation & Management Co., Ltd	Weihai	Weihai	business operation & management		100.00	establish
202	Zhongshan Huazhou Real Estate Development Co., Ltd	Zhongshan	Zhongshan	real estate development		51.00	establish
203	Jiangmen Huafa Update Real Estate Co., Ltd	Jiangmen	Jiangmen	real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
204	Longjing Real Estate (Hangzhou) Co., Ltd	Hangzhou	Hangzhou	real estate development		50.00	merger of enterprises not under the same control
205	Cheerful Age Company Limited	Hong Kong	Hong Kong	investment holding		50.00	merger of enterprises not under the same control
206	Shanghai Huaxiao Enterprise Management Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
207	Hangzhou Huahang Real Estate Development Co., Ltd	Hangzhou	Hangzhou	real estate development		99.20	establish
208	Tianjin Huafa Chuangsheng Real Estate Co., Ltd	Tianjin	Tianjin	real estate development		99.61	establish
209	Beijing Huafa Chuangsheng Real Estate Co., Ltd	Beijing	Beijing	real estate development		99.21	establish
210	Qingyuan Pengxiang Real Estate Development Co., Ltd	Qingyuan	Qingyuan	real estate development		49.78	merger of enterprises not under the same control
211	Huizhou Huafa Real Estate Development Co., Ltd	Huizhou	Huizhou	real estate development		100.00	establish
212	Guangzhou Huafa Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		50.20	establish
213	Guangzhou Huajun Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
214	Jiangmen Huafa Real Estate Development Co., Ltd	Jiangmen	Jiangmen	real estate development		97.72	establish
215	Jiangmen Huaming Real Estate Development Co., Ltd	Jiangmen	Jiangmen	real estate development		49.84	establish
216	Beijing Huafa Yongsheng Real Estate Co., Ltd	Beijing	Beijing	real estate development		99.21	establish
217	Guang Yu Global Investment Management Limited	Cayman Island	Cayman Island	investment holding		100.00	merger of enterprises not under the same control
218	Guang Qi Investment Holdings Limited	British Virgin Island	British Virgin Island	investment holding		100.00	establish
219	Wuhan Huarong Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		79.88	establish
220	Shenyang Huahan Real Estate Co., Ltd	Shenyang	Shenyang	real estate development		99.14	establish
221	Zhuhai Huafa Guangsheng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
222	CITIC Zhengye (Shanghai) Investment Development Co., Ltd	Shanghai	Shanghai	real estate investment		99.71	merger of enterprises not under the same control
223	Ezhou Huahong Jusheng Real Estate Development Co., Ltd	Ezhou	Ezhou	real estate investment		30.00	establish
224	Hubei Guangjiazhou Investment Co., Ltd	Ezhou	Ezhou	real estate development		30.00	merger of enterprises not under the same control
225	Hubei Yingbin Real Estate Co., Ltd	Ezhou	Ezhou	real estate development		30.00	merger of enterprises not under the same control
226	Shanghai Huatuo Enterprise Development Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
227	Zhuhai Huahei Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate investment		75.00	merger of enterprises under the same control
228	Zhuhai Hairun Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		75.00	merger of enterprises under the same control
229	Shanghai Huayao Enterprise Management Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
230	Xi'an Huafu Yongsheng Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		100.00	establish
231	Zhuhai Huafa Zuoan Commercial Service Management Co., Ltd *1	Zhuhai	Zhuhai	property lease		100.00	establish
232	Zhuhai Huaxi Commercial Service Co., Ltd	Zhuhai	Zhuhai	property lease		100.00	establish
233	Zhuhai Huakuo Comprehensive Service Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
234	Zhuhai Huapin Marketing Consultancy Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
235	Zhuhai Huashu Design Consultancy Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
236	Zhuhai Huazhang Engineering Management Consultancy Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
237	Zhuhai Huazhu Engineering Pricing Consultancy Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
238	Guang Xiang Investment Holding Limited	British Virgin Island	British Virgin Island	investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
239	Guang Jie Investment Holding Limited	British Virgin Island	British Virgin Island	investment management		100.00	establish
240	Guang Juan Investment Limited	Hong Kong	Hong Kong	investment management		100.00	establish
241	Guang Xiang Investment Holding Limited	Hong Kong	Hong Kong	investment management		100.00	establish
242	Guang Jie Investment Limited	Hong Kong	Hong Kong	investment management		100.00	establish
243	Shanghai Huazhen Enterprise Management Co., Ltd	Shanghai	Shanghai	corporate management		100.00	establish
244	Shanghai Huateng Enterprise Management Co., Ltd	Shanghai	Shanghai	corporate management		100.00	establish
245	Zhuhai Huazhuo Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		50.20	establish
246	Zhuhai Huafa Yunong Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
247	Zhuhai Huazhe Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
248	Guangzhou Huaming Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
249	Guangzhou Huaxu Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		99.55	establish
250	Guangzhou Huahui Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
251	Guangzhou Huateng Industrial Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
252	Qingdao Huaying Investment Co., Ltd	Qingdao	Qingdao	investment management		98.38	establish
253	Wuxi Hua'an Real Estate Co., Ltd	Wuxi	Wuxi	real estate development		50.20	establish
254	Wuxi Huahong Real Estate Co., Ltd	Wuxi	Wuxi	real estate development		100.00	establish
255	Wuhan Huafa Tiansheng Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
256	Wuhan Huahuitai Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
257	Zhuhai Huazong Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
258	Zhuhai Huajin Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
259	Zhuhai Huahao Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
260	Zhuhai Huahe Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
261	Zhongshan Huaxin Real Estate Co., Ltd	Zhongshan	Zhongshan	real estate development		100.00	establish
262	Zhuhai ZhuAo Cloud Information Technology Co., Ltd	Zhuhai	Zhuhai	software management		100.00	establish
263	Guangdong Jingsheng Decoration Engineering Co., Ltd	Zhuhai	Zhuhai	decoration		75.00	merger of enterprises not under the same control
264	Zhuhai Huacheng Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
265	Zhuhai Huashen Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
266	Huafa U-life Lease Service (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	property lease	100.00		establish
267	Huizhou Huajun Real Estate Development Co., Ltd	Huizhou	Huizhou	real estate development		100.00	establish
268	Beijing Huashun Real Estate Development Co., Ltd	Beijing	Beijing	real estate development		100.00	establish
269	Zhuhai Huajin Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
270	Zhuhai Huaqi Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
271	Zhuhai Huayao Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
272	Shanwei Huajin Real Estate Development Co., Ltd	Shanwei	Shanwei	real estate development		90.00	establish
273	Wuhan Huafa Ruixiang Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
274	Shanghai Huajing Fengchen Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		50.53	establish
275	Wuhan Dihua Zhihe Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		50.00	merger of enterprises not under the same control
276	Tianjin Huachuang Real Estate Co., Ltd	Tianjin	Tianjin	real estate development		99.61	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
277	Tianjin Huasheng Real Estate Co., Ltd	Tianjin	Tianjin	real estate development		97.37	establish
278	Tianjin Huajing Real Estate Co., Ltd	Tianjin	Tianjin	real estate development		99.23	establish
279	Zhuhai Huafa Beisha Sixth Group Urban Upgrade Co., Ltd	Zhuhai	Zhuhai	urban upgrade		51.00	establish
280	Zhuhai Huafa Zhengfang Xiangzhou Technical Industrial Park Upgrade Co., Ltd	Zhuhai	Zhuhai	urban upgrade		50.00	establish
281	Zhuhai Huafa Zhengfang Gongbei Port Urban Upgrade Co., Ltd	Zhuhai	Zhuhai	urban upgrade		50.00	establish
282	Zhuhai Center Huafa Commerce Town Business Operation Co., Ltd	Zhuhai	Zhuhai	trading operation and management		100.00	establish
283	Zhuhai Jinwan Huafa Commerce Town Business Operation Co., Ltd	Zhuhai	Zhuhai	trading operation and management		100.00	establish
284	Beijing Huafa Zongsheng Real Estate Marketing & Planning Co., Ltd	Beijing	Beijing	real estate marketing		100.00	establish
285	Nanjing Huafa Zongsheng Real Estate Marketing & Planning Co., Ltd	Nanjing	Nanjing	real estate marketing		100.00	establish
286	Huizhou Huahan Real Estate Development Co., Ltd	Huizhou	Huizhou	real estate development		99.84	establish
287	Nanjing Huacheng Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		97.49	establish
288	Shanghai Huafa Lihua Real Estate Co., Ltd	Shanghai	Shanghai	real estate development	51.00		establish
289	Wuhan Huahongyi Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
290	Suzhou Huafa Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		100.00	establish
291	Suzhou Huakai Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		100.00	establish
292	Guangzhou Huashun Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
293	Tianjin Ruihui Commerce Management Co., Ltd	Tianjin	Tianjin	project investment		49.66	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
294	Tianjin Ruihui Real Estate Development Co., Ltd	Tianjin	Tianjin	real estate development		49.66	merger of enterprises not under the same control
295	Guang Tao Investment Limited	Hong Kong	Hong Kong	project investment		100.00	establish
296	Guangdong Zhanlan Real Estate Development Co., Ltd	Zhanjiang	Zhanjiang	real estate development	50.00		merger of enterprises not under the same control
297	Hangzhou Huajing Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		65.00	establish
298	Hangzhou Huayu Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		100.00	establish
299	Changsha Huafa Real Estate Development Co., Ltd	Changsha	Changsha	real estate development		100.00	establish
300	Zhongshan Huafa Commerce Town Business Operation Co., Ltd	Zhongshan	Zhongshan	trading operation and management		100.00	establish
301	Zhuhai Huashen Asset Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		100.00	establish
302	Shenzhen Huateng Industrial Development Co., Ltd	Shenzhen	Shenzhen	real estate development		99.83	establish
303	Shanghai Huaru Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		51.00	establish
304	Jiangmen Huafa Real Estate Co., Ltd	Jiangmen	Jiangmen	real estate development		100.00	establish
305	Jiangmen Huasheng Real Estate Development Co., Ltd	Jiangmen	Jiangmen	real estate development		100.00	establish
306	Zhuhai Huagang Urban Upgrade Co., Ltd	Zhuhai	Zhuhai	urban upgrade		51.00	establish
307	Chengdu Huajin Lianhong Real Estate Development Co., Ltd	Chengdu	Chengdu	real estate development		37.65	establish
308	Wuhan Huafa Jingxiang Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
309	Guangzhou Huazhi Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		50.20	establish
310	Wah Chi Business Management (Hong Kong) Limited	Hong Kong	Hong Kong	business operation & management		100.00	establish
311	Jiangmen Huajun Real Estate Development Co., Ltd	Jiangmen	Jiangmen	real estate development		100.00	establish
312	Jiangmen Huafeng Real Estate Co., Ltd	Jiangmen	Jiangmen	real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
313	Shenzhen Pengjin Industrial Development Co., Ltd	Shenzhen	Shenzhen	real estate development		100.00	establish
314	Nanjing Huade Real Estate Development Co., Ltd	Nanjing	Nanjing	real estate development		50.20	establish
315	Zhongshan Huaxin Real Estate Co., Ltd	Zhongshan	Zhongshan	real estate development		50.00	establish
316	Nanning Huaming Housing Lease Co., Ltd	Nanning	Nanning	property lease		100.00	establish
317	Guangzhou Huaxuan Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		75.00	establish
318	Guangzhou Huaying Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		50.20	establish
319	Shanghai Huasong Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development	42.00	30.16	establish
320	Shanghai Huaduo Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		55.00	establish
321	Zhuhai Huafa Baoliton Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish
322	Jiangmen Herui Real Estate Development Co., Ltd	Jiangmen	Jiangmen	real estate development		51.00	merger of enterprises not under the same control
323	Zhengzhou Huamao Chuangsheng Real Estate Co., Ltd	Zhengzhou	Zhengzhou	real estate development		100.00	establish
324	Zhuhai Huafa Beiwei Commercial Service Management Co., Ltd	Zhuhai	Zhuhai	property lease		100.00	establish
325	Suzhou Huafa Business Operation Management Co., Ltd	Suzhou	Suzhou	business operation & management		100.00	establish
326	Zhuhai Huake Information Technology Co., Ltd	Zhuhai	Zhuhai	technical service		100.00	establish
327	Changsha Huajun Real Estate Development Co., Ltd	Changsha	Changsha	real estate development		100.00	establish
328	Changsha Huajing Real Estate Development Co., Ltd	Changsha	Changsha	real estate development		100.00	establish
329	Wuhan Huafa Hongsheng Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
330	Tianjin Huafa Chuangyi Real Estate Co., Ltd	Tianjin	Tianjin	real estate development		100.00	establish
331	Tianjin Huafa Chuangjin Real Estate Co., Ltd	Tianjin	Tianjin	real estate development		100.00	establish
332	Chongqing Huaxian Real Estate Development Co., Ltd	Chongqing	Chongqing	real estate development	100.00		establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
333	Guangdong Jinlong Wuzhou Hot Spring Resort Development Co., Ltd	Shanwei	Shanwei	real estate development		90.00	merger of enterprises not under the same control
334	Luhe Jinlong Wuzhou Real Estate Development Co., Ltd	Shanwei	Shanwei	real estate development		90.00	merger of enterprises not under the same control
335	Shanghai Huajing Danfeng Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		55.00	establish
336	Shanghai Huasong Minghong Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		51.00	establish
337	Zhengzhou Huahan Real Estate Development Co., Ltd	Zhengzhou	Zhengzhou	real estate development		100.00	establish
338	Yantai Huafa Real Estate Co., Ltd	Yantai	Yantai	real estate development		100.00	establish
339	Shenzhen Pengjia Industrial Development Co., Ltd	Shenzhen	Shenzhen	real estate development		100.00	establish
340	Shenzhen Pengjing Industrial Development Co., Ltd	Shenzhen	Shenzhen	real estate development		100.00	establish
341	Wuhan Huafa Central Industrial Development Co., Ltd	Wuhan	Wuhan	real estate development	100.00		establish
342	Zhongshan Huageng Real Estate Co., Ltd	Zhongshan	Zhongshan	real estate development		100.00	establish
343	Zhuhai Hengqin New Zone Huajuan Business Operation & Management Co., Ltd	Zhuhai	Zhuhai	business operation & management		100.00	establish
344	Changshu Huashun Industrial Park Investment & Development Co., Ltd	Changshu	Changshu	real estate development		99.97	establish
345	Dalian Hualu Real Estate Development Co., Ltd	Dalian	Dalian	real estate development		100.00	merger of enterprises not under the same control
346	Huizhou Huafeng Real Estate Development Co., Ltd	Huizhou	Huizhou	real estate development		100.00	establish
347	Shaoxing Huayue Real Estate Co., Ltd	Shaoxing	Shaoxing	real estate development		65.00	establish
348	Shanghai Huacheng Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
349	Shanghai Hualan Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
350	Shanghai Huajin Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
351	Zhuhai Huamao Tiancheng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		25.10	merger of enterprises not under the same control
352	Zhuhai Huamao Jincheng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		25.10	merger of enterprises not under the same control
353	Zhuhai Haoyuan Real Estate Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
354	Zhuhai Huali Human Resource Service Co., Ltd	Zhuhai	Zhuhai	human resource service		100.00	establish
355	Zhuhai Huayuan Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
356	Zhuhai Huaqing Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
357	Zhuhai Huafa Ruigu Business Service Management Co., Ltd	Zhuhai	Zhuhai	lease and business service		100.00	establish
358	Zhuhai Huafa West Business Management Co., Ltd	Zhuhai	Zhuhai	business management		100.00	establish
359	Shenzhen Pengyi Industrial Development Co., Ltd	Shenzhen	Shenzhen	real estate development		100.00	establish
360	Shenzhen Pengxin Industrial Development Co., Ltd	Shenzhen	Shenzhen	real estate development		100.00	establish
361	Shenyang Zhong Dong Gang Commercial Property Development Co., Ltd	Shenyang	Shenyang	real estate development		48.58	merger of enterprises not under the same control
362	Chengdu Huaxu Real Estate Development Co., Ltd	Chengdu	Chengdu	real estate development		100.00	establish
363	Chengdu Huayao Real Estate Development Co., Ltd	Chengdu	Chengdu	real estate development		100.00	establish
364	Shanghai Huafeng Business Management Co., Ltd	Shanghai	Shanghai	business management		100.00	establish
365	Shaoxing Huaze Real Estate Co., Ltd	Shaoxing	Shaoxing	real estate development		100.00	establish
366	Taicang Huateng Real Estate Development Co., Ltd	Taicang	Taicang	real estate development	42.00		establish
367	Taicang Huaman Real Estate Development Co., Ltd	Taicang	Taicang	real estate development	100.00		establish
368	Xi'an Huafu Chuangheng Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		50.20	establish
369	Xi'an Huayue Chuangsheng Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
370	Xi'an Huajun Chuangsheng Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		99.10	establish
371	Xi'an Huashun Chuangqi Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		97.64	establish
372	Guangzhou Huafa Business Management Co., Ltd	Guangzhou	Guangzhou	business management	100.00		establish
373	Zhuhai Huafa Jinhu Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
374	Zhongshan Huafa Real Estate Development Co., Ltd	Zhongshan	Zhongshan	real estate agency		100.00	establish
375	Zhuhai Huadai Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
376	Zhuhai Huasong Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
377	Zhuhai Huaxin Investment & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
378	Wuhan Huafa Hengyao Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
379	Nanjing Huayao Real Estate Development Co., Ltd	Nanjing	Nanjing	real estate development		27.61	establish
380	Huizhou Huayou Real Estate Development Co., Ltd	Huizhou	Huizhou	real estate development		100.00	establish
381	Zhongshan Huasheng Real Estate Development Co., Ltd	Zhongshan	Zhongshan	real estate development		100.00	establish
382	Guangzhou Huaxin Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
383	Huizhou Huazi Real Estate Development Co., Ltd	Huizhou	Huizhou	real estate development		100.00	establish
384	Hangzhou Huarong Real Estate Development Co., Ltd	Hangzhou	Hangzhou	real estate development		16.79	establish
385	Hangzhou Huahui Real Estate Development Co., Ltd	Hangzhou	Hangzhou	real estate development		25.60	establish
386	Qingdao Hualan Real Estate Co., Ltd	Qingdao	Qingdao	real estate development		100.00	establish
387	Foshan Huazhuo Real Estate Development Co., Ltd	Foshan	Foshan	real estate development		51.00	establish
388	Wuhan Huafa Chenyao Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
389	Wuhan Fengshuo Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
390	Cheung Yuen Property Limited	Hong Kong	Hong Kong	investment management		100.00	establish
391	Changsha Huaxin Real Estate Development Co., Ltd	Changsha	Changsha	real estate development		50.20	establish
392	Cheung Pang Property Limited	Hong Kong	Hong Kong	investment management		100.00	establish
393	Cheung Yuen Investment Holdings Limited	British Virgin Island	British Virgin Island	investment management		100.00	establish
394	Cheung Pang Investment Holdings Limited	British Virgin Island	British Virgin Island	investment management		100.00	establish
395	Guangzhou Yaoheng Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		51.00	merger of enterprises not under the same control
396	Guangzhou Yuehong Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		51.00	merger of enterprises not under the same control
397	Zhuhai Huatong Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		60.00	establish
398	Beijing Huayi Real Estate Co., Ltd	Beijing	Beijing	real estate development		100.00	establish
399	Beijing Huajin Real Estate Co., Ltd	Beijing	Beijing	real estate development		100.00	establish
400	Beijing Huajing Real Estate Co., Ltd	Beijing	Beijing	real estate development		100.00	establish
401	Beijing Huachuang Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		51.00	establish
402	Suzhou Huajin Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		100.00	establish
403	Suzhou Huajing Chuangsheng Real Estate Co., Ltd	Suzhou	Suzhou	real estate development	51.00	-	establish
404	Suzhou Hua'an Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		100.00	establish
405	Chongqing Huakun Real Estate Development Co., Ltd	Chongqing	Chongqing	real estate development		100.00	establish
406	Qingdao Huachan Real Estate Co., Ltd	Qingdao	Qingdao	real estate development		100.00	establish
407	Shanxi Zhongkong Huafa Real Estate Co., Ltd	Taiyuan	Taiyuan	real estate development		65.00	establish
408	Shandong Huamin Zhuanhong Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		100.00	establish
409	Suzhou Huamao Chuangsheng Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
410	Zhuhai Huaqing Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
411	Zhuhai Huafa Haiyun City New Horizon Business Operation Co., Ltd	Zhuhai	Zhuhai	business management		100.00	establish
412	Zhengzhou Huaxiao Real Estate Development Co., Ltd	Zhengzhou	Zhengzhou	real estate development		100.00	establish
413	Taicang Huafa Real Estate Development Co., Ltd	Taicang	Taicang	real estate development		100.00	establish
414	Zhuhai Huafa Residential Life Research Institute Co., Ltd	Zhuhai	Zhuhai	smart building	100.00		establish
415	Zhengzhou Huabing Real Estate Development Co., Ltd	Zhengzhou	Zhengzhou	real estate development		100.00	establish
416	Chongqing Huazhan Real Estate Development Co., Ltd	Chongqing	Chongqing	real estate development		100.00	establish
417	Cheung Koon Investment Holding Limited	British Virgin Island	British Virgin Island	investment management		100.00	establish
418	Cheung Kam Investment Holding Limited	British Virgin Island	British Virgin Island	investment management		100.00	establish
419	Cheung Yip Investment Holdings Limited	British Virgin Island	British Virgin Island	investment management		100.00	establish
420	Cheung Wai Investment Holdings Limited	British Virgin Island	British Virgin Island	investment management		100.00	establish
421	Chaozhou Huafa Industrial Development Co., Ltd	Chaozhou	Chaozhou	real estate development		100.00	establish
422	Kunming Huachuangyun Real Estate Development Co., Ltd	Kunming	Kunming	real estate development		60.08	establish
423	Wuhan Yuqing Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
424	Wuhan Yulong Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
425	Wuhan Huafa Yuzheng Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
426	Wuxi Huabo Real Estate Co., Ltd	Wuxi	Wuxi	real estate development		50.20	establish
427	Zhuhai Huafa Waisha Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish
428	Wuhan Huafa Ruijia Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		70.12	establish
429	Kunming Huaxu Real Estate Development Co., Ltd	Kunming	Kunming	real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
430	CHEUNG KOON PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
431	CHEUNG YIP PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
432	CHEUNG WAI PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
433	CHEUNG KAM PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
434	Wuhan Huafa Chenfeng Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
435	Wuhan Huafa Ruiguang Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		70.12	establish
436	Wuhan Huafa Chenhong Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		100.00	establish
437	Longmen County Huakun Real Estate Development Co., Ltd	Longmen County	Longmen County	real estate development		100.00	establish
438	Taicang Huacheng Real Estate Co., Ltd	Taicang	Taicang	real estate development		60.00	establish
439	Shenyang Huana Haichuan Real Estate Co., Ltd	Shenyang	Shenyang	real estate development		50.20	establish
440	Guangzhou Huachuan Industrial Development Co., Ltd	Guangzhou	Guangzhou	investment management		50.20	establish
441	Beijing Huashun Haichuan Real Estate Co., Ltd	Beijing	Beijing	real estate development		50.20	establish
442	Beijing Chuangsheng Haichuan Real Estate Co., Ltd	Beijing	Beijing	real estate development		50.20	establish
443	Zhuhai Huayi Development & Construction Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	merger of enterprises under the same control
444	Wuhan Huachuan Real Estate Co., Ltd	Wuhan	Wuhan	real estate development		50.20	establish
445	Zhuhai Huafa West Real Estate Marketing Planning Co., Ltd	Zhuhai	Zhuhai	marketing and planning		100.00	establish
446	Shanghai Huabai Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		50.20	establish
447	Zhuhai Haikuo Investment & Development Co., Ltd	Zhuhai	Zhuhai	investment management		50.20	establish
448	Jiangmen Rongjian Real Estate Development Co., Ltd	Jiangmen	Jiangmen	real estate development		60.00	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
449	Foshan Huafa Tianrun Real Estate Co., Ltd	Foshan	Foshan	real estate development		51.00	establish
450	Chengdu Huajin Yanhong Industrial Co., Ltd	Chengdu	Chengdu	real estate development		30.12	establish
451	Taicang Huaxi Real Estate Development Co., Ltd	Taicang	Taicang	real estate development	60.00		establish
452	Taicang Huashun Real Estate Development Co., Ltd	Taicang	Taicang	real estate development		100.00	establish
453	Guangzhou Huakun Industrial Development Co., Ltd	Guangzhou	Guangzhou	real estate development		50.20	establish
454	Chengdu Huafeng Jinye Construction & Development Co., Ltd	Chengdu	Chengdu	architectural design		30.12	establish
455	Guangzhou Huayou Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		50.20	establish
456	Zhuhai Huafa Runding Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish
457	Zhuhai Huafa Hongyun Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish
458	Xiamen Huafa Investment Co., Ltd	Xiamen	Xiamen	real estate development		100.00	establish
459	Foshan Huabiao Real Estate Development Co., Ltd	Foshan	Foshan	real estate development		49.70	establish
460	Hangzhou Huaxuan Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		51.00	establish
461	Guangzhou Huadi Consultancy Co., Ltd	Guangzhou	Guangzhou	consultancy and service		100.00	establish
462	Guangzhou Huageng Consultancy Co., Ltd	Guangzhou	Guangzhou	consultancy and service		100.00	establish
463	Shaoxing Huarui Real Estate Co., Ltd	Shaoxing	Shaoxing	real estate development		25.60	establish
464	Shaoxing Huatuo Real Estate Co., Ltd	Shaoxing	Shaoxing	real estate development		50.20	establish
465	Shaoxing Huayi Real Estate Co., Ltd	Shaoxing	Shaoxing	real estate development		25.60	establish
466	Huafa Sports International Development Company Limited	Hong Kong	Hong Kong	Other service		100.00	establish
467	Nanjing Huahong Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		25.60	establish
468	Wuhan Huafa Qilong Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		50.20	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
469	Wuhan Huafa Chenyu Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		50.20	establish
470	Nanjing Huafa Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		50.20	establish
471	Nanjing Huazheng Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		50.20	establish
472	Hazel Trend Limited	Hong Kong	Hong Kong	Other service		100.00	merger of enterprises under the same control
473	Highly Ventures Limited	Hong Kong	Hong Kong	Other service		100.00	merger of enterprises under the same control
474	Taicang Huasong Business Consultancy Co., Ltd	Taicang	Taicang	real estate development	100.00		establish
475	Taicang Hualan Business Consultancy Co., Ltd	Taicang	Taicang	real estate development	100.00		establish
476	Taicang Huacheng Business Consultancy Co., Ltd	Taicang	Taicang	real estate development	51.00		establish
477	Taicang Huajin Business Consultancy Co., Ltd	Taicang	Taicang	real estate development	100.00		establish
478	Taicang Huaru Business Consultancy Co., Ltd	Taicang	Taicang	real estate development	57.00	22.36	establish
479	Taicang Huaduo Business Consultancy Co., Ltd	Taicang	Taicang	real estate development	100.00		establish
480	Taicang Huaxing Business Consultancy Co., Ltd	Taicang	Taicang	real estate development	100.00		establish
481	Taicang Huapeng Business Consultancy Co., Ltd	Taicang	Taicang	real estate development		70.00	establish
482	Wuxi Huashun Real Estate Co., Ltd	Wuxi	Wuxi	real estate development		50.20	establish
483	Wuxi Huali Real Estate Co., Ltd	Wuxi	Wuxi	real estate development		50.20	establish
484	Suzhou Huabai Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		50.20	establish
485	Suzhou Huake Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		16.79	establish
486	Zhuhai Huafa Lianping Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish
487	Shanghai Huaman Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		50.20	establish
488	Shanghai Huateng Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		50.20	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
489	Shaoxing Huahao Real Estate Co., Ltd	Shaoxing	Shaoxing	real estate development		50.20	establish
490	Shaoxing Huajian Real Estate Co., Ltd	Shaoxing	Shaoxing	real estate development		50.20	establish
491	Nanjing Huateng Real Estate Co., Ltd	Nanjing	Nanjing	real estate development	51.00		establish
492	Xuzhou Huafa Real Estate Co., Ltd	Xuzhou	Xuzhou	real estate development		19.43	establish
493	Guangzhou Huayi Industrial Development Co., Ltd	Guangzhou	Guangzhou	investment management		75.00	establish
494	Tianjin Chuangjin Haichuan Real Estate Co., Ltd	Tianjin	Tianjin	real estate development		50.20	establish
495	Zhuhai Huafa Yimeng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish
496	Xi'an Chuangsheng Haichuan Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		50.20	establish
497	Wuxi Huamei Real Estate Co., Ltd	Wuxi	Wuxi	real estate development		100.00	establish
498	Shanghai Huana Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		75.00	establish
499	Zhuhai Huayan Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
500	Nyingchi Huafa Business Operation & Management Co., Ltd	Nyingchi	Nyingchi	business operation & management		100.00	establish
501	Wuhan Huafa Ruizhi Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		70.12	establish
502	Zhuhai Huatong Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
503	Zhuhai Huayao Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
504	Zhuhai Huamiao Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
505	Wuhan Maochang Yuehua Health Industry Development Co., Ltd	Wuhan	Wuhan	service		50.00	establish
506	Wuhan Maoxiang Yihua Medical Care Management Service Co., Ltd	Wuhan	Wuhan	service		50.00	establish
507	Guangzhou Huazhang Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
508	Guangzhou Huaxun Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		75.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
509	Guangzhou Huakai Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		50.20	establish
510	Shenyang Huaxin Real Estate Co., Ltd	Shenyang	Shenyang	real estate development		25.60	establish
511	Shenyang Huaheng Real Estate Co., Ltd	Shenyang	Shenyang	real estate development		50.20	establish
512	Zhuhai Huapin Business Service Co., Ltd	Zhuhai	Zhuhai	business operation & management		100.00	establish
513	Nanjing Huazhao Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		50.20	establish
514	Nanjing Huabai Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		50.20	establish
515	Yiwu Zhaohua Enterprise Management Co., Ltd	Yiwu	Yiwu	investment management		17.07	merger of enterprises not under the same control
516	Hangzhou Zhaoze Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		17.07	merger of enterprises not under the same control
517	Yiwu Zhaoying Real Estate Co., Ltd	Yiwu	Yiwu	real estate development		17.07	merger of enterprises not under the same control
518	Nanjing Huafu Real Estate Co., Ltd	Nanjing	Nanjing	real estate development	100.00		establish
519	Xi'an Huafu Haichuan Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		50.20	establish
520	Xi'an Huachuang Haichuan Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		50.20	establish
521	Zhuhai Huateng Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
522	Wuxi Huafu Real Estate Co., Ltd	Wuxi	Wuxi	real estate development		100.00	establish
523	Shanghai Junhong Decoration Engineering Co., Ltd	Shanghai	Shanghai	decoration		100.00	establish
524	Shenyang Huabai Real Estate Co., Ltd	Shenyang	Shenyang	real estate development		50.20	establish
525	Shenyang Huajin Real Estate Co., Ltd	Shenyang	Shenyang	real estate development		50.20	establish
526	Zhuhai Huafeng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		25.60	establish
527	Xi'an Huachuang Yongxing Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		50.20	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
528	Guangdong Huafa Tianhao Real Estate Development Co., Ltd	Dongguan	Dongguan	real estate development		60.00	establish
529	Zhanjiang Huafa Tianrun Real Estate Co., Ltd	Zhanjiang	Zhanjiang	real estate development		51.00	establish
530	Zhuhai Hengqin Huachuang Design Consultancy Co., Ltd	Zhuhai	Zhuhai	design consultancy		100.00	establish
531	Xi'an Huachuang Qiyao Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		45.18	merger of enterprises not under the same control
532	Zhuhai Huatu Commerce & Trading Co., Ltd	Zhuhai	Zhuhai	business operation		100.00	merger of enterprises not under the same control
533	Wuhan Huachuan Real Estate Co., Ltd	Wuhan	Wuhan	real estate development		50.20	establish
534	Zhuhai Huafa Hongye Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	merger of enterprises not under the same control
535	Zhuhai Huaxu New Energy Construction Co., Ltd	Zhuhai	Zhuhai	new energy development	100.00		establish
536	Zhuhai Huahui New Energy Technology Co., Ltd	Zhuhai	Zhuhai	new energy development		100.00	establish
537	Guangdong Huafa Zhongjian New Technology Investment Holding Co., Ltd	Zhuhai	Zhuhai	investment management	65.00		merger of enterprises not under the same control
538	Huashi Zhongjian New Technology (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	material manufacture		65.00	merger of enterprises not under the same control
539	Zhuhai Hengqin Huafa Urban Upgrade Investment Holding Co., Ltd	Zhuhai	Zhuhai	urban upgrade		100.00	establish
540	Zhuhai Huahu Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		50.20	establish
541	Zhuhai Huakai Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		50.20	establish
542	Zhuhai Huayu Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		50.20	establish
543	Zhuhai Hua'an Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		50.20	establish
544	Zhuhai Huapei Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		50.20	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
545	Zhuhai Huazhou Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		50.20	establish
546	Zhuhai Huaxu Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		50.20	establish
547	Guangzhou Huashen Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		50.20	establish
548	Guangzhou Huabo Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
549	Shanghai Jinlan Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		60.00	merger of enterprises not under the same control
550	Shanghai Pufeng Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		51.00	establish
551	Taicang Haina Real Estate Co., Ltd	Taicang	Taicang	real estate development		50.20	establish
552	Taicang Huafu Chuangsheng Real Estate Co., Ltd	Taicang	Taicang	real estate development		50.20	establish
553	Shanghai Tangxiao Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		60.00	establish
554	Shanghai Guxiao Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		51.00	establish
555	Shanghai Guhong Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		42.00	establish
556	Shanghai Puxiao Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		51.00	establish
557	Shanghai Xingcheng Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		60.00	establish
558	Suzhou Hefa Real Estate Development Co., Ltd	Suzhou	Suzhou	real estate development		100.00	merger of enterprises not under the same control
559	Taicang Huaren Real Estate Development Co., Ltd	Taicang	Taicang	real estate development	60.00		merger of enterprises not under the same control
560	Weihai Mofangcheng Real Estate Development Co., Ltd	Weihai	Weihai	real estate development		51.00	merger of enterprises not under the same control
561	Nanjing Huayu Real Estate Development Co., Ltd	Nanjing	Nanjing	real estate development		25.10	merger of enterprises not under the same control
562	Nanjing Huahui Decoration Engineering Co., Ltd	Nanjing	Nanjing	decoration		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
563	Nanjing Huahui Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		51.00	establish
564	Foshan Huazhan Commercial Service Co., Ltd	Foshan	Foshan	commercial service		100.00	establish
565	Beijing Huafeng Business Management Co., Ltd	Beijing	Beijing	business management		100.00	establish
566	Beijing Huachuang Haichuan Real Estate Co., Ltd	Beijing	Beijing	real estate development		50.20	establish
567	Shenzhen Runlong Investment Co., Ltd	Shenzhen	Shenzhen	real estate development		50.20	merger of enterprises not under the same control
568	Jiangmen Huabiao Real Estate Development Co., Ltd	Jiangmen	Jiangmen	real estate development		100.00	establish
569	Hangzhou Zhaoyu Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		10.24	merger of enterprises not under the same control
570	Hangzhou Huaxu Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		17.63	establish
571	Hangzhou Huayu Enterprise Management Co., Ltd	Hangzhou	Hangzhou	real estate development		13.48	merger of enterprises not under the same control
572	Hangzhou Huazhuo Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		50.20	establish
573	Hangzhou Huaying Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		25.60	establish
574	Hangzhou Huaxin Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		33.27	establish
575	Jiangmen Huachang Commercial Service Co., Ltd	Jiangmen	Jiangmen	commercial service		100.00	establish
576	Luoding Huatu Trading Co., Ltd	Luoding	Luoding	commercial service		100.00	establish
577	Luoding Huarong Trading Co., Ltd	Luoding	Luoding	commercial service		100.00	establish
578	Luoding Huasheng Trading Co., Ltd	Luoding	Luoding	business management		100.00	establish
579	Hangzhou Jinyu Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		49.60	merger of enterprises not under the same control
580	Hangzhou Jinghui Commerce & Trading Co., Ltd	Hangzhou	Hangzhou	real estate development		49.60	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
581	Zhuhai Hengqin Huafa Commercial Town Business Operation and Management Co., Ltd	Zhuhai	Zhuhai	business management		100.00	establish
582	Chengdu Huajin Shenghong Industrial Co., Ltd	Chengdu	Chengdu	real estate development		51.00	establish
583	Huizhou Hehui Real Estate Co., Ltd	Huizhou	Huizhou	real estate development		60.00	merger of enterprises not under the same control
584	Xi'an Huahao Haichuan Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		50.20	establish
585	Xi'an Qujiang Huaxing Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		40.16	establish
586	Suzhou Xinhuaeng Construction & Development Co., Ltd	Suzhou	Suzhou	real estate development		30.60	increase capital and expand shares
587	Xi'an Zitao Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		48.82	cooperative and joint ventures change to subsidiaries
588	Chengdu Huayi Lianhong Real Estate Development Co., Ltd	Chengdu	Chengdu	real estate development		50.20	establish
589	Zhuhai Huafa Business Operation Management Co., Ltd	Zhuhai	Zhuhai	business management		100.00	establish
590	Huajin Investment Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	merger of enterprises under the same control
591	Zhanjiang Runsheng Shifang Business Investment Co., Ltd	Zhanjiang	Zhanjiang	investment management		100.00	equity purchase
592	Shenzhen Ronghua Real Estate Investment Co., Ltd	Shenzhen	Shenzhen	real estate development		100.00	equity purchase
593	Chengdu Huazhuo Lianhong Real Estate Development Co., Ltd	Chengdu	Chengdu	real estate development		34.00	establish
594	Xi'an Qujiang Huafu Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		45.18	establish
595	Chengdu Jinjiang Huafa Huajin Real Estate Consultancy Co., Ltd	Chengdu	Chengdu	real estate marketing		100.00	establish
596	Suzhou Changhongyuan Real Estate Co., Ltd	Suzhou	Suzhou	real estate development		100.00	establish
597	Zhuhai Huaben Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
598	Zhuhai Huayuan Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
599	Zhuhai Huaying Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
600	Xi'an Huafa Business Operation & Management Co., Ltd	Xi'an	Xi'an	business management		100.00	establish
601	Guangzhou Huayang Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		100.00	establish
602	Hangzhou Huamao Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		51.00	establish
603	Hangzhou Hualing Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		20.63	establish
604	Shanghai Xujing Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		40.80	establish
605	Guangzhou Huazi Real Estate Development Co., Ltd	Guangzhou	Guangzhou	real estate development		51.00	establish
606	Chengdu Huamao Lianhong Real Estate Development Co., Ltd	Chengdu	Chengdu	real estate development		100.00	establish
607	Xi'an Huaqu Lijun Real Estate Co., Ltd	Xi'an	Xi'an	real estate consultancy		24.10	establish
608	Shenzhen Huakun Real Estate Development Co., Ltd	Shenzhen	Shenzhen	real estate development		50.20	establish
609	Shenzhen Rongchuan Real Estate Development Co., Ltd	Shenzhen	Shenzhen	real estate development		50.20	establish
610	Chengdu Huarui Lianhong Real Estate Development Co., Ltd	Chengdu	Chengdu	real estate development		51.00	establish
611	Shenzhen Pengchuang Real Estate Investment Co., Ltd	Shenzhen	Shenzhen	real estate development		51.00	establish
612	Zhuhai Huaxun Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	establish
613	Zhuhai Hualan Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	establish
614	Zhuhai Huaheng Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	establish
615	Zhuhai Huafa Ice and Snow City Business Operation Co., Ltd	Shenzhen	Shenzhen	business management		100.00	establish
616	Zhuhai Hualu Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	merger of enterprises not under the same control
617	Zhuhai Huayue Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
618	Zhuhai Huaye Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	merger of enterprises not under the same control
619	Zhuhai Huahan Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	merger of enterprises not under the same control
620	Zhuhai Huachen Business Information Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	merger of enterprises not under the same control
621	Zhuhai Huawo Business Information Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	merger of enterprises not under the same control
622	Zhuhai Zizhucheng Business Operation & Management Co., Ltd	Zhuhai	Zhuhai	business management		100.00	merger of enterprises not under the same control
623	Zhuhai Huaze Business Information Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	merger of enterprises not under the same control
624	Zhuhai Huapeng Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	merger of enterprises not under the same control
625	Zhuhai Huazhen Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	merger of enterprises not under the same control
626	Guangzhou Huachao Consultancy Co., Ltd	Guangzhou	Guangzhou	corporate management consultancy		100.00	merger of enterprises not under the same control
627	Shenzhen Huafeng Enterprise Management Co., Ltd	Shenzhen	Shenzhen	investment management		100.00	merger of enterprises not under the same control
628	Shenzhen Hualing Enterprise Management Co., Ltd	Shenzhen	Shenzhen	investment management		100.00	merger of enterprises not under the same control
629	Changsha Tianrun Zhiyue Real Estate Development Co., Ltd	Changsha	Changsha	real estate development	51.00		merger of enterprises not under the same control
630	Shanghai Xinpu East Bank Real Estate Co., Ltd	Shanghai	Shanghai	real estate development		44.87	cooperative and joint ventures change to subsidiaries
631	Shanghai Beiyue Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		43.30	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
632	Taizhou Fangyuan Tianyue Enterprise Management Co., Ltd	Taizhou	Taizhou	corporate management		21.12	merger of enterprises not under the same control
633	Hangzhou Huashang Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		100.00	establish
634	Zhuhai Huafa New City Real Estate Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	equity purchase
635	Guangzhou Huafa Business Planning Co., Ltd	Guangzhou	Guangzhou	business service		100.00	establish
636	Chengdu Huayou Lianhong Real Estate Development Co., Ltd	Chengdu	Chengdu	real estate development		100.00	establish
637	Zhuhai Huayu Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	establish
638	Hangzhou Fangyuan Huaguan Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		20.91	merger of enterprises not under the same control
639	Shanghai Jingcheng Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		79.36	establish
640	Shaoxing Huafa Business Operation & Management Co., Ltd	Shaoxing	Shaoxing	business management		100.00	establish
641	Nanjing Huakuo Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		51.00	establish
642	Zhuhai Huamian Information Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	establish
643	Zhuhai Hualing Commercial Service Co., Ltd	Zhuhai	Zhuhai	commercial service		100.00	establish
644	Zhuhai Huachong Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	establish
645	Zhuhai Hengqin Huayue Enterprise Management Partnership (Limited Partnership)	Zhuhai	Zhuhai	business service		100.00	merger of enterprises not under the same control
646	Zhuhai Huashu Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
647	Hangzhou Huazhao Real Estate Co., Ltd	Hangzhou	Hangzhou	real estate development		26.35	establish
648	Nanjing Huachen Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		100.00	establish
649	Zhuhua Huafa Household Furniture Co., Ltd	Zhuhai	Zhuhai	wholesale, retail		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
650	Zhuhai Huazhao Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
651	Zhuhai Huawei Real Estate Development Co., Ltd	Zhuhai	Zhuhai	real estate development		100.00	establish
652	Shanghai Huaru Business Consultancy Co., Ltd	Shanghai	Shanghai	real estate consultancy		100.00	establish
653	Zhuhai Huachang Business Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	establish
654	Zhuhai Huaya Real Estate Co., Ltd	Zhuhai	Zhuhai	real estate development		51.00	establish
655	Taicang Huahao Business Consultancy Co., Ltd	Taicang	Taicang	real estate consultancy		100.00	establish
656	Wuhan Huazhe Real Estate Development Co., Ltd	Wuhan	Wuhan	real estate development		50.20	establish
657	Nanjing Lvbocheng Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		49.00	establish
658	Nanjing Huayue Real Estate Co., Ltd	Nanjing	Nanjing	real estate development		51.00	establish
659	Shanghai Xiangcheng Real Estate Development Co., Ltd	Shanghai	Shanghai	real estate development		70.00	establish
660	Taicang Huatuo Business Consultancy Co., Ltd	Taicang	Taicang	real estate consultancy		51.00	establish
661	Xi'an Zihai Real Estate Co., Ltd	Xi'an	Xi'an	real estate development		49.55	establish
662	Huafa Property Service Group Co., Ltd	Zhuhai	Zhuhai	property management		40.68	merger of enterprises under the same control
663	Huajin International Bay Area High End Service Holding Co., Ltd	Hong Kong	Hong Kong	hotel and exhibition consultancy service		40.68	merger of enterprises under the same control
664	Zhuhai Hengqin New Zone Huajin International Hotel Management Co., Ltd	Zhuhai	Zhuhai	hotel management service		40.68	merger of enterprises under the same control
665	Zhuhai Hengqin New Zone International Conference & Exhibition Service Co., Ltd	Zhuhai	Zhuhai	exhibition planning & organization		40.68	merger of enterprises under the same control
666	Huafa Property Management Service (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	service		40.68	merger of enterprises under the same control
667	Beijing Huafa Property Management Service Co., Ltd	Zhuhai	Zhuhai	service		40.68	merger of enterprises under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
668	Huafa Property Service Co., Ltd	Zhuhai	Zhuhai	property management		40.68	merger of enterprises under the same control
669	Zhuhai Huafa Building Elevator Engineering Co., Ltd	Zhuhai	Zhuhai	maintenance and installation		40.68	merger of enterprises under the same control
670	Zhuhai Huafa Civic Comprehensive Service Co., Ltd	Zhuhai	Zhuhai	service		40.68	merger of enterprises under the same control
671	Chongqing Huazhufa Property Management Service Co., Ltd	Chongqing	Chongqing	service		40.68	merger of enterprises under the same control
672	Kunming Huafa Rongchuang Property Management Service Co., Ltd	Kunming	Kunming	service		28.48	merger of enterprises under the same control
673	Shanxi Huafa Rongchuang Property Management Service Co., Ltd	Xi'an	Xi'an	service	-	40.68	merger of enterprises under the same control
674	Shanghai Renheng Huafa Property Management Co., Ltd	Shanghai	Shanghai	service		20.75	merger of enterprises under the same control
675	Huafa Fanglin (Wuhan) Technical Co., Ltd	Wuhan	Wuhan	service		40.68	merger of enterprises under the same control
676	Guangdong Huafa Security Service Co., Ltd	Zhuhai	Zhuhai	service		40.68	merger of enterprises under the same control
677	Zhuhai Huafa F&B Management Service Co., Ltd	Zhuhai	Zhuhai	service		40.68	merger of enterprises under the same control
678	Zhuhai Hualin Life Service Co., Ltd	Zhuhai	Zhuhai	service		40.00	merger of enterprises under the same control
679	Huacheng Modern Technical Service (Chengdu) Co., Ltd	Chengdu	Chengdu	Internet and related service		40.68	merger of enterprises under the same control
680	Zhuhai Huafa JLL Property Service Co., Ltd	Zhuhai	Zhuhai	service		24.41	merger of enterprises under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
681	Huafa Property Service (Foshan) Co., Ltd	Foshan	Foshan	service		40.68	merger of enterprises under the same control
682	Zhuhai Huahao International Conference & Exhibition Co., Ltd	Zhuhai	Zhuhai	exhibition planning & organization		20.34	merger of enterprises under the same control
683	Zhuhai ZhuAo Design Center Co., Ltd	Zhuhai	Zhuhai	design service		32.54	merger of enterprises under the same control
684	Zhuhai International Design Week Conference & Exhibition Co., Ltd	Zhuhai	Zhuhai	exhibition planning & organization		40.68	merger of enterprises under the same control
685	Zhuhai Hengqin Zhu'ao International Sports, Lesiure and Tourism Development & Management Co., Ltd	Zhuhai	Zhuhai	Organization and planning of sports contest and cultural activities		24.41	merger of enterprises under the same control
686	Zhuhai Huawu Choice Life Service Co., Ltd	Zhuhai	Zhuhai	service		40.68	merger of enterprises under the same control
687	Huafa Commercial Service (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	service		40.68	merger of enterprises under the same control
688	Huafa Property Urban Service (Shenzhen) Co., Ltd	Shenzhen	Shenzhen	service		40.68	merger of enterprises under the same control
689	Beijing Huayuan Property Service Co., Ltd	Beijing	Beijing	service		20.75	establish
690	Zhuhai Hi-tech Huafa F&B Management Service Co., Ltd	Zhuhai	Zhuhai	service		40.68	establish
691	Zhuhai Jinwan District Huafa F&B Operation Service Co., Ltd	Zhuhai	Zhuhai	service		40.68	establish
692	Huafa Property Service (Liaoning) Co., Ltd	Liaoning	Liaoning	service		40.68	establish
693	Huafa Property Operation & Management (Guangzhou) Co., Ltd	Guangzhou	Guangzhou	service		40.68	establish
694	Huafa Property Service (Shanghai) Co., Ltd	Shanghai	Shanghai	service		40.68	establish
695	Zhuhai Huafa Huaxu Investment Co., Ltd	Zhuhai	Zhuhai	investment and asset management	100.00		establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
696	Xi'an Huafa Lijun Property Management Service Co., Ltd	Xi'an	Xi'an	service		24.41	establish
697	Huashi Zhongjian New Technology (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	material manufacture		65.00	establish

7. Subsidiaries of Founder Technology and its share ratio

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Shanghai Yanzhong Office Supply Industry Co., Ltd	Shanghai	Shanghai	wholesale of office supply	100.00		establish
2	Shanghai Founder Yanzhong Office Supply Co., Ltd	Shanghai	Shanghai	wholesale of office supply		100.00	establish
3	Shanghai Beida Founder Technology Computer System Co., Ltd	Shanghai	Shanghai	software and IT service	100.00		establish
4	Shanghai Founder Technology (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	software and IT service		100.00	establish
5	Shenzhen Founder Information System Co., Ltd	Shenzhen	Shenzhen	Internet info service	88.69	11.31	establish
6	Beijing Founder Technology Information Product Co., Ltd	Beijing	Beijing	value-added telecommunication	88.69	11.31	establish
7	Zhuhai Founder Printed Circuit Board Development Co., Ltd	Zhuhai	Zhuhai	printed circuit board product trading	16.67	83.33	establish
8	Jiangxi Xinlong Telecommunication Service Co., Ltd	Nanchang	Nanchang	value-added telecommunication		100.00	establish
9	Chongqing Founder Gaomi Electronic Co., Ltd	Chongqing	Chongqing	manufacture of printed circuit board	76.01	23.99	establish
10	Zhuhai Founder Technology Gaomi Electronic Co., Lt	Zhuhai	Zhuhai	manufacture of printed circuit board	74.67	25.33	establish
11	Zhuhai Founder Technology Multi-layer Circuit Board Co., Ltd	Zhuhai	Zhuhai	manufacture of printed circuit board	70.36	29.64	merger of enterprises not under the same control
12	Zhuhai Founder Printed Circuit Board (Hong Kong) Development Co., Ltd	Hong Kong	Hong Kong	import and export of printed circuit board		100.00	establish
13	Founder PCB UBA	USA	USA	marketing and consultancy service		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
14	Hangzhou Founder Suneng Technology Co., Ltd	Hangzhou	Hangzhou	manufacture of printed circuit board	58.41	41.59	establish
15	Founder Technology (Singapore) Co., Ltd	Singapore	Singapore	import and export agency and trading of accessories of computer and multimedia products	100.00		establish
16	Zhuhai Huanxin Founder Technology Co., Ltd	Zhuhai	Zhuhai	telecommunication and electronic equipment manufacture	100.00		establish
17	Beijing Fangke Smart Manufacture Technology Co., Ltd	Beijing	Beijing	integrated circuit design, technical consultancy	88.69	11.31	establish
18	IFound PCB (Thailand) Co., Ltd	Thailand	Thailand	manufacture of printed circuit board		100.00	establish

8. Subsidiaries of Digitone and its share ratio

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
1	Shenyang Tonglian Sihai Electronic Telecommunication Technology Co., Ltd	Shenyang	Shenyang	retail and wholesale of telecommunication equipment	100.00		merger of enterprises not under the same control
2	Fushun Tonglian Sihai Electronic Telecommunication Technology Co., Ltd	Fushun	Fushun	retail and wholesale of telecommunication equipment		100.00	establish
3	Beijing Qihe Haotian Trading Co., Ltd	Beijing	Beijing	online retail and wholesale of telecommunication equipment	100.00		establish
4	Beijing Digitone Technology Industrial Development Co., Ltd	Beijing	Beijing	technical consultancy service	100.00		establish
5	Beijing Yihaotong East Information Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment		55.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
6	Beijing Digitone Electronic Telecommunication Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment	100.00		merger of enterprises under the same control
7	Tianjin Digitone Electronic Telecommunication Technology Co., Ltd	Tianjin	Tianjin	retail and wholesale of telecommunication equipment	100.00		establish
8	Hebei Dixin Electronic Telecommunication Equipment Co., Ltd	Shijiazhuang	Shijiazhuang	retail and wholesale of telecommunication equipment	100.00		establish
9	Beijing Digitone Fengze Electronic Equipment Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment		100.00	establish
10	Beijing Tailongji Trading Co., Ltd	Beijing	Beijing	online retail and wholesale of telecommunication equipment	100.00		merger of enterprises not under the same control
11	Beijing Jinyi Tongda Telecommunication Equipment Maintenance Co., Ltd	Beijing	Beijing	sales and maintenance of telecommunication equipment and accessories		100.00	merger of enterprises not under the same control
12	Shanxi Digitone Trading Co., Ltd	Taiyuan	Taiyuan	retail and wholesale of telecommunication equipment		100.00	establish
13	Hefei Digitone Telecommunication Technology Co., Ltd	Hefei	Hefei	retail and wholesale of telecommunication equipment	100.00		establish
14	Zhejiang Digitone Trading Co., Ltd	Ningbo	Ningbo	retail and wholesale of telecommunication equipment	100.00		establish
15	Shanghai Dixin Electronic Telecommunication Technology Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	100.00		establish
16	Shanghai Chuanda Telecommunication Technology Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	100.00		establish
17	Shanghai Dixin South Telecommunication Technology Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	100.00		establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
18	Jinan Dixin Electronic Telecommunication Technology Co., Ltd	Jinan	Jinan	retail and wholesale of telecommunication equipment	100.00		establish
19	Qingdao Digitone Telecommunication Technology Co., Ltd	Qingdao	Qingdao	retail and wholesale of telecommunication equipment		100.00	establish
20	Wenzhou Digitone Electronic Telecommunication Technology Co., Ltd	Wenzhou	Wenzhou	retail and wholesale of telecommunication equipment	100.00		establish
21	Nanjing Yijialong Telecommunication Technology Co., Ltd	Nanjing	Nanjing	retail and wholesale of telecommunication equipment	100.00		merger of enterprises not under the same control
22	Xiamen Digitone Electronic Telecommunication Technology Co., Ltd	Xiamen	Xiamen	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
23	Jiangxi Digitone Technology Co., Ltd	Nanchang	Nanchang	retail and wholesale of telecommunication equipment	100.00		establish
24	Zhejiang Digitone Supply Chain Co., Ltd	Ningbo	Ningbo	retail and wholesale of telecommunication equipment	100.00		establish
25	Digitone Telecommunication Technology (Jiangsu) Co., Ltd	Suqian	Suqian	retail and wholesale of telecommunication equipment		100.00	establish
26	Wenzhou Yasheng Telecommunication Equipment Co., Ltd	Wenzhou	Wenzhou	retail and wholesale of telecommunication equipment		100.00	establish
27	Guangxi Digitone Electronic Telecommunication Technology Co., Ltd	Nanning	Nanning	retail and wholesale of telecommunication equipment	100.00		establish
28	Qingyuan Digitone Trading Co., Ltd	Qingyuan	Qingyuan	retail and wholesale of telecommunication equipment	100.00		establish
29	Guangdong Digitone Trading Co., Ltd	Guangzhou	Guangzhou	retail and wholesale of telecommunication equipment	100.00		establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
30	Shenzhen Hua'aotong Electronic Co., Ltd	Shenzhen	Shenzhen	manufacture		100.00	merger of enterprises not under the same control
31	Changsha Digitone Electronic Technology Information Co., Ltd	Changsha	Changsha	retail and wholesale of telecommunication equipment	100.00		establish
32	Changsha 958598 Telecommunication Equipment Co., Ltd	Changsha	Changsha	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
33	Hunan Zhongxuntong Electronic Technology Co., Ltd	Changsha	Changsha	retail and wholesale of telecommunication equipment	100.00		establish
34	Zhengzhou Digitone Electronic Telecommunication Technology Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment	100.00		establish
35	Henan Digitone Electronic Telecommunication Technology Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment	100.00		establish
36	Nanyang Digitone Electronic Telecommunication Technology Co., Ltd	Nanyang	Nanyang	retail and wholesale of telecommunication equipment		100.00	establish
37	Wuhan Yitongda Telecommunication Equipment Co., Ltd	Wuhan	Wuhan	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
38	Henan Digitone Trading Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment	60.00		establish
39	Xi'an Digitone Electronic Telecommunication Technology Co., Ltd	Xi'an	Xi'an	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
40	Xi'an Difeng Trading Co., Ltd	Xi'an	Xi'an	retail and wholesale of telecommunication equipment		100.00	establish
41	Urumqi Dixin Chuangfa Telecommunication Technology Co., Ltd	Urumqi	Urumqi	retail and wholesale of telecommunication equipment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
42	Sichuan Yijialong Telecommunication Chainstore Co., Ltd	Chengdu	Chengdu	retail and wholesale of telecommunication equipment	100.00		merger of enterprises not under the same control
43	Yunnan Digitone Electronic Telecommunication Technology Co., Ltd	Kunming	Kunming	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
44	Chongqing Xiaodi Telecommunication Equipment Co., Ltd	Chongqing	Chongqing	retail and wholesale of telecommunication equipment	100.00		establish
45	Beijing Digitone E-commerce Co., Ltd	Beijing	Beijing	online retail and wholesale of telecommunication equipment	100.00		establish
46	Sanhe Digitone Telecommunication Equipment Sales Co., Ltd	Sanhe	Sanhe	retail and wholesale of telecommunication equipment		100.00	establish
47	Yangzhou Digitone Electronic Telecommunication Technology Co., Ltd	Yangzhou	Yangzhou	retail and wholesale of telecommunication equipment		100.00	establish
48	Jiangsu Shengduo Technology Trading Co., Ltd	Suqian	Suqian	software development, testing, sales and maintenance	100.00		establish
49	Gansu Digitone Trading Co., Ltd	Nanzhou	Nanzhou	retail and wholesale of telecommunication equipment		60.00	establish
50	Wuzhou Digitone Telecommunication Equipment Trading Co., Ltd	Wuzhou	Wuzhou	retail and wholesale of telecommunication equipment		100.00	establish
51	Zhangzhou Dixin Electronic Telecommunication Technology Co., Ltd	Zhangzhou	Zhangzhou	retail and wholesale of telecommunication equipment		100.00	establish
52	Fujian Dixin Electronic Telecommunication Technology Co., Ltd	Fuzhou	Fuzhou	retail and wholesale of telecommunication equipment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
53	Yunnan Yongjin Electronic Telecommunication Technology Co., Ltd	Kunming	Kunming	retail and wholesale of telecommunication equipment		100.00	establish
54	Yunnan Jiyue Telecommunication Technology Co., Ltd	Kunming	Kunming	retail and wholesale of telecommunication equipment		70.00	establish
55	Jiangxi Chuangfa Trading Co., Ltd	Nanchang	Nanchang	retail and wholesale of telecommunication equipment		60.00	establish
56	Jiangxi Difeng Telecommunication Technology Co., Ltd	Nanjing	Nanjing	retail and wholesale of telecommunication equipment		100.00	establish
57	Nantong Difeng Telecommunication Technology Co., Ltd	Nantong	Nantong	retail and wholesale of telecommunication equipment		100.00	establish
58	Qingdao Feidi Telecommunication Technology Co., Ltd	Qingdao	Qingdao	retail and wholesale of telecommunication equipment		100.00	establish
59	Changzhou Difeng Telecommunication Technology Co., Ltd	Changzhou	Changzhou	retail and wholesale of telecommunication equipment		100.00	establish
60	Yancheng Difeng Telecommunication Technology Co., Ltd	Yancheng	Yancheng	retail and wholesale of telecommunication equipment		100.00	establish
61	Shanghai Shengduo Trading Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	100.00		establish
62	Beijing Yijiwei Interconnection Technology Co., Ltd	Beijing	Beijing	technical consultancy service		55.00	establish
63	Beijing Digitone Trading Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment	100.00		establish
64	Foshan Digitone Trading Co., Ltd	Foshan	Foshan	retail and wholesale of telecommunication equipment		100.00	establish
65	Lishui Digitone Electronic Telecommunication Technology Co., Ltd	Lishui	Lishui	retail and wholesale of telecommunication equipment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
66	Ningbo Hi-tech Zone Shunjixin Technology Co., Ltd	Ningbo	Ningbo	retail and wholesale of telecommunication equipment	100.00		establish
67	Southwest Digitone Trading Co., Ltd	Chengdu	Chengdu	retail and wholesale of telecommunication equipment	100.00		establish
68	Shenyang Dichuang Enterprise Management Co., Ltd	Shenyang	Shenyang	retail and wholesale of telecommunication equipment		86.00	establish
69	Beijing Dixin Yunju Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment	80.00		merger of enterprises under the same control
70	Shanxi Chuangfa Technology Trading Co., Ltd	Taiyuan	Taiyuan	retail and wholesale of telecommunication equipment		100.00	establish
71	Beijing Digitone Technology Trading Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment		51.00	establish
72	Hainan Digitone Technology Co., Ltd	Lingshui County	Lingshui County	technical consultancy service		100.00	establish
73	Shanghai Yushen Technology Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	75.00		establish
74	Chongqing Digitone Smart Technology Co., Ltd	Chongqing	Chongqing	retail and wholesale of telecommunication equipment	75.00		establish
75	Guangzhou Yundigou Trading Co., Ltd	Guangzhou	Guangzhou	retail and wholesale of telecommunication equipment	100.00		establish
76	Guang'an Digitone Financial Management Co., Ltd	Guang'an	Guang'an	asset management, financial accountancy, economic information consultancy, bookkeeping service, corporate management consultancy		100.00	establish
77	Henan Time-Space Electronic Technology Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment		60.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
78	Dixin SiMaiEr Technology (Guangdong) Co., Ltd	Guangzhou	Guangzhou	software development, testing, sales and maintenance	100.00		establish
79	Beijing Dirong Consultancy Service Co., Ltd	Beijing	Beijing	technical consultancy service	51.00		establish
80	Guang'an Zhuopin Times Technology Co., Ltd	Guang'an	Guang'an	retail and wholesale of telecommunication equipment	51.00		merger of enterprises not under the same control
81	Digitone (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	retail and wholesale of telecommunication equipment	100.00		establish
82	Bangladesh Digitone Telecommunication Technology Pty Ltd.	Bangladesh	Bangladesh	retail and wholesale of telecommunication equipment	100.00		establish
83	Beijing Abu Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment		75.00	establish
84	Beijing Wangju Dixin Youpin Internet Technology Co., Ltd	Beijing	Beijing	online retail and wholesale of telecommunication equipment	80.00		merger of enterprises not under the same control
85	Henan Difeng Cultural Transmission Co., Ltd	Zhengzhou	Zhengzhou	decoration		60.00	merger of enterprises not under the same control
86	Shenzhen Digitone Technology Co., Ltd	Shenzhen	Shenzhen	retail and wholesale of telecommunication equipment	75.00		merger of enterprises not under the same control
87	Guangzhou Zhongqi Telecommunication Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment	60.00		establish
88	Shenzhen Mizuan Network Technology Co., Ltd	Shenzhen	Shenzhen	retail and wholesale of telecommunication equipment		35.70	merger of enterprises not under the same control
89	Henan Digitone Business Management Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment		60.00	establish
90	Tangshan Digitone Technology Co., Ltd	Tangshan	Tangshan	retail and wholesale of telecommunication equipment	100.00		establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
91	Yunfu Digitone Trading Co., Ltd	Yunfu	Yunfu	retail and wholesale of telecommunication equipment		100.00	establish
92	Guangzhou Digitone Management Consultancy Co., Ltd	Guangzhou	Guangzhou	technical consultancy service		100.00	establish
93	Shenzhen Shilin Trading Co., Ltd	Shenzhen	Shenzhen	retail and wholesale of telecommunication equipment	60.00		establish
94	Moji (Hangzhou) Network Technology Co., Ltd	Hangzhou	Hangzhou	retail and wholesale of telecommunication equipment	51.00		merger of enterprises not under the same control
95	Moji (Guangdong) Network Technology Co., Ltd	Zhongshan	Zhongshan	retail and wholesale of telecommunication equipment		51.00	merger of enterprises not under the same control
96	Jumai Supply Chain Management Co., Ltd	Zhongshan	Zhongshan	retail and wholesale of telecommunication equipment		51.00	merger of enterprises not under the same control
97	Zhuhai Digitone Trading Co., Ltd	Zhuhai	Zhuhai	retail and wholesale of telecommunication equipment	100.00		establish
98	Yichang Digitone Telecommunication Device Co., Ltd	Yichang	Yichang	retail and wholesale of telecommunication equipment		100.00	establish
99	Guizhou Digitone Trading Co., Ltd	Guiyang	Guiyang	retail and wholesale of telecommunication equipment	100.00		establish
100	Anshun Digitone Trading Co., Ltd	Anshun	Anshun	retail and wholesale of telecommunication equipment		100.00	establish
101	Suizhou Digitone Telecommunication Equipment Co., Ltd	Suizhou	Suizhou	retail and wholesale of telecommunication equipment		100.00	establish
102	Beijing Dihua Zongfa New Energy Automobile Co., Ltd	Beijing	Beijing	retail	100.00		establish
103	Guangzhou Huadi New Energy Automobile Co., Ltd	Guangzhou	Guangzhou	retail	100.00		establish
104	Zhuhai Huamao Telecommunication Technology Co., Ltd	Zhuhai	Zhuhai	technical promotion and applicationservice		100.00	establish

Zhuhai Huafa Group Co., Ltd (Consolidated)
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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
105	Ningbo Wudi Trading Co., Ltd	Ningbo	Ningbo	retail and wholesale of telecommunication equipment		100.00	establish
106	Kashi Huadi Zhilian International Trading Co., Ltd	Kashgar region	Kashgar region	trading	100.00		establish
107	Khorgos Zonglian International Trading Co., Ltd	Kazak autonomous prefecture of Yili	Kazak autonomous prefecture of Yili	wholesale	100.00		establish
108	Zhuhai Huadi New Energy Automobile Co., Ltd	Zhuhai	Zhuhai	repair of motored vehicle, electronic product and daily merchandise	100.00		establish
109	Fuyang Fadi New Energy Technical Development Co., Ltd	Fuyang	Fuyang	related with new energy and power generation		100.00	establish
110	Jingzhou Yitongda Telecommunication Equipment Co., Ltd	Jingzhou	Jingzhou	retail and wholesale of telecommunication equipment		100.00	establish
111	Jingzhou Gong'an County Langli Telecommunication Equipment Co., Ltd	Jingzhou	Jingzhou	retail and wholesale of telecommunication equipment		100.00	establish
112	Shaoxing Yuejia Trading Co., Ltd	Shaoxing	Shaoxing	retail and wholesale of telecommunication equipment		100.00	establish
113	Shiyan Maojian District Yida Langxin Telecommunication Equipment Co., Ltd	Shiyan	Shiyan	retail and wholesale of telecommunication equipment		100.00	establish
114	Dongguan Digitone Trading Co., Ltd	Dongguan	Dongguan	retail and wholesale of telecommunication equipment		100.00	establish
115	Ezhou Langli Telecommunication Equipment Co., Ltd	Ezhou	Ezhou	retail and wholesale of telecommunication equipment		100.00	establish
116	Hubei Wan'aoze New Energy Co., Ltd	Yichang	Yichang	related with new energy and power generation		100.00	establish
117	Hubei Huadi New Energy Co., Ltd	Huanggan	Huanggan	related with new energy and power generation		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio		Method of acquisition
					Direct	Indirect	
118	Sanmenxia Huadi Trading Co., Ltd	Sanmenxia	Sanmenxia	retail and wholesale of telecommunication equipment		100.00	establish

9. Structuralized entities included into the scope of consolidation

Structuralized entities included into the scope of consolidation include mainly Asset Management Plan for which the Company serves as the Manager or Investment Consultant and Investor, Single Investor. The Company evaluates whether it faces major influence on variable return because of the reward it is entitled to from the investment share and the level of remuneration obtained for being the manager or investment consultant, and then judges whether the Company is the main responsible entity for the Asset Management Plan. Huajin Securities, the Company's subsidiary, has three structuralized entities included into the scope of consolidated financial statements at the end of 2023..

(2). Reasons that the parent company could control the investee although its voting right on the investee doesn't exceed 50%.

1. The reason that the Company (not including Huafa Inc., and Weiye Inc.) could control the investee although its voting right on the investee doesn't exceed 50%.

Name of subsidiaries	Parent company's share ratio (%)	Reason for inclusion into the scope of consolidation
Zhuhai Development Investment Fund (Limited liability partnership)	27.38	It has more than 50% of the voting right in the Investment Decision Committee and could exercise control on financial and operating decisions. Thus, it is included into the scope of consolidation.
Zhuhai Hengqin New Zone Huachuang New Material Investment Partnership (Limited Partnership)	43.34	
Zhuhai Hegang I Equity Investment Fund (Limited Partnership)	27.40	
Zhuhai Juanhua II Investment Partnership (Limited Partnership)	19.65	
Zhuhai Juanhua III Investment Partnership (Limited Partnership)	19.65	
Zhuhai Juanhua IV Investment Partnership (Limited Partnership)	19.65	
Zhuhai Juanhua V Investment Partnership (Limited Partnership)	19.65	
Zhuhai Anzhi Hulian Equity Investment Fund Partnership (Limited Partnership)	20.63	
Zhuhai Development & Investment Fund II (Limited Partnership)	36.25	
Zhuhai Hengqin New Zone Huachuang Environmental Protection Industrial Investment Enterprise (Limited Partnership)	35.38	

Name of subsidiaries	Parent company's share ratio (%)	Reason for inclusion into the scope of consolidation
Partnership)		
Zhuhai Fund III Industrial Investment Partnership (Limited Partnership)	9.09	
Zhuhai Huafa Hi-tech Construction Holding Co., Ltd	47.90	The Company has more than 50% of voting rights in the board of directors and could exercise control on the financial and operating decisions. Hence, they are included into the scope of consolidation.
Huafa Inc.	29.57	
Founder Technology	20.79	
Weiye Inc.	28.77	
Guangku Technology	21.09	
Huaguan Technology	29.21	
Zhuhai Huahong Development & Construction Co., Ltd	47.90	
Zhuhai Huafa Petrochemical Energy Co., Ltd	49.13	
Johnson Holdings	42.27	
Zhuhai Ao'yue Energy Co., Ltd	48.86	
Zhuhai Huidafeng Power Development (Group) Co., Ltd	35.55	
Zhuhai Hengyuan Power Construction Co., Ltd	48.86	
Zhuhai Doumen District Power Construction Co., Ltd	48.86	
Zhuhai Power Construction Engineering Co., Ltd	35.55	
Guangdong Guangda Electrical Co., Ltd	35.55	
Zhuhai Kangtaiming Power Transmission and Transformation Engineering Co., Ltd	35.55	
Zhuhai Power Engineering Supervision Co., Ltd	35.55	
Zhuhai Power Design Institute Co., Ltd	35.55	
Guangdong Jiahe Real Estate Development Co., Ltd	35.55	
Zhuhai Zhongnan Jingze Real Estate Co., Ltd	35.55	
Guangdong Jiage Property Service Co., Ltd	35.55	
Guangyuan Electromechanical Co., Ltd	35.55	
Wuhan Huafa Heptachord Hangyi Intellectual Property Operation Co., Ltd	25.77	

(3). Important non-wholly-owned subsidiaries

1. Minority shareholders

Unit: RMB 10000

No.	Name	Minority shareholder share ratio	Profit and loss that belong to minority shareholders in the current period	Dividend paid to minority shareholders in the current period	Closing accumulated minority shareholder's equity
1	Huafa Inc.	70.43%	260,767.86	60,723.06	9,057,709.95

2. Main financial information

Unit: RMB

Item	Hua Inc.,	
	Closing/2023	Opening/2022
Current assets	387,106,066,833.43	351,703,318,475.45
Non-current assets	64,593,346,838.04	51,895,257,455.83
Total assets	451,699,413,671.47	403,598,575,931.28
Current liabilities	198,763,843,858.23	174,919,404,720.58
Non-current liabilities	121,236,012,741.46	119,507,262,322.64
Total liabilities	319,999,856,599.69	294,426,667,043.22
Operating income	72,144,909,943.75	60,446,879,717.26
Net profit	3,464,940,411.93	4,877,684,264.22
Total comprehensive income	3,649,561,446.74	4,517,806,833.17
Cash flow of operating activities	50,543,848,009.60	38,546,311,496.45

(4) Former subsidiaries no longer included into the scope of consolidation in the current period

No.	Name of enterprise	Place of registration	Business nature	The reason for being no longer a subsidiary in the current period
1	Zhuhai Huafa Port Logistics Co., Ltd	Zhuhai	service	canceled
2	Guangdong Zhongcheng Information Technology Co., Ltd	Zhuhai	smart city	canceled
3	Shenzhen Huarong Boutique Urbanization Equity Investment Fund Partnership (limited liability partnership)	Shenzhen	equity investment management	canceled
4	Zhuhai Huaqing Development & Construction Co., Ltd	Zhuhai	project development & construction	canceled
5	Shenzhen Huarong Equity Investment Fund Management Co., Ltd	Shenzhen	fund management	canceled
6	Zhuhai Huafa Huachan Advanced Semiconductor Research Institute Co., Ltd	Zhuhai	technical promotion and application service	canceled
7	Huachan Photoelectronic Inc.	Wuhan	manufacture	loss of control right
8	Fujian Mindong Jiangong Investment Co., Ltd	Xiamen	construction	transfer
9	Zhuhai Huatai Construction Engineering Co., Ltd	Zhuhai	construction	canceled
10	Zhuhai Yuetai Construction Engineering Co., Ltd	Zhuhai	construction	canceled
11	Xiamen Minyi Construction Engineering Co., Ltd	Xiamen	construction	transfer
12	Shenzhen Weiye Zhicheng Investment Partnership (Limited Partnership)	Shenzhen	equity investment	canceled

No.	Name of enterprise	Place of registration	Business nature	The reason for being no longer a subsidiary in the current period
13	Shanxi Huafu Real Estate Co., Ltd	Taiyuan	real estate development	disposal
14	Zhuhai Huafa Limei Real Estate Development Co., Ltd	Zhuhai	real estate development	canceled
15	Shaoxing Huahong Real Estate Development Co., Ltd	Shaoxing	real estate development	canceled
16	Zhuhai Hi-tech District Ronghong Kindergarten	Zhuhai	education	disposal
17	Zhuhai Xiangzhou District Ronghong Waterfront Kindergarten	Zhuhai	pre-school education	disposal
18	Zhuhai Xiangzhou District Ronghong Villa Kindergarten	Zhuhai	pre-school education	disposal
19	Zhuhai Huafa Ronghong Kindergarten	Zhuhai	pre-school education	disposal
20	Zhuhai Huafa Huahui Investment Co., Ltd	Zhuhai	education service	disposal
21	Zhuhai Huafa Huaping Investment Co., Ltd	Zhuhai	education service	disposal
22	Zhuhai Huafa Huaheng Investment Co., Ltd	Zhuhai	education service	disposal
23	Zhuhai Doumen District Ronghong Kindergarten	Zhuhai	education	disposal
24	Zhuhai Huafa Fenghua Jingle Health Management Co., Ltd	Zhuhai	health management service	disposal
25	Zhuhai Huafa Huacheng Education Co., Ltd	Zhuhai	education service	disposal
26	Zhuhai Huafa Huayu Investment Co., Ltd	Zhuhai	education project investment	disposal
27	Zhuhai Huafa Huaxian Investment Co., Ltd	Zhuhai	education information consultancy	disposal
28	Zhuhai Huafa Jingle Elderly Service Co., Ltd	Zhuhai	Other service	disposal
29	Zhuhai Hengqin New Zone Huafa Ronghong High School Co., Ltd	Zhuhai	education service	disposal
30	Zhongshan Shaxi Rongfa Kindergarten	Zhongshan	education	disposal
31	Nanning Qingxiu District Ronghong Kindergarten	Nanning	pre-school education	disposal
32	Zhuhai Doumen District YishanJun Ronghui Kindergarten	Zhuhai	pre-school education	disposal
33	Zhuhai Huafa RongShiJie Travel Agency Co., Ltd	Zhuhai	travel service	disposal
34	Zhuhai Huafa Huatai Investment Co., Ltd	Zhuhai	education service	disposal
35	Taicang Jiaxun Technical Development Co., Ltd	Taicang	real estate development	disposal
36	Nanjing Huarong Decoration Engineering Co., Ltd	Nanjing	decoration	canceled

No.	Name of enterprise	Place of registration	Business nature	The reason for being no longer a subsidiary in the current period
37	Zhuhai Huarui Real Estate Development Co., Ltd	Zhuhai	real estate development	canceled
38	Zhuhai Huaheng Real Estate Development Co., Ltd	Zhuhai	real estate development	canceled
39	Zhuhai Huaxu Real Estate Development Co., Ltd	Zhuhai	real estate development	canceled
40	Zhuhai Huafa Jiale Real Estate Development Co., Ltd	Zhuhai	real estate development	canceled
41	Suzhou Huaheng Commercial Real Estate Co., Ltd	Suzhou	real estate development	loss of control right
42	Suzhou Huaheng Commercial Real Estate Co., Ltd	Suzhou	real estate development	loss of control right
43	Zhuhai Huafa Luyu Urban Upgrade Co., Ltd	Zhuhai	urban upgrade	disposal
44	Shandong Huazhuo Real Estate Co., Ltd	Qingdao	real estate development	canceled
45	Dalian Wanteng Real Estate Co., Ltd	Dalian	real estate development	loss of control right
46	Tianjin Longshun Jinan Real Estate Information Consultancy Co., Ltd	Tianjin	real estate development	disposal
47	Tianjin Jinyao Real Estate Co., Ltd	Tianjin	real estate development	disposal
48	Wuhan Huazhang Real Estate Development Co., Ltd	Wuhan	real estate development	loss of control right
49	Wuhan Huasheng Qianmao Real Estate Co., Ltd	Wuhan	real estate development	loss of control right
50	Guangzhou Haikun Wisdom Property Service Co., Ltd	Guangzhou	property service	loss of control right
51	Zhuhai Huafa Huaxu Investment Co., Ltd	Zhuhai	education service	disposal
52	Zhengzhou Jinyi Tongda Handphone Maintenance Co., Ltd	Zhengzhou	sales and maintenance of telecommunication equipment and accessories	canceled
53	Jiaxing Dijia Telecommunication Technology Co., Ltd	Jiaxing	retail and wholesale of telecommunication equipment	canceled
54	Tangshan Yutong Lingxun Telecommunication Terminal Technology Co., Ltd	Tangshan	retail and wholesale of telecommunication equipment	canceled
55	New World Elecktronic Technology Ltd	Bulgaria	retail and wholesale of telecommunication equipment	canceled
56	Beijing Shengduo Trading Co., Ltd	Beijing	retail and wholesale of telecommunication equipment	canceled

No.	Name of enterprise	Place of registration	Business nature	The reason for being no longer a subsidiary in the current period
57	Zhongshan Digitone Trading Co., Ltd	Zhongshan	retail and wholesale of telecommunication equipment	canceled
58	Xindiya Investment Co., Ltd	Singapore	finance	canceled
59	Spanish Digitone Co., Ltd	Spain	retail and wholesale of telecommunication equipment	canceled
60	XPHONE Electronics SL	Spain	retail and wholesale of telecommunication equipment	canceled
61	DPHONE RETAIL SRI	Rome	retail and wholesale of telecommunication equipment	canceled
62	DGTONE ETT SL	Spain	human resource management	canceled
63	Beijing Dixin Xianju Technology Co., Ltd	Beijing	technical consultancy service	canceled
64	Zhuhai Kechuang Hongyuan Investment Co., Ltd	Zhuhai	equity investment	transfer
65	Huachan Photoelectronic (Suzhou) Co., Ltd	Suzhou	manufacture	loss of control right
66	Huachan Photoelectronic (Zhejiang) Co., Ltd	Yiwu	manufacture	loss of control right
67	Yunnan Aquamarine Technology Co., Ltd	Yuxi	manufacture	loss of control right
68	HC Semitek Limited	Hong Kong	trading	loss of control right
69	Zhuhai Huahui Smart Manufacture Semiconductor Co., Ltd	Zhuhai	manufacture	loss of control right
70	Huachan Photoelectronic (Guangdong) Co., Ltd	Zhuhai	manufacture	loss of control right
71	Wuhan Juhua Smart Manufacture Technology Co., Ltd	Wuhan	research and experiment development	loss of control right

(5). Subsidiaries newly included into the scope of consolidation in the current period

No.	Name	Reason of inclusion
1	Zhuhai Huasheng New Energy Development Co., Ltd	establish
2	Zhuhai Huafa New Energy Technology and Engineering Research Institute Co., Ltd	establish
3	Zhuhai Huayu New Energy Construction Co., Ltd	establish
4	Zhuhai Huayao New Energy Construction Co., Ltd	establish
5	Zhuhai Huale Industry New Space Investment & Development Co., Ltd	merger of enterprises not under the same control
6	Luoding Huayi New Energy Development Co., Ltd	establish
7	Zhuhai Central Station Urban Development & Construction Co., Ltd	establish
8	Zhuhai Huahuan Construction Management Co., Ltd	establish
9	Founder Technology Group Inc. (Founder Technology)	merger of enterprises not under the same control

Zhuhai Huafa Group Co., Ltd (Consolidated)
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No.	Name	Reason of inclusion
10	Huafa Investment Holding 2022 I Co., Ltd	establish
11	Huajin (Macao) One Man Co., Ltd	establish
12	Huafa Investment Holding (Hong Kong) Company Limited	establish
13	Zhuhai Technology Venture Capital Co., Ltd	transfer
14	Zhuhai Kechuang Haisheng Venture Capital Fund Management Co., Ltd	transfer
15	Zhuhai Kechuang Hengrui Investment Co., Ltd	transfer
16	Zhuhai Kechuang Hongyuan Investment Co., Ltd	transfer
17	Zhuhai Kechuang Zhiyuan Investment Co., Ltd	transfer
18	Zhuhai Kechuang Haiyuan Investment Partnership (Limited Partnership)	transfer
19	Kechuang Fengyuan (International) Investment Consulting Co., Ltd	transfer
20	Kechuang Huatong (International) Equity Investment Co., Ltd	transfer
21	Zhuhai International Exchange Center Co., Ltd	transfer
22	Wuxi Huafa Sports Operation & Management Co., Ltd	establish
23	Zhuhai Huayu Development & Construction Co., Ltd	establish
24	Zhuhai Huazhang Development & Construction Co., Ltd	establish
25	Zhuhai Binxing Development & Construction Co., Ltd	establish
26	Zhuhai Tingxing Development & Construction Co., Ltd	establish
27	Zhuhai Lingxing Development & Construction Co., Ltd	establish
28	Zhuhai Yixing Development & Construction Co., Ltd	establish
29	Zhuhai Aoyue Energy Co., Ltd	merger of enterprises not under the same control
30	Zhuhai Huidafeng Power Development (Group) Co., Ltd	merger of enterprises not under the same control
31	Zhuhai Hengyuan Power Construction Co., Ltd	merger of enterprises not under the same control
32	Zhuhai Doumen District Power Construction Co., Ltd	merger of enterprises not under the same control
33	Zhuhai Power Construction Engineering Co., Ltd	merger of enterprises not under the same control
34	Guangdong Guangda Electrical Co., Ltd	merger of enterprises not under the same control
35	Zhuhai Kangtaiming Transmission and Transformation Engineering Co., Ltd	merger of enterprises not under the same control
36	Zhuhai Power Engineering Supervision Co., Ltd	merger of enterprises not under the same control
37	Zhuhai Power Design Institute Co., Ltd	merger of enterprises not under the same control
38	Guangdong Jiahe Real Estate Investment Co., Ltd	merger of enterprises not under the same control
39	Zhuhai Zhongnan Jingze Real Estate Co., Ltd	merger of enterprises not under the same control
40	Guangdong Jiahe Property Service Co., Ltd	merger of enterprises not under the same control
41	Guangyuan Electromechanical Co., Ltd	merger of enterprises not under the same control
42	Zhuhai Anxin Housing Lease Co., Ltd	establish
43	Zhuhai Qixing Development & Construction Co., Ltd	establish
44	Zhuhai Huahe Ecological Technology Co., Ltd	establish
45	Hefei Shufa New Energy Co., Ltd	establish
46	Zhuhai Huayi New Energy Construction Co., Ltd	establish
47	Zhongshan Huaxu New Energy Development Co., Ltd	establish
48	Zhuhai Huaping New Energy Development Co., Ltd	establish

No.	Name	Reason of inclusion
49	Green Investment Co., Ltd	merger of enterprises not under the same control
50	Shantou Huafa International Conference and Exhibition Management Co., Ltd	establish
51	Meizhou Huafa Modern Agricultural Technology Co., Ltd	establish
52	Zhuhai Huacheng Ruiying Investment Partnership (Limited Partnership)	establish
53	Zhuhai Fund III Industrial Investment Partnership (Limited Partnership)	establish
54	Meizhou Huafa New Energy Development Co., Ltd	establish
55	Zhuhai Hengqin Zhuhua Yueheng Industry New Space Investment Partnership	establish
56	Huafa Modern Service (Macao) Co., Ltd	establish
57	Zhuhai Hengqin Huafa Modern Service Operation & Management Co., Ltd	establish
58	Zhuhai Zhengqin Engineering Technology Co., Ltd	establish
59	Shanghai Hailan Chengjian Development & Construction Co., Ltd	establish
60	Zhuhai Huafa Liangang Development & Construction Co., Ltd	establish
61	Jiangsu Lianjing Construction Engineering Co., Ltd	merger of enterprises not under the same control
62	Zhuhai Weiye Meihua Architectural Design Co., Ltd	merger of enterprises not under the same control
63	Guangku Thailand Co., Ltd	establish
64	Suzhou Xinhuaheng Construction & Development Co., Ltd	merger of enterprises not under the same control
65	Xi'an Zitao Real Estate Co., Ltd	merger of enterprises not under the same control
66	Chengdu Huayi Lianhong Real Estate Development Co., Ltd	establish
67	Zhuhai Huafa Business Operation Management Co., Ltd	establish
68	Zhanjiang Runsheng Shifang Business Investment Co., Ltd	merger of enterprises not under the same control
69	Shenzhen Ronghua Real Estate Investment Co., Ltd	merger of enterprises not under the same control
70	Chengdu Huazhuo Lianhong Real Estate Development Co., Ltd	establish
71	Xi'an Qujiang Huafu Real Estate Co., Ltd	establish
72	Chengdu Jinjiang Huafa Huajin Real Estate Consultancy Co., Ltd	establish
73	Suzhou Changhongyuan Real Estate Co., Ltd	establish
74	Zhuhai Huaben Investment Co., Ltd	establish
75	Zhuhai Huayuan Investment Co., Ltd	establish
76	Zhuhai Huaying Investment Co., Ltd	establish
77	Xi'an Huafa Business Operation & Management Co., Ltd	establish
78	Guangzhou Huayang Real Estate Development Co., Ltd	establish
79	Hangzhou Huamao Real Estate Co., Ltd	establish
80	Hangzhou Hualing Real Estate Co., Ltd	establish
81	Shanghai Xujing Real Estate Development Co., Ltd	establish
82	Guangzhou Huazhi Real Estate Development Co., Ltd	establish
83	Chengdu Huamao Lianhong Real Estate Development Co., Ltd	establish
84	Xi'an Huaqu Lijun Real Estate Co., Ltd	establish
85	Shenzhen Huakun Real Estate Development Co., Ltd	establish
86	Shenzhen Rongchuan Real Estate Development Co., Ltd	establish
87	Chengdu Huarui Lianhong Real Estate Development Co., Ltd]	establish
88	Shenzhen Pengchuang Real Estate Investment Co., Ltd	establish

No.	Name	Reason of inclusion
89	Zhuhai Huaxun Business Consultancy Co., Ltd	establish
90	Zhuhai Hualan Business Consultancy Co., Ltd	establish
91	Zhuhai Huaheng Business Consultancy Co., Ltd	establish
92	Shenzhen Huafa Ice and Snow City Business Operation Co., Ltd	establish
93	Zhuhai Hualu Business Consultancy Co., Ltd	merger of enterprises not under the same control
94	Zhuhai Huayue Business Consultancy Co., Ltd	merger of enterprises not under the same control
95	Zhuhai Huaye Business Consultancy Co., Ltd	merger of enterprises not under the same control
96	Zhuhai Huahan Business Consultancy Co., Ltd	merger of enterprises not under the same control
97	Zhuhai Huachen Business Information Consultancy Co., Ltd	merger of enterprises not under the same control
98	Zhuhai Huawo Business Information Consultancy Co., Ltd	merger of enterprises not under the same control
99	Zhuhai Zizhucheng Business Operation & Management Co., Ltd	merger of enterprises not under the same control
100	Zhuhai Huaze Business Information Consultancy Co., Ltd	merger of enterprises not under the same control
101	Zhuhai Huapeng Business Consultancy Co., Ltd	merger of enterprises not under the same control
102	Zhuhai Huazhen Business Consultancy Co., Ltd	merger of enterprises not under the same control
103	Guangzhou Huachao Consultancy Co., Ltd	merger of enterprises not under the same control
104	Guangyao Zhixin Xiaofeng (Shenzhen) Investment Co., Ltd	merger of enterprises not under the same control
105	Guangyao Zhixin Xialing (Shenzhen) Investment Co., Ltd	merger of enterprises not under the same control
106	Changsha Tianrun Zhiyue Real Estate Development Co., Ltd	merger of enterprises not under the same control
107	Shanghai Xinpu East Bank Real Estate Co., Ltd	merger of enterprises not under the same control
108	Shanghai Beiyue Real Estate Development Co., Ltd	establish
109	Taizhou Fangyuan Tianyue Enterprise Management Co., Ltd	merger of enterprises not under the same control
110	Hangzhou Huashang Real Estate Co., Ltd	establish
111	Zhuhai Huafa New City Real Estate Co., Ltd	merger of enterprises not under the same control
112	Guangzhou Huafa Business Planning Co., Ltd	establish
113	Chengdu Huayou Lianhong Real Estate Development Co., Ltd	establish
114	Zhuhai Huayu Business Consultancy Co., Ltd	establish
115	Hangzhou Fangyuan Huaguan Real Estate Co., Ltd	merger of enterprises not under the same control
116	Shanghai Jingcheng Real Estate Development Co., Ltd	establish
117	Shaoxing Huafa Business Operation & Management Co., Ltd	establish
118	Nanjing Huakuo Real Estate Co., Ltd	establish
119	Zhuhai Huamian Information Consultancy Co., Ltd	establish
120	Zhuhai Hualing Commercial Service Co., Ltd	establish
121	Zhuhai Huachong Business Consultancy Co., Ltd	establish
122	Zhuhai Hengqin Huaxin Ruixing Investment Partnership (Limited Partnership)	merger of enterprises not under the same control
123	Zhuhai Huashu Real Estate Development Co., Ltd	establish
124	Hangzhou Huazhao Real Estate Co., Ltd	establish
125	Nanjing Huachen Real Estate Co., Ltd	establish
126	Zhuhai Huafa Household Furniture Co., Ltd	establish

No.	Name	Reason of inclusion
127	Zhuhai Huashao Real Estate Development Co., Ltd	establish
128	Zhuhai Huawei Real Estate Development Co., Ltd	establish
129	Shanghai Huaru Business Consultancy Co., Ltd	establish
130	Zhuhai Huachang Business Consultancy Co., Ltd	establish
131	Zhuhai Huaya Real Estate Co., Ltd	establish
132	Taicang Huahao Business Consultancy Co., Ltd	establish
133	Wuhan Huazhe Real Estate Development Co., Ltd	establish
134	Nanjing Lvbocheng Real Estate Co., Ltd	establish
135	Nanjing Huayue Real Estate Co., Ltd	establish
136	Shanghai Xiangcheng Real Estate Development Co., Ltd	establish
137	Taicang Huatuo Business Consultancy Co., Ltd	establish
138	Xi'an Zihai Real Estate Co., Ltd	merger of enterprises not under the same control
139	Xi'an Huafa Lijun Property Management Service Co., Ltd	establish
140	Beijing Huayuan Property Service Co., Ltd	establish
141	Zhuhai Hi-tech Huafa F&B Management Service Co., Ltd	establish
142	Zhuhai Jinwan District Huafa F&B Operation Co., Ltd	establish
143	Huafa Property Service (Liaoning) Co., Ltd	establish
144	Huafa Property Operation & Management (Guangzhou) Co., Ltd	establish
145	Huafa Property Service (Shanghai) Co., Ltd	establish
146	Zhuhai Huafa Huaxu Investment Co., Ltd	merger of enterprises not under the same control
147	Huashi Zhongjian New Technology (Hong Kong) Co., Ltd	establish
148	Beijing Dihua Zongfa New Energy Automobile Co., Ltd	establish
149	Guangzhou Huadi New Energy Automobile Co., Ltd	establish
150	Zhuhai Huamao Telecommunication Technology Co., Ltd	establish
151	Ningbo Wudi Trading Co., Ltd	establish
152	Kashi Huadi Zhilian International Trading Co., Ltd	establish
153	Khorgos Zonglian International Trading Co., Ltd	establish
154	Zhuhai Huadi New Energy Automobile Co., Ltd	establish
155	Fuyang Fadi New Energy Technical Development Co., Ltd	establish
156	Jingzhou Yitongda Telecommunication Equipment Co., Ltd	establish
157	Jingzhou Gong'an County Langli Telecommunication Equipment Co., Ltd	establish
158	Shaoxing Yuejia Trading Co., Ltd	establish
159	Shiyan Maojian District Yida Langxin Telecommunication Equipment Co., Ltd	establish
160	Dongguan Digitone Trading Co., Ltd	establish
161	Ezhou Langli Telecommunication Equipment Co., Ltd	establish
162	Hubei Wan'aoze New Energy Co., Ltd	establish
163	Hubei Huadi New Energy Co., Ltd	establish
164	Sanmenxia Huadi Trading Co., Ltd	establish
165	Shanghai Yanzhong Office Supply Industry Co., Ltd	merger of enterprises not under the same control
166	Shanghai Founder Yanzhong Office Supply Co., Ltd	merger of enterprises not under the same control
167	Shanghai Beida Founder Technology Computer System Co., Ltd	merger of enterprises not under the same control

No.	Name	Reason of inclusion
168	Shanghai Founder Technology (Hong Kong) Co., Ltd	merger of enterprises not under the same control
169	Shenzhen Founder Information System Co., Ltd	merger of enterprises not under the same control
170	Beijing Founder Technology Information Product Co., Ltd	merger of enterprises not under the same control
171	Zhuhai Founder Printed Circuit Board Development Co., Ltd	merger of enterprises not under the same control
172	Jiangxi Xinlongjia Telecommunication Service Co., Ltd	merger of enterprises not under the same control
173	Chongqing Founder Gaomi Electronic Co., Ltd	merger of enterprises not under the same control
174	Zhuhai Founder Technology Gaomi Electronic Co., Ltd	merger of enterprises not under the same control
175	Zhuhai Founder Technology Multi-layer Circuit Board Co., Ltd	merger of enterprises not under the same control
176	Zhuhai Founder Printed Circuit Board (Hong Kong) Development Co., Ltd	merger of enterprises not under the same control
177	Founder PCB UBA	merger of enterprises not under the same control
178	Hangzhou Founder Suneng Technology Co., Ltd	merger of enterprises not under the same control
179	Founder Technology (Singapore) Co., Ltd	merger of enterprises not under the same control
180	Zhuhai Huanxin Founder Technology Co., Ltd	establish
181	Beijing Fangke Smart Manufacture Technology Co., Ltd	establish
182	IFound PCB (Thailand) Co., Ltd	establish

(6) Merger of enterprises under the same control that happen in the current period

Company	Date of merger	Book net asset	Transaction price	Actual controller	Situation from the opening day to the day of merger			
					Income	Net profit	Net increase of cash	Net cash flow from operating activities
Zhuhai Technology Venture Capital Co, Ltd	2023.1.1	2,259,229,928.22	free transfer	Zhuhai State Asset Supervision and Administration Commission				

(7) Merger of enterprises not under the same control in the current period

Name of acquired	When equity is acquired	Cost of equity acquisition	Share ratio (%)	Equity acquisition method	Date of acquisition	Basis to determine the date of acquisition	Income of the acquired from the date of acquisition to end of the period	Net profit of the acquired from the date of acquisition to end of the period	Cash flow of the acquired from the day of purchase to end of the period
Shenzhen Ronghua Real Estate Investment Co., Ltd	2023/1/3	3,570,000,000.00	51.00	Equity purchase	2023/1/3	Obtain the control right actually	1,129,571.07	-141,259,511.47	2,293,545,705.33
Suzhou Xinhuheng Construction & Development Co., Ltd	2023/2/7	149,700,000.00	57.00	Increase capital and expand shares	2023/2/7	Obtain the control right actually	451,717.63	-18,665,387.23	600,994,822.83
Zhanjiang Runsheng Shifang Business Investment Co., Ltd	2023/2/10	755,410,000.00	100.00	Equity purchase	2023/2/10	Obtain the control right actually		-340.00	-340.00
Changsha Tianrun Zhiyue Real Estate Development Co., Ltd	2023/6/6	708,690,000.00	100.00	Equity purchase	2023/6/6	Obtain the control right actually		-7,112,956.23	104,427,427.21
Zhuhai Huafa New City Real Estate Co., Ltd	2023/7/13	224,984,670.50	45.00	Equity purchase	2023/7/13	Obtain the control right actually	-489,697.33	-7,834,936.90	-5,289,543.43
Taizhou Fangyuan Tianyue Enterprise Management Co., Ltd	2023/9/2	737,872,740.00	41.41	Increase capital and expand shares	2023/9/2	Obtain the control right actually		-16,516,115.51	1,109,225,631.21
Zhuhai Aoyue Energy Co., Ltd	2023/12/1	1,110,819,900.00	51.00	Equity purchase	2023/12/1	Obtain the control right actually	291,829,756.35	-19,945,170.54	29,980,065.43
Founder Technology	2023/4/1	1,567,189,063.02	23.50	Equity purchase	2023/4/1	Obtain the control right actually	2,468,090,189.38	145,736,390.51	428,534,890.16

1. Merger cost and goodwill

Merger cost	Shenzhen Ronghua Real Estate Investment Co., Ltd	Suzhou Xinhuaheng Construction & Development Co., Ltd	Zhanjiang Runsheng Shifang Business Investment Co., Ltd	Changsha Tianrun Zhiyue Real Estate Development Co., Ltd
Cash	2,082,165,802.84	149,700,000.00	105,505,099.67	708,690,000.00
Fair value of non-cash asset			649,904,900.33	
Fair value of issued or shouldered debt	1,487,834,197.16			
Fair value of issued equity securities				
Fair value of contingent consideration				
Fair value of equity (held before the purchase day) on the purchase day	3,430,000,000.00	277,695.88		
Other				
Total of merger cost	7,000,000,000.00	149,977,695.88	755,410,000.00	708,690,000.00
Minus: the share in fair value of identifiable net asset obtained	7,000,000,000.00	149,977,695.88	755,410,000.00	708,690,000.00
The amount that good will/merger cost is less than the share of the fair value of identifiable net asset obtained				

Continued

Merger cost	Zhuhai Huafa New City Real Estate Co., Ltd	Taizhou Fangyuan Tianyue Enterprise Management Co., Ltd	Zhuhai Aoyue Energy Co., Ltd	Funder Technology
Cash	191,236,970.00	737,872,740.00	1,110,819,900.00	1,567,189,063.02
Fair value of non-cash asset				
Fair value of issued or shouldered debt	33,747,700.50			
Fair value of issued equity securities				
Fair value of contingent consideration				

Merger cost	Zhuhai Huafa New City Real Estate Co., Ltd	Taizhou Fangyuan Tianyue Enterprise Management Co., Ltd	Zhuhai Aoyue Energy Co., Ltd	Funder Technology
Fair value of equity (held before the purchase day) on the purchase day	274,981,263.94			
Other				
Total of merger cost	499,965,934.44	737,872,740.00	1,110,819,900.00	1,567,189,063.02
Minus: the share in fair value of identifiable net asset obtained	499,965,934.44	737,872,740.00	633,131,016.49	869,247,942.58
The amount that good will/merger cost is less than the share of the fair value of identifiable net asset obtained			477,688,883.51	697,941,120.44

3. Identifiable assets and liabilities of the acquired on the day of acquisition

Item	Shenzhen Ronghua Real Estate Investment Co., Ltd		Suzhou Xinhuaheng Construction & Development Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Asset	15,652,709,164.28	15,591,609,311.78	1,836,035,508.62	1,836,035,508.62
Incl: Monetary capital	482,551.28	482,551.28	28,883,264.07	28,883,264.07
Prepayment	13,554.33	13,554.33		
Other receivable	952,104.46	952,104.46	616,835.00	616,835.00
Stock	15,566,327,959.28	15,505,228,106.78	1,564,901,369.50	1,564,901,369.50
Other current assets	64,588,634.18	64,588,634.18	241,634,040.05	241,634,040.05
Fixed asset	364,504.92	364,504.92		
Long-term deferred expense	1,556,247.89	1,556,247.89		
Deferred income tax asset	18,423,607.94	18,423,607.94		
liabilities	8,652,709,164.28	8,652,709,164.28	1,586,072,682.15	1,586,072,682.15
Notes payable	16,403,265.70	16,403,265.70		
Account payable	8,220,467,121.83	8,220,467,121.83		
Tax payable	384,979,338.14	384,979,338.14		
Other payable	30,859,438.61	30,859,438.61	783,661,571.04	783,661,571.04
Other current liabilities			2,411,111.11	2,411,111.11
Long-term loan			800,000,000.00	800,000,000.00

Item	Shenzhen Ronghua Real Estate Investment Co., Ltd		Suzhou Xinhuahe Construction & Development Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Net asset	7,000,000,000.00	6,938,900,147.50	249,962,826.47	249,962,826.47
Minus: minority shareholder's equity			99,985,130.59	99,985,130.59
Net asset obtained	7,000,000,000.00	6,938,900,147.50	149,977,695.88	149,977,695.88

Continued:

Item	Zhanjiang Runsheng Shifang Business Investment Co., Ltd		Changsha Tianrun Zhiyue Real Estate Development Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Asset	1,405,430,000.00	1,361,635,557.55	837,420,409.32	837,420,409.32
Incl: Monetary capital	42,057.22	42,057.22	5,244,324.26	5,244,324.26
Stock			123,486,085.06	123,486,085.06
Other current assets	649,924,900.33	649,924,900.33	708,690,000.00	708,690,000.00
Long-term equity investment	755,463,042.45	711,668,600.00		
Liabilities:	650,020,000.00	650,020,000.00	128,730,409.32	128,730,409.32
Tax payable			409.32	409.32
Other payable	650,020,000.00	650,020,000.00	128,730,000.00	128,730,000.00
Net asset	755,410,000.00	711,615,557.55	708,690,000.00	708,690,000.00
Minus: minority shareholder's equity				
Net asset obtained	755,410,000.00	711,615,557.55	708,690,000.00	708,690,000.00

Continued

Item	Zhuhai Huafa New City Real Estate Co., Ltd		Taizhou Fangyuan Tianyue Enterprise Management Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Asset	2,115,450,032.19	1,685,875,239.94	2,117,599,600.00	2,117,599,600.00
Incl: Monetary capital	11,098,786.60	11,098,786.60	9,999,600.00	9,999,600.00
Prepayment	127,494,057.63	127,494,057.63	325,600,000.00	325,600,000.00
Other receivable	10,658,691.35	10,658,691.35	1,782,000,000.00	1,782,000,000.00
Stock	1,954,082,181.80	1,524,507,389.55		

Item	Zhuhai Huafa New City Real Estate Co., Ltd		Taizhou Fangyuan Tianyue Enterprise Management Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Other current asset	1,466,394.83	1,466,394.83		
Fixed asset	5,814.10	5,814.10		
Long-term deferred expense	10,644,105.88	10,644,105.88		
Liabilities	1,615,484,097.75	1,615,484,097.75	335,600,005.00	335,600,005.00
Tax payable	292,168.26	292,168.26		
Other payable	925,876,839.03	925,876,839.03	335,600,005.00	335,600,005.00
Non-current liabilities due within one year	478,624,185.02	478,624,185.02		
Other current liabilities	980,970.85	980,970.85		
Long-term loan	205,773,000.00	205,773,000.00		
Deferred income tax liabilities	3,936,934.59	3,936,934.59		
Net asset	499,965,934.44	70,391,142.19	1,781,999,595.00	1,781,999,595.00
Minus: minority shareholder's equity			1,044,126,855.00	1,044,126,855.00
Net asset obtained	499,965,934.44	70,391,142.19	737,872,740.00	737,872,740.00

Continued:

Item	Zhuhai Aoyue Energy Co., Ltd		Funder Technology	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Asset	6,840,008,046.99	6,087,571,285.86	5,520,512,686.74	5,161,534,835.67
Incl: Monetary capital	1,659,583,616.84	1,659,583,616.84	807,038,709.54	807,038,709.54
Transaction financial asset			68,700.00	68,700.00
Notes receivable	9,452,377.94	9,452,377.94	6,567,555.15	6,567,555.15
Account receivable	705,116,490.06	705,116,490.06	501,868,692.32	501,868,692.32
Account receivable finance			138,173,401.13	138,173,401.13
Prepayment	100,725,957.00	100,725,957.00	8,349,589.89	8,349,589.89
Other receivable	1,487,401,613.71	1,487,401,613.71	441,233,213.31	441,233,213.31
Stock	877,953,838.11	877,953,838.11	480,085,153.78	480,085,153.78
Contract asset	616,146,520.65	616,146,520.65		

Item	Zhuhai Aoyue Energy Co., Ltd		Funder Technology	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Non-current asset due within one year			735,144.95	735,144.95
Other current asset	1,235,596.63	1,235,596.63	42,399,463.30	42,399,463.30
Long term receivable			1,924,284.48	1,924,284.48
Other non-current financial asset	15,300,000.00	15,300,000.00		
Other equity instrument investment			125,000.00	125,000.00
Investment real estate	784,031,247.97	359,388,051.31	302,830,811.01	97,073,808.84
Fixed asset	426,191,941.49	106,606,840.74	2,290,434,301.74	2,215,775,103.93
Construction in process	23,770,962.29	23,770,962.29	64,179,844.48	64,179,844.48
Use right asset	2,645,007.13	2,645,007.13	8,977,096.32	8,977,096.32
Intangible asset	30,760,515.14	22,552,051.42	148,000,391.84	69,438,740.75
Long-term deferred asset	30,607,983.91	30,607,983.91	138,562,447.12	138,562,447.12
Deferred income tax asset	69,084,378.12	69,084,378.12	133,948,675.10	133,948,675.10
Other non-current asset			5,010,211.28	5,010,211.28
Liabilities	5,430,454,472.37	5,242,345,282.09	1,821,585,271.49	1,731,840,808.72
Incl: short-term loan	236,135,000.00	236,135,000.00	302,344,220.39	302,344,220.39
Transaction financial liabilities			44,200.00	44,200.00
Notes payable	87,398,726.30	87,398,726.30	244,071,700.79	244,071,700.79
Account payable	881,320,264.81	881,320,264.81	584,004,270.37	584,004,270.37
Advance receipt			1,381,491.85	1,381,491.85
Contract liabilities	1,245,640,807.15	1,245,640,807.15	1,788,394.83	1,788,394.83
Payroll payable	154,208,341.83	154,208,341.83	51,606,280.05	51,606,280.05
Tax payable	190,463,808.74	190,463,808.74	8,754,372.42	8,754,372.42
Other payable	1,564,654,110.85	1,564,654,110.85	176,383,080.06	176,383,080.06
Non-current liabilities due within one year			5,615,583.35	5,615,583.35
Other current liabilities			10,520,300.39	10,520,300.39
Long-term loan	878,687,393.38	878,687,393.38		
Lease liabilities	3,450,483.00	3,450,483.00	4,445,781.80	4,445,781.80
Long-term payable			52,052,445.43	52,052,445.43
Anticipated liabilities			6,425,841.29	6,425,841.29
Deferred income			89,844,180.74	89,844,180.74
Deferred income tax liabilities	188,495,536.31	386,346.03	182,303,127.73	92,558,664.96

Item	Zhuhai Aoyue Energy Co., Ltd		Funder Technology	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Other non-current liabilities			100,000,000.00	100,000,000.00
Net asset	1,409,553,574.62	845,226,003.77	3,698,927,415.25	3,429,694,026.95
Minus: minority shareholder's equity	776,422,558.13	422,107,898.17	2,829,679,472.67	2,623,715,930.62
Net asset obtained	633,131,016.49	423,118,105.60	869,247,942.58	805,978,096.33

Method to determine the fair value of identifiable asset and liabilities

1). Huafa Inc.,s subsidiaries obtained the right of control on Suzhou Xinhuaeng Construction & Development Co., Ltd, Changsha Tianrun Zhiyue Real Estate Development Co., Ltd, and Taizhou Fangyuan Tianyue Enterprise Management Co., Ltd through capital increase and share expansion. The land under these subsidiaries has been obtained only for a short period and has not entered into substantive development yet. Thus, the fair value of identifiable assets and liabilities is determined based on the book value of such assets and liabilities.

Huafa Inc.'s subsidiaries obtained the right of control on Shenzhen Ronghua Real Estate Investment Co., Ltd, Zhanjiang Runcheng Shifang Commercial Investment Co., Ltd, and Zhuhai Huafa New City Real Estate Co., Ltd through equity acquisition and takes the fair value after evaluation as the book value of assets and liabilities.

2). The subsidiary Zhuhai Huafa Urban Operation Investment Holding Co., Ltd obtained 51% equity of Zhu'ai Aoyue Energy Co., Ltd through equity acquisition and took the evaluation on the benchmark date evaluation report for the acquisition as the foundation to recognize the fair value of identifiable asset and liabilities.

3). The subsidiary Huafa Technology acquired 23.50% equity of Founder Technology through equity acquisition and took the evaluation on the benchmark date evaluation report for the acquisition as the foundation to recognize the fair value of identifiable asset and liabilities.

VIII. Remarks on major items in the financial statement

1. Monetary capital

Item	Closing balance	Opening balance
Cash in hand	466,927.17	466,814.39
Bank deposit	49,440,229,134.09	53,559,051,051.12
Other monetary capital	3,079,707,111.71	2,569,018,942.95
Statutory deposit reserve with the Central Bank	1,702,500,000.00	2,122,000,000.00
Interbank deposit and deposit with other financial	10,602,041,497.87	8,356,535,355.02

Item	Closing balance	Opening balance
institutions		
Future margin deposit	2,846,722,035.87	2,058,080,620.81
Total	67,671,666,706.71	68,665,152,784.29

The closing balance includes the undue interest of RMB128,243,859.46. The opening balance includes the undue interest of RMB104,615,279.74.

Its subsidiary Zhuhai Huafa Group Financial Co., Ltd deposits the statutory deposit reserve and other restricted deposits into the People's Bank of China and the central banks where its overseas branches are located. Such deposits can't be used for daily operation. The statutory deposit reserve is mainly the statutory deposit reserve deposited into the People's Bank of China. The People's Bank of China has stipulated that the Renminbi deposit reserve rate for financial companies is 5% by 31st Dec. 2023.

Including: interbank deposit and deposit with other financial institutions:

Item	Closing balance	Opening balance
Domestic interbank deposit	10,604,238,260.71	8,358,039,802.18
Incl: interest payable	12,392,486.50	40,596,806.81
Subtotal	10,604,238,260.71	8,358,039,802.18
Minus: Impairment reserve	2,196,762.84	1,504,447.16
Total	10,602,041,497.87	8,356,535,355.02

Except for the monetary capital in a sum of RMB 8,115,975,579.02 in the form of notes margin, L/C bond, statutory deposit reserve deposited into the central banks, bond deposit, fixed term deposit and etc subject to restricted use, the balance is not subject to pledge, freezing or potential recovery risks by 31st Dec. 2023.

Below is details of restricted monetary capital by 31st Dec. 2023.

Item	Closing balance
Bank acceptance bill bond	2,411,506,490.44
L/C bond	629,027,907.35
Deposit with the Central Bank	1,702,500,000.00
Bond deposit	174,592,654.56
Term deposit certificate	1,313,286,824.41
Deposit in escrow account	1,287,825,450.71
Performance bond	5,412,122.76
Futures bond	261,349,875.93
Other restricted monetary capital	330,474,252.86
Total	8,115,975,579.02

2. Provision of settlement fund

(1) By type

Item	Closing balance	Opening balance
Client provision	172,722,293.07	176,550,065.57
Corporate provision	156,350,196.71	56,541,688.37
Total	329,072,489.78	233,091,753.94

Note: The closing balance includes undue interest of RMB 126,573.57 and the opening balance includes undue interest of RMB 120,368.11.

(2). By currency

Item	Closing balance			Opening balance		
	Original currency	Exchange rate	Renminbi	Original currency	Exchange rate	Renminbi
Client general provision						
Incl: Renminbi	144,869,154.97	1.0000	144,869,154.97	141,352,571.71	1.0000	141,352,571.71
USD	756,123.07	7.0827	5,355,392.87	889,129.33	6.9646	6,192,430.13
HKD	579,644.43	0.90622	525,285.37	593,742.47	0.8933	530,372.34
Subtotal			150,749,833.21			148,075,374.18
Client's credit provision						
Incl: Renminbi	21,972,459.86	1.0000	21,972,459.86	28,474,691.39	1.0000	28,474,691.39
Subtotal			21,972,459.86			28,474,691.39
Total of client provision			172,722,293.07			176,550,065.57
Corporate provision						
Incl: Renminbi	156,350,196.71	1.0000	156,350,196.71	56,541,688.37	1.0000	56,541,688.37
Subtotal			156,350,196.71			56,541,688.37
Total of corporate provision			156,350,196.71			56,541,688.37
Total			329,072,489.78			233,091,753.94

(3). There is no provision of settlement fund subject to restricted use on 31st Dec. 2023.

3. Monetary bond receivable

Item	Closing balance	Opening balance
Shanghai Future Exchange	97,524,742.31	79,204,789.95
Zhengzhou Commodity Exchange	262,171,509.59	256,550,846.37
Dalian Commodity Exchange	253,505,752.47	203,495,781.67
China Financial Future Exchange	289,808,044.89	217,750,460.65

Item	Closing balance	Opening balance
Shanghai International Energy Transaction Center Inc.	65,923,867.09	85,844,884.45
Guangzhou Future Exchange Inc.	35,787,269.59	12,078,098.33
Seat interest	194,848.18	
Total	1,004,916,034.12	854,924,861.42

4. Pledge bond receivable

Item	Closing balance	Opening balance
Shanghai Future Exchange	278,728,160.00	218,026,112.00
Shanghai International Energy Transaction Center Inc.	9,653,920.00	16,035,200.00
Zhengzhou Commodity Exchange	7,920,640.00	2,342,400.00
Total	296,302,720.00	236,403,712.00

5. Outward deposit

(1) By type

Type	Closing balance	Opening balance
Transaction bond	134,493,708.88	58,105,580.17
Credit bond	4,462,872.45	6,053,257.59
Outward security bond		1,009,187.18
Total	138,956,581.33	65,168,024.94

(2) By currency

Item	Closing balance			Opening balance		
	In original currency	Exchange ratio	Renminbi	In original currency	Exchange ratio	Renminbi
Transaction bond						
Renminbi	132,624,038.18	1.0000	132,624,038.18	56,266,002.49	1.0000	56,266,002.49
USD	200,002.78	7.0827	1,416,559.69	200,003.06	6.9646	1,392,941.31
HKD	500,001.11	0.90622	453,111.01	500,001.53	0.8933	446,636.37
Subtotal			134,493,708.88			58,105,580.17
Credit bond						
Renminbi	4,462,872.45	1.0000	4,462,872.45	6,053,257.59	1.0000	6,053,257.59
Subtotal			4,462,872.45			6,053,257.59
Outward guarantee bond						
Renminbi				1,009,187.18	1.0000	1,009,187.18
Subtotal						1,009,187.18
Total			138,956,581.33			65,168,024.94

6. Fund lent

Item	Closing balance	Opening balance
Hengqin Huatong Financial Lease Co., Ltd	600,000,000.00	990,000,000.00
Subtotal	600,000,000.00	990,000,000.00
Minus: impairment reserve	432,000.00	712,800.00
Total	599,568,000.00	989,287,200.00

7. Fund under outward finance

(1) By type

Item	Closing balance	Opening balance
Fund lent for securities margin trading	2,252,229,265.78	2,341,541,317.24
Minus: impairment reserve	2,804,178.28	4,121,314.14
Total	2,249,425,087.50	2,337,420,003.10

(2) By entities

Item	Closing balance	Opening balance
Individual	1,412,991,597.87	1,430,016,132.76
Institutions	839,237,667.91	911,525,184.48
Subtotal	2,252,229,265.78	2,341,541,317.24
Minus: Impairment reserve	2,804,178.28	4,121,314.14
Total	2,249,425,087.50	2,337,420,003.10

(3) By age

Age	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
<1 month	302,144,966.25	13.42	331,412,530.66	14.15
1-3 months	348,377,147.37	15.47	237,951,693.54	10.16
3-6 months	213,339,081.02	9.47	751,765,523.41	32.11
6 months-1 year	425,842,738.24	18.91	377,766,664.80	16.13
>1 year	962,525,332.90	42.73	642,644,904.83	27.45
Subtotal	2,252,229,265.78	100.00	2,341,541,317.24	100.00
Minus: impairment reserve	2,804,178.28		4,121,314.14	
Total	2,249,425,087.50		2,337,420,003.10	

(2) Fair value of collateral

Type of collateral	Closing fair value	Opening fair value
Stock	5,740,229,189.27	5,958,842,083.55
Capital	156,736,544.16	373,133,293.02
Fund	82,464,366.70	69,250,036.27
Bond	5,177,649.04	1,371,100.29
Total	5,984,607,749.17	6,402,596,513.13

Note: Above collateral is the collateral for fund lent.

(5) Fund lent with commitment conditions

The Company has no fund under outward finance designated as collateral for the “sold for repurchase” business on 31st Dec. 2023.

8. Transaction financial asset

Item	Closing fair value	Opening fair value
Financial asset measured by fair value and with its change being included into the Current Profit and Loss.	5,182,019,806.71	6,411,238,735.48
Incl: debt instrument investment	3,329,343,885.47	3,388,720,893.72
equity instrument investment	1,168,393,461.74	1,402,175,270.71
Other	684,282,459.50	1,620,342,571.05
Total	5,182,019,806.71	6,411,238,735.48

The amount of bond investment pledged for “sold for repurchase” in the transaction financial assets of the Company was RMB 732,411,977.09, that for bond lending was RMB 292,612,615.00 and that for issuance of bank acceptance bill was RMB 443,376,613.70 by 31st Dec. 2023.

9. Derivative financial assets

Item	Closing balance			Opening balance		
	Non-hedging instrument			Non-hedging instrument		
	Nominal amount	Fair value		Nominal amount	Fair value	
Asset		Liabilities	Asset		Liabilities	
Income swap instrument	200,000,000.00			120,000,000.00		
Treasury bond futures	246,718,000.00			342,622,000.00		
Futures contract		29,659,781.70			37,746,491.20	
Total	446,718,000.00	29,659,781.70		462,622,000.00	37,746,491.20	

10. Notes receivables

(1) Notes by category

Type of notes	Closing balance			Opening balance		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
Bank acceptance bill	71,582,833.42		71,582,833.42	276,938,616.07		276,938,616.07
Commercial acceptance bill	33,138,335.87	1,263,486.94	31,874,848.93	56,200,137.50	3,310,723.87	52,889,413.63
Letter of credit	90,040,308.47		90,040,308.47			
Total	194,761,477.76	1,263,486.94	193,497,990.82	333,138,753.57	3,310,723.87	329,828,029.70

(2). Withdrawal of bad debt reserve

Notes receivable by the method to withdraw bad debt reserve

Type	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items					
Bad debt reserve withdrawn by combinations	194,761,477.76	100.00	1,263,486.94	0.65	193,497,990.82
Combination of commercial acceptance bill	33,138,335.87	17.02	1,263,486.94	3.81	31,874,848.93
Combination of bank acceptance bill	71,582,833.42	36.75			71,582,833.42
Combination of letter of credit	90,040,308.47	46.23			90,040,308.47
Total	194,761,477.76	100.00	1,263,486.94	0.65	193,497,990.82

Notes receivable by the method to withdraw bad debt reserve (continued)

Type	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items					
Bad debt reserve withdrawn by combinations	333,138,753.57	100.00	3,310,723.87	0.99	329,828,029.70
Combination of commercial acceptance bill	56,200,137.50	16.87	3,310,723.87	5.89	52,889,413.63
Combination of bank acceptance bill	276,938,616.07	83.13			276,938,616.07
Combination of letter of credit					
Total	333,138,753.57	100.00	3,310,723.87	0.99	329,828,029.70

(3) Bad debt reserve for notes receivable withdrawn, recovered or reversed in the current period

Type	Opening balance	Change in 2023				Closing balance
		Withdrawn	Increased from combination /reversed	Canceled	Decrease from combination	
Notes receivables for which anticipated credit loss is withdrawn by single-item						
Notes receivables for which anticipated credit loss is withdrawn by combinations	3,310,723.87	-2,033,074.76			14,162.17	1,263,486.94
Incl: combination of commercial acceptance bill	3,310,723.87	-2,033,074.76			14,162.17	1,263,486.94
Total	3,310,723.87	-2,033,074.76			14,162.17	1,263,486.94

(4) Closing balance of notes receivable already pledged

Type of notes	Closing balance already pledged
Bank acceptance bill	6,498,000.00
Letter of credit	59,928,164.05
Total	66,426,164.05

(5). Closing balance of notes receivable already endorsed or discounted but not due on the day of balance sheet

Type	Closing balance no longer recognized	Closing balance still recognized
Bank acceptance bill	28,575,279.68	48,543,685.76
Commercial acceptance bill		1,977,640.00
Total	28,575,279.68	50,521,325.76

(6). The closing balance of notes that are converted to account receivable since the issuer hasn't performed the contractual obligation

Type of notes	Closing balance of notes converted account receivable
Commercial acceptance bill	2,427,241.44

(5) . There is no notes receivable canceled after verification in the current period.

11. Account receivable

(1). By age

Age	Closing balance	Opening balance
less than 1 year	5,727,473,248.46	5,494,475,850.22
1 to 2 years	1,764,211,158.40	2,219,620,097.06
2 to 3 years	2,159,621,903.88	798,431,987.38
more than 3 years	3,191,510,092.05	2,473,495,206.83
Subtotal	12,842,816,402.79	10,986,023,141.49
Minus: bad debt reserve	2,195,045,483.73	1,219,644,651.98
Total	10,647,770,919.06	9,766,378,489.51

(2). Account receivable by the withdrawal method of bad debt reserve

Type	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items	578,576,015.84	4.51	553,505,782.13	95.67	25,070,233.71
Bad debt reserve withdrawn by combinations	12,264,240,386.95	95.49	1,641,539,701.60	13.38	10,622,700,685.35
Incl: combination of related parties	416,713,307.23	3.24			416,713,307.23
government payment	3,290,276,216.31	25.62	463,424.19	0.01	3,289,812,792.12
Combination of that within the Group	224,302,141.83	1.75			224,302,141.83
Combination of age	8,332,948,721.58	64.88	1,641,076,277.41	19.69	6,691,872,444.17
Total	12,842,816,402.79	100.00	2,195,045,483.73	17.09	10,647,770,919.06

Continued:

Type	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items	469,977,947.04	4.28	374,209,205.01	79.62	95,768,742.03

Type	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by combinations	10,516,045,194.45	95.72	845,435,446.97	8.04	9,670,609,747.48
Incl: combination of related parties	447,979,979.43	4.08			447,979,979.43
government payment	3,545,873,797.15	32.28	549,095.39	0.02	3,545,324,701.76
Combination of that within the Group	180,820,893.41	1.65			180,820,893.41
Combination of age	6,341,370,524.46	57.71	844,886,351.58	13.32	5,496,484,172.88
Total	10,986,023,141.49	100.00	1,219,644,651.98	11.10	9,766,378,489.51

Closing bad debt reserve withdrawn by single items

Debtor	Book balance	Bad debt reserve	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Hangzhou Founder Computer Information System Co., Ltd	114,235,602.72	114,235,602.72	100	difficult to recover as anticipated
Tianjin Founder Yanzhong Information System Co., Ltd	72,230,487.61	72,230,487.61	100	difficult to recover as anticipated
Beijing Founder Yanzhong Information System Co., Ltd	62,853,002.86	62,853,002.86	100	difficult to recover as anticipated
Chengdu Founder Information System Co., Ltd	37,588,904.69	37,588,904.69	100	difficult to recover as anticipated
Zhangjiajie Guanjun Real Estate Development Co., Ltd	29,448,888.88	29,448,888.88	100	difficult to recover as anticipated
Shenyang Founder Information System Co., Ltd	24,854,090.26	24,854,090.26	100	difficult to recover as anticipated
Xi'an Founder Information System Co., Ltd	20,105,280.27	20,105,280.27	100	difficult to recover as anticipated
Chongqing Founder Information System Co., Ltd	18,663,503.69	18,663,503.69	100	difficult to recover as anticipated
Shenzhen Huajiaye Real Estate Development Co., Ltd	12,378,205.38	6,189,102.70	50	amount anticipated to recover
Jinzhou Liaoxi Cancer Hospital Co., Ltd	10,248,651.82	8,198,921.46	80	amount anticipated to recover
Liuzhou Zeshen Investment Management Co., Ltd	10,090,820.00	10,090,820.00	100	difficult to recover as anticipated
Tianjin Haihang Architectural Design Co., Ltd	8,769,696.21	7,015,756.96	80	amount anticipated to recover
Wuhan Founder Information System Co., Ltd	7,968,122.77	7,968,122.77	100	difficult to recover as anticipated
Zhejiang Shengfeng Paper Co., Ltd	6,631,547.19	6,631,547.19	100	difficult to recover as anticipated

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Debtor	Book balance	Bad debt reserve	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Xinhe County Qiuci Cultural Museum	5,966,485.19	5,966,485.19	100	difficult to recover as anticipated
Caohu Baosheng Tourism Development Co., Ltd	5,047,686.35	5,047,686.35	100	difficult to recover as anticipated
Zhongtian City Investment Group Guiyang Real Estate Development Co., Ltd	5,047,393.81	4,037,915.05	80	amount anticipated to recover
Shanghai Zelun Petrochemical Co., Ltd	4,896,697.64	4,896,697.64	100	difficult to recover as anticipated
Zhuhai Weiyuehui F&B & Entertainment Co., Ltd	4,884,201.31	4,884,201.31	100	difficult to recover as anticipated
Henan Zhongli International Hotel Development Co., Ltd	4,518,000.00	2,259,000.00	50	amount anticipated to recover
Sanya Huayin Construction Engineering Co., Ltd	4,491,450.52	3,593,160.42	80	amount anticipated to recover
Xi'an Loushitong Network Technology Inc.	4,444,023.55	4,444,023.55	100	difficult to recover as anticipated
Wuhan Aoshan Donggao Real Estate Co., Ltd	3,874,644.56	3,099,715.65	80	amount anticipated to recover
Zhongtian City Investment Urban Construction Co., Ltd	3,843,446.90	1,921,723.49	50	amount anticipated to recover
Shenzhen Jianye Construction Decoration Engineering Co., Ltd	3,635,029.83	3,635,029.83	100	difficult to recover as anticipated
Chongqing Yagao Trading Inc.	3,584,225.00	3,584,225.00	100	difficult to recover as anticipated
Zhuhai Ruiye Bar Management Co., Ltd	3,378,565.12	3,378,565.12	100	difficult to recover as anticipated
Sanya Suokun Tour Development Co., Ltd Golden Phoenix Seaview Hotel	3,183,438.16	3,183,438.16	100	difficult to recover as anticipated
Foshan Nanhai Juncheng Real Estate Development Co., Ltd	2,904,414.94	2,904,414.94	100	difficult to recover as anticipated
Zhongtai Construction Group Inc.	2,791,299.21	2,233,039.37	80	amount anticipated to recover
Wanning Nanshan Rongchuang Industrial Co., Ltd	2,597,530.47	779,259.14	30	amount anticipated to recover
Zhongbei Runliang New Energy Automobile (Xuzhou) Inc.	2,489,224.14	2,489,224.14	100	difficult to recover as anticipated
Shanxi Yuyuan Real Estate Development Co., Ltd	2,450,000.00	1,960,000.00	80	amount anticipated to recover
Ganzhou Old Fruit Farmer Agricultural and Sideline Products Co., Ltd	2,321,260.00	2,321,260.00	100	difficult to recover as anticipated
Fujian Shengshi Lianbang Real Estate Development Co., Ltd	2,293,879.66	2,293,879.66	100	difficult to recover as anticipated
Shanghai Baolong Ruisheng Real Estate Development Co., Ltd	2,132,097.44	2,132,097.44	100	difficult to recover as anticipated
Gu'an Happy Base Asset Management Co., Ltd Subsidiary	2,116,528.39	2,116,528.39	100	difficult to recover as anticipated

Debtor	Book balance	Bad debt reserve	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Wuhan Modern Shangcheng Wanguofu Real Estate Co., Ltd	2,037,392.78	2,037,392.78	100	difficult to recover as anticipated
Xinjiang Baoneng Investment Co., Ltd	1,884,814.06	1,507,851.24	80	amount anticipated to recover
Anhui Public Benefit Project Construction Management Center	1,828,718.33	1,828,718.33	100	difficult to recover as anticipated
Guangzhou Key Public Construction Project Management Office	1,788,260.56	1,788,260.56	100	difficult to recover as anticipated
Shanxi Jinshi Electronic Co., Ltd	1,736,568.00	1,736,568.00	100	difficult to recover as anticipated
Hefei Suning Yuecheng Real Estate Co., Ltd	1,719,800.00	859,900.00	50	amount anticipated to recover
Huizhou Kanghong Real Estate Development Co., Ltd	1,715,993.93	1,715,993.93	100	difficult to recover as anticipated
Wuhan Center Building Development & Investment Co., Ltd	1,642,799.99	821,400.00	50	amount anticipated to recover
Anhui Anlian Education Equipment Co., Ltd	1,523,411.85	1,523,411.85	100	difficult to recover as anticipated
Huizhou Superpolymer Battery Co., Ltd	1,516,270.00	1,516,270.00	100	difficult to recover as anticipated
Skytech Europe GmbH	1,490,154.71	1,490,154.71	100	difficult to recover as anticipated
Huizhou Tangpu Industry Co., Ltd	1,415,272.54	707,636.27	50	amount anticipated to recover
Mingjing Real Estate (Shenyang) Co., Ltd	1,355,200.00	1,355,200.00	100	difficult to recover as anticipated
Hunan Xinweicheng Information Technology Co., Ltd	1,256,459.00	1,256,459.00	100	difficult to recover as anticipated
China Huadian Group Beijing Fuel Logistics Co., Ltd Qinhuangdao Branch	1,200,000.00	1,200,000.00	100	difficult to recover as anticipated
Anhui Hurong Trading Co., Ltd	1,189,945.00	1,189,945.00	100	difficult to recover as anticipated
Zhengzhou Founder Shangqi Technology Co., Ltd	1,186,414.00	1,186,414.00	100	difficult to recover as anticipated
Henan Yuanfang Trading City Development Co., Ltd	1,166,458.12	1,166,458.12	100	difficult to recover as anticipated
Zhongtian City Investment Group Guiyang International Finance Center Co., Ltd	1,020,193.86	816,155.09	80	amount anticipated to recover
Henan Baotingyi Fountain Holiday Resort Co., Ltd	996,000.00	996,000.00	100	difficult to recover as anticipated
Guangxi Zhongheng Weiye Trading Co., Ltd	982,953.81	982,953.81	100	difficult to recover as anticipated
Anhui Shenshan Tourism Development Co., Ltd	905,996.00	905,996.00	100	difficult to recover as anticipated
Longguang Engineering Construction Co., Ltd	880,196.26	880,196.26	100	difficult to recover as anticipated
Xi'an Hualin Electronic Technology Co., Ltd	869,217.50	869,217.50	100	difficult to recover as anticipated
Guangzhou Hongfang Network Technology Co., Ltd	836,256.00	836,256.00	100	difficult to recover as anticipated
Beijing Times Dragon Technology Co., Ltd	832,359.00	832,359.00	100	difficult to recover as anticipated

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Debtor	Book balance	Bad debt reserve	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Hebei Lingmei Information Technology Co., Ltd	799,636.00	799,636.00	100	difficult to recover as anticipated
Shenzhen Zhonglin Industrial Development Co., Ltd	795,825.02	397,912.51	50	amount anticipated to recover
Jiangsu Zhihang New Energy Co., Ltd	768,000.00	768,000.00	100	difficult to recover as anticipated
Xining Yining Science Education Equipment Co., Ltd	750,750.00	750,750.00	100	difficult to recover as anticipated
Zhejiang Antenna Technology Co., Ltd	740,807.30	740,807.30	100	difficult to recover as anticipated
Yudu County Museum	687,913.66	687,913.66	100	difficult to recover as anticipated
Sanya Xi Island Dazhou Tourism Co., Ltd	654,499.90	654,499.90	100	difficult to recover as anticipated
Chongqing Jingyoude Technology Co., Ltd	648,531.00	648,531.00	100	difficult to recover as anticipated
Hanzhong Xiangyu Science Education Equipment Co., Ltd	640,000.00	640,000.00	100	difficult to recover as anticipated
Zhuhai Maoye Merchandise Co., Ltd	605,905.43	605,905.43	100	difficult to recover as anticipated
Guangzhou Pengkang Real Estate Development Co., Ltd	597,779.03	298,889.52	50	amount anticipated to recover
Jiangxi Hezhixin Investment Co., Ltd	591,763.93	295,881.97	50	amount anticipated to recover
Jiangsu Antenna Wuyou Information Technology Co., Ltd	591,735.90	591,735.90	100	difficult to recover as anticipated
Guangzhou Weidu Computer Technology Co., Ltd	588,986.00	588,986.00	100	difficult to recover as anticipated
Nanjing Baolong Kangjun Real Estate Development Co., Ltd	560,441.61	560,441.61	100	difficult to recover as anticipated
Nanjing Suning Xianlin Real Estate Co., Ltd	544,411.82	272,205.92	50	amount anticipated to recover
Shanxi Architectural Engineering (Group) Co., Ltd Anhui Branch	519,357.79	519,357.79	100	difficult to recover as anticipated
Hubei Aerospace Information Technology Co., Ltd	518,218.00	518,218.00	100	difficult to recover as anticipated
Lijing Lixi Hotel Co., Ltd	509,750.49	254,875.25	50	amount anticipated to recover
Beijing Jiahezi Culture Co., Ltd	492,341.16	393,872.93	80	amount anticipated to recover
Yunan Heyue Zongbang Hotel Management Co., Ltd	487,500.00	487,500.00	100	difficult to recover as anticipated
Shenzhen Xinqiyuan Industrial Development Co., Ltd	481,105.99	240,553.00	50	amount anticipated to recover
Suzhou Heweide Smart Chemical Engineering Co., Ltd	401,650.00	401,650.00	100	difficult to recover as anticipated
Hainan Kangxin Hi-tech Co., Ltd	400,606.00	400,606.00	100	difficult to recover as anticipated
Liaocheng Sanmu Network Technology Co., Ltd	396,000.00	396,000.00	100	difficult to recover as anticipated

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Debtor	Book balance	Bad debt reserve	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Changzhou Lantai Computer System Integration Co., Ltd	388,894.25	388,894.25	100	difficult to recover as anticipated
Zhongtian City Investment Group Co., Ltd	360,089.60	189,044.80	52.5	amount anticipated to recover
Guangxi Tianshou Information Technology Co., Ltd	355,930.00	355,930.00	100	difficult to recover as anticipated
Shanghai Haidong Real Estate Development Co., Ltd	314,963.00	314,963.00	100	difficult to recover as anticipated
Guangxi Zhenghe Yuanfeng Technology Co., Ltd	309,700.00	309,700.00	100	difficult to recover as anticipated
Hefei Hongji Electronic Co., Ltd	272,728.00	272,728.00	100	difficult to recover as anticipated
Shandong Lianke Cloud Computing Technology Co., Ltd	252,572.00	252,572.00	100	difficult to recover as anticipated
Taishan Yihe Spring City Real Estate Development Co., Ltd	250,424.60	200,339.68	80	amount anticipated to recover
Beijing Tianrui Tongda Technology Co., Ltd	249,052.00	249,052.00	100	difficult to recover as anticipated
Nancang Shuntai Real Estate Co., Ltd	246,680.78	123,340.41	50	amount anticipated to recover
Beijing Pailixin Technology Co., Ltd	239,802.00	239,802.00	100	difficult to recover as anticipated
Hangzhou Jitong Technology Co., Ltd	218,957.00	218,957.00	100	difficult to recover as anticipated
Hebei Aixinnuo Electronic Technology Co., Ltd	201,941.00	201,941.00	100	difficult to recover as anticipated
Huai'an Baolong Construction & Development Co., Ltd	194,519.18	194,519.18	100	difficult to recover as anticipated
Beijing Zhongheng Chengda Technology Co., Ltd	181,665.00	181,665.00	100	difficult to recover as anticipated
Wuhan Jinsai Technology Trading Co., Ltd	180,012.00	180,012.00	100	difficult to recover as anticipated
Shenzhen City Development Research Center	171,761.80	171,761.80	100	difficult to recover as anticipated
Shanghai Aoshan Industrial Co., Ltd	170,693.41	136,554.73	80	amount anticipated to recover
Shanghai Weishuo Information Technology Co., Ltd	169,523.67	169,523.67	100	difficult to recover as anticipated
Zhongtian City Investment Group Guiyang International Finance Center Co., Ltd	159,000.00	127,200.00	80	amount anticipated to recover
Nancang New Image Display Technology Co., Ltd	154,386.00	154,386.00	100	difficult to recover as anticipated
Hunan Mingsheng Information Technology Co., Ltd	147,198.00	147,198.00	100	difficult to recover as anticipated
Beijing Boxin Hengda Technology Co., Ltd	118,681.00	118,681.00	100	difficult to recover as anticipated
Guangzhou Henglian Information Technology Co., Ltd	117,912.00	117,912.00	100	difficult to recover as anticipated

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Debtor	Book balance	Bad debt reserve	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Gansu Dingtai Huasen Real Estate Development Co., Ltd	115,508.00	115,508.00	100	difficult to recover as anticipated
Henan Shangrong Trading Co., Ltd	114,714.00	114,714.00	100	difficult to recover as anticipated
Nanyang Haojie Computer Network Equipment Co., Ltd	112,300.00	112,300.00	100	difficult to recover as anticipated
Hebei Duofan Technology Co., Ltd	108,000.00	108,000.00	100	difficult to recover as anticipated
Wuhan Zhuoyitong Supply Chain Management Co., Ltd	105,957.90	105,957.90	100	difficult to recover as anticipated
Liaoning Junzhuo Technology Co., Ltd	98,886.90	98,886.90	100	difficult to recover as anticipated
Shanghai Baolong Zhanfei Real Estate Development Co., Ltd	98,447.81	98,447.81	100	difficult to recover as anticipated
Shandong Shili Hecheng Electronic Technology Co., Ltd	98,000.00	98,000.00	100	difficult to recover as anticipated
Beijing Huicheng Hongye Technology Co., Ltd	96,660.00	96,660.00	100	difficult to recover as anticipated
Nancang Lizhou Real Estate Co., Ltd	96,416.60	48,208.31	50	amount anticipated to recover
Anhui Hongfeng Kerui Information Technology Co., Ltd	94,122.00	94,122.00	100	difficult to recover as anticipated
Urumqi Xinhui Mingke Digital Technology Co., Ltd	93,520.00	93,520.00	100	difficult to recover as anticipated
Khorgos Wanda Education Technology Co., Ltd Nancang Xihu Branch	90,714.27	90,714.27	100	difficult to recover as anticipated
Henan Jianda Engineering Construction Co., Ltd	89,329.11	89,329.11	100	difficult to recover as anticipated
Shenzhen Fangzhongtian Network Technology Co., Ltd	85,886.00	85,886.00	100	difficult to recover as anticipated
Beijing Zhengtao Technology Co., Ltd	84,000.00	84,000.00	100	difficult to recover as anticipated
Shenzhen Lewo Enterprise Management Consulting Co., Ltd	81,511.20	81,511.20	100	difficult to recover as anticipated
Henan Yuntuo Computer Technology Co., Ltd	80,555.90	80,555.90	100	difficult to recover as anticipated
Shenzhen Yucanghong Investment Consultancy Co., Ltd	79,999.99	79,999.99	100	difficult to recover as anticipated
Guangzhou Junkang Information Technology Co., Ltd	76,703.70	76,703.70	100	difficult to recover as anticipated
Shanghai Yousa Information Technology Co., Ltd	76,363.00	76,363.00	100	difficult to recover as anticipated
Shanxi Haichuan Century Technology Co., Ltd	72,248.00	72,248.00	100	difficult to recover as anticipated
Beijing Dongfang Xutian Technology Co., Ltd	66,862.00	66,862.00	100	difficult to recover as anticipated

Debtor	Book balance	Bad debt reserve	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Jiangxi Lianchuang Lighting Information Technology Co., Ltd	65,373.00	65,373.00	100	difficult to recover as anticipated
Shanghai Yidian Xinsen Technical Development Co., Ltd	64,932.00	64,932.00	100	difficult to recover as anticipated
Kuandian Man Nationality Autonomous County Datang Electronic Technology Development Co., Ltd	60,976.00	60,976.00	100	difficult to recover as anticipated
Xinjiang Founder Electronic Co., Ltd	58,604.40	58,604.40	100	difficult to recover as anticipated
Tianjin Lishen Battery Inc.	54,975.00	54,975.00	100	difficult to recover as anticipated
Shanghai Chaoyang Technology Development Co., Ltd	54,770.00	54,770.00	100	difficult to recover as anticipated
Jiangxi Hongcang Automobile Development Co., Ltd	54,171.29	27,085.65	50	amount anticipated to recover
Hefei Zongji Trading Co., Ltd	52,748.70	52,748.70	100	difficult to recover as anticipated
Nancang Junda Real Estate Development Co., Ltd	52,104.40	26,052.20	50	amount anticipated to recover
Jiangsu Province New Century Salt Chemical Group Zhenjiang Branch	51,782.55	51,782.55	100	difficult to recover as anticipated
Xuechuang Education Technology Co., Ltd	51,324.60	51,324.60	100	difficult to recover as anticipated
Jiangxi Huitian Technical Information Product Co., Ltd	50,790.00	50,790.00	100	difficult to recover as anticipated
Fuzhou Hande Computer Co., Ltd	50,504.00	50,504.00	100	difficult to recover as anticipated
Jiangsu Longhai Construction Group Co., Ltd	50,000.00	50,000.00	100	difficult to recover as anticipated
Other clients	1,550,219.36	1,543,189.38	99.55	amount anticipated to recover
Total	578,576,015.84	553,505,782.13	95.67	

Closing bad debt reserve by combinations

Combination withdrawal items: combination of related parties

Age	Closing balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Combination of related parties	416,713,307.23		
Total	416,713,307.23		

Continued:

Age	Opening balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Combination of related parties	447,979,979.43		
Total	447,979,979.43		

Combination withdrawal items: combination of government payment

Age	Closing balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Less than 1 year	196,271,389.07	11,849.57	0.01
1-2 years	418,791,387.99	38,637.50	0.01
2-3 years	830,886,539.69	110,819.69	0.01
> 3 years	1,844,326,899.56	302,117.43	0.02
Total	3,290,276,216.31	463,424.19	0.01

Continued

Age	Opening balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Less than 1 year	799,113,442.60	83,459.16	0.01
1-2 years	881,289,462.16	53,783.69	0.01
2-3 years	400,238,570.22	21,881.65	0.01
> 3 years	1,465,232,322.17	389,970.89	0.03
Total	3,545,873,797.15	549,095.39	0.02

Combination withdrawal items: combination of that within the Group

Age	Closing balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Combination of that within the group	224,302,141.83		
Total	224,302,141.83		

continued

Age	Opening balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Combination of that within the group	180,820,893.41		
Total	180,820,893.41		

Combination withdrawal items: age combination

	Closing balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Less than 1 year	4,903,606,149.53	433,477,523.03	8.84
1 to 2 years	1,289,450,746.31	326,590,183.15	25.33
2 to 3 years	1,311,535,575.67	454,177,764.92	34.63
> 3 years	828,356,250.07	426,830,806.31	51.53
Total	8,332,948,721.58	1,641,076,277.41	19.69

Continued:

Age	Opening balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Less than 1 year	4,078,964,508.75	169,472,464.22	4.15
1 to 2 years	1,325,455,986.71	265,531,824.02	20.03
2 to 3 years	386,047,839.55	127,608,820.37	33.06
> 3 years	550,902,189.45	282,273,242.97	51.24
Total	6,341,370,524.46	844,886,351.58	13.32

(3) Receivables of top five debtors in terms of closing balance

Debtor	Book balance	Percentage of total receivable	Bad debt reserve
Client 1	2,178,208,769.88	16.96	294,058.18
Client 2	851,924,795.81	6.63	115,009.85
Client 3	194,966,891.00	1.52	9,748,344.55
Client 4	183,327,701.64	1.43	1,833,277.02
Client 5	159,384,495.89	1.24	150,981,951.63
Total	3,567,812,654.22	27.78	162,972,641.23

(4). By 31st Dec. 2023, the amount of account receivable pledged for loan is RMB 692,614,313.81.

(5)..Account receivable not longer recognized due to transfer of financial asset In the current period.

Item	Amount no longer recognized	Gain or loss related with end of recognition
Account receivable factoring	416,487,218.30	-3,496,199.09
Total	416,487,218.30	-3,496,199.09

(6) There is no asset or liabilities resulting from that the Company has transferred the account receivable but continues to involve in.

12. Account receivable finance

(1). Account receivable finance

Type	Closing balance	Opening balance
Notes receivable	146,122,429.37	368,990,003.87
Account receivable		144,639,492.95
Total	146,122,429.37	513,629,496.82

(2). There is no account receivable finance pledged at end of the current period.

(3) Closing balance of notes receivable already endorsed or discounted but not due on the date of balance sheet.

Type of notes	Closing balance no longer recognized
Bank acceptance bill	6,788,990,354.04
Total	6,788,990,354.04

13. Prepayment

(1) Prepayment by age

Age	Closing balance		Opening balance	
	Book balance		Book balance	
	Amount	Percentage	Amount	Percentage
Less than 1 year	1,570,574,633.00	28.20	2,308,035,752.18	32.20
Above 1 year	3,998,259,395.10	71.80	4,859,881,030.83	67.80
Total	5,568,834,028.10	100.00	7,167,916,783.01	100.00

(2) Large-amount prepayment with an age more than 1 year

Creditor	Debtor	Closing balance	Age	Reason of not settled
Zhuhai Huafa Urban Center Construction Holding Co., Ltd, Zhuhai Huafa Huasheng Construction Co., Ltd	Client 1	2,758,600,104.25	> 3 years	relocation compensation payment is not settled yet
Huafa Inc.	Client 2	805,000,000.00	> 3years	win the land bid, but the land is not delivered yet
Zhuhai Huafa Huasheng Construction Co., Ltd	Client 6	71,697,100.00	> 3years	relocation compensation payment is not settled yet
Total		3,635,297,204.25		—

(3) Prepayment of top five debtors in terms of closing balance

Debtor	Book balance	Percentage of total prepayment (%)
Client 1	2,758,600,104.25	49.54
Client 2	805,000,000.00	14.46

Debtor	Book balance	Percentage of total prepayment (%)
Client 3	126,568,730.25	2.27
Client 4	124,598,450.78	2.24
Client 5	99,072,413.67	1.78
Total	3,913,839,698.95	70.29

14. Other receivable

Item	Closing balance	Opening balance
Interest receivable	35,621,600.91	10,852,215.51
Dividend receivable	4,268,292.68	125,560,000.00
Other receivables	6,864,048,733.15	7,902,539,146.68
Total	6,903,938,626.74	8,038,951,362.19

(1) Interest receivable

Item	Closing balance	Opening balance
Interest receivable	35,621,600.91	10,852,215.51
Subtotal	35,621,600.91	10,852,215.51
Minus: bad debt reserve		
Total	35,621,600.91	10,852,215.51

(2) Dividend receivable

Item	Closing balance	Opening balance	Reason for not recovered	Whether impaired and the basis
Dividend receivable with an age less than 1 year	4,268,292.68	125,560,000.00		No
Subtotal	4,268,292.68	125,560,000.00		
Minus: bad debt reserve				
Total	4,268,292.68	125,560,000.00	—	—

(3) Other receivables

Age	Closing balance	Opening balance
less than 1 year	3,407,979,047.23	2,863,886,725.78
1 to 2 years	1,696,114,726.13	2,411,672,887.92
2 to 3 years	1,603,674,804.73	283,314,748.02
more than 3 years	1,909,692,336.81	3,190,963,996.38
Subtotal	8,617,460,914.90	8,749,838,358.10
Minus: bad debt reserve	1,753,412,181.75	847,299,211.42
Total	6,864,048,733.15	7,902,539,146.68

By withdrawal method of bad debt reserve

Category	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	Percentage %	Amount	Anticipated credit loss rate %	
Other receivable for which anticipated credit loss is withdrawn by single items	1,060,586,433.08	12.31	663,282,067.27	62.54	397,304,365.81
Other receivable for which anticipated credit loss is withdrawn by combinations	7,556,874,481.82	87.69	1,090,130,114.48	14.43	6,466,744,367.34
Incl: combination of related parties	1,400,485,623.77	16.25			1,400,485,623.77
combination of government payment	768,911,022.77	8.92	814,747.57	0.11	768,096,275.20
Combination of internal staff account, provision and security bond	1,586,148,972.85	18.41	195,912,926.19	12.35	1,390,236,046.66
Age combination	3,801,328,862.43	44.11	893,402,440.72	23.50	2,907,926,421.71
Total	8,617,460,914.90	100.00	1,753,412,181.75	20.35	6,864,048,733.15

Continued:

Category	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	Percentage %	Amount	Anticipated credit loss rate %	
Other receivable for which anticipated credit loss is withdrawn by single items	451,255,151.88	5.16	172,374,179.02	38.20	278,880,972.86
Other receivable for which anticipated credit loss is withdrawn by combinations	8,298,583,206.22	94.84	674,925,032.40	8.13	7,623,658,173.82
Incl: combination of related parties	260,026,725.98	2.97			260,026,725.98
combination of government payment	980,347,454.26	11.20	1,323,469.06	0.13	979,023,985.20
Combination of internal staff account, provision and security bond	3,750,275,626.11	42.86	163,873,140.59	4.37	3,586,402,485.52
Age combination	3,307,933,399.87	37.81	509,728,422.75	15.41	2,798,204,977.12
Total	8,749,838,358.10	100.00	847,299,211.42	9.68	7,902,539,146.68

(1). Other receivable for which anticipated credit loss is withdrawn by single items

Closing balance				
Unit	Book balance	Bad debt reserve	Withdrawal ratio	Reason of withdrawal
Founder Broadband Network Service Co., Ltd	404,491,063.40	404,491,063.40	100.00	withdraw bad debt reserve by separate impairment testing
Reorganization Manager's Account	322,770,875.09			withdraw bad debt reserve by separate impairment testing
Qinhuangdao Agency Logistics Co., Ltd	184,507,364.74	109,973,874.02	59.60	withdraw bad debt reserve by separate impairment testing
Founder International Software (Beijing) Co., Ltd	58,770,400.00	58,770,400.00	100.00	withdraw bad debt reserve by separate impairment testing
Zhuhai Finance Bureau	46,577,208.15	46,577,208.15	100.00	withdraw bad debt reserve by separate impairment testing
Project management fee paid on behalf of others	13,260,049.76	13,260,049.76	100.00	withdraw bad debt reserve by separate impairment testing
Zhuhai Shijia Cultural Broadcast Development Co., Ltd	10,000,000.00	10,000,000.00	100.00	withdraw bad debt reserve by separate impairment testing
Li Yongxing	6,460,373.92	6,460,373.92	100.00	withdraw bad debt reserve by separate impairment testing
Beijing Digital Homeland Network Technology Co., Ltd	4,000,000.00	4,000,000.00	100.00	withdraw bad debt reserve by separate impairment testing
Guangxi Fangcheng Port Construction Engineering Co., Ltd	2,086,610.00	2,086,610.00	100.00	withdraw bad debt reserve by separate impairment testing
CSCEC 8 th Bureau Co., Ltd	1,902,870.70	1,902,870.70	100.00	withdraw bad debt reserve by separate impairment testing
Luo Jiancai	549,785.00	549,785.00	100.00	withdraw bad debt reserve by separate impairment testing
Other clients	5,209,832.32	5,209,832.32	100.00	withdraw bad debt reserve by separate impairment testing
Total	1,060,586,433.08	663,282,067.27	62.54	

(2). Other receivable for which bad debt reserve is withdrawn based on the combination of credit risk features.

Combination of related parties

Age	Closing balance			Opening balance		
	Book balance		Bad debt reserve	Book balance		Bad debt reserve
	Amount	Percentage %		Amount	Percentage %	
<1 year	1,397,073,469.27	99.75		17,819,230.34	6.85	

Age	Closing balance			Opening balance		
	Book balance		Bad debt reserve	Book balance		Bad debt reserve
	Amount	Percentage %		Amount	Percentage %	
1-2 years	350,417.10	0.03		108,645,382.82	41.78	
2-3 years	2,549,817.02	0.18		9,984,082.82	3.84	
>3 years	511,920.38	0.04		123,578,030.00	47.53	
Total	1,400,485,623.77	100.00		260,026,725.98	100.00	

Combination of government payment

Age	Closing balance			Opening balance		
	Book balance		Bad debt reserve	Book balance		Bad debt reserve
	Amount	Percentage %		Amount	Percentage %	
<1 year	296,262,903.30	38.53	176,672.61	626,971,237.00	63.95	846,411.17
1-2 years	132,631,909.46	17.25	179,053.08	333,548,919.89	34.03	450,291.04
2-3 years	323,465,965.80	42.07	436,679.05	7,556,622.43	0.77	10,201.44
>3 years	16,550,244.21	2.15	22,342.83	12,270,674.94	1.25	16,565.41
Total	768,911,022.77	100.00	814,747.57	980,347,454.26	100.00	1,323,469.06

Combination of internal staff account, provision and security bond

Age	Closing balance			Opening balance		
	Book balance		Bad debt reserve	Book balance		Bad debt reserve
	Amount	Percentage		Amount	Percentage	
<1 year	986,346,792.11	62.19	105,788,280.83	735,508,783.10	19.62	52,225,654.52
1-2 years	218,439,342.07	13.77	19,725,072.59	828,577,151.71	22.09	85,775,678.05
2-3 years	141,933,679.22	8.95	16,563,660.36	135,186,879.64	3.60	14,462,776.67
>3 years	239,429,159.45	15.09	53,835,912.41	2,051,002,811.66	54.69	11,409,031.35
Total	1,586,148,972.85	100.00	195,912,926.19	3,750,275,626.11	100.00	163,873,140.59

Age combination

Age	Closing balance			Opening balance		
	Book balance		Bad debt reserve	Book balance		Bad debt reserve
	Amount	Percentage		Amount	Percentage	
<1 year	728,295,882.55	19.16	73,364,707.28	1,276,062,285.44	38.58	64,433,354.02
1-2 years	1,158,250,299.09	30.47	214,019,027.84	1,038,100,912.97	31.38	185,323,537.77
2-3 years	947,924,822.16	24.94	262,814,467.47	125,189,325.10	3.78	31,438,044.33
>3 years	966,857,858.63	25.43	343,204,238.13	868,580,876.36	26.26	228,533,486.63
Total	3,801,328,862.43	100.00	893,402,440.72	3,307,933,399.87	100.00	509,728,422.75

(4). Closing balance of other receivable of top five debtors

Debtor	Nature	Book balance	Age	Percentage of total of other account receivable (%)	Bad debt reserve
Client 1	Equity transfer	1,097,763,012.68	<1 year	12.74	0.00
Client 2	Loan	497,287,606.86	1-2years: RMB 10,372,973.74; 2-3 years: RMB 486,914,633.12	5.77	494,188,278.26
Client 3	Repay when performing guarantee liabilities and special loan to original subsidiaries	404,491,063.40	1-2 years	4.69	404,491,063.40
Client 4	Project payment paid on behalf of others	331,038,920.84	<1 year: RMB 119,098.55, 1-2 year: RMB 3,723,276.60, 2-3 years: RMB 2,976,701.85, >3 years: RMB 324,219,843.84	3.84	46,621,937.42
Client 5	Fund in Manager's Account	322,770,875.09	1-2 years	3.75	0.00
Total		2,653,351,478.87		30.79	945,301,279.08

(4). The amount of other receivable pledged for "sold for repurchase" financial asset was RMB 250,000,000.00 by 31st Dec. 2023.

(5). There is no other receivable no longer recognized due to transfer of financial assets in the current period.

(6) There is no assets and liabilities arising from continual involvement after transfer of account receivable in the current period.

15. Redemptory financial asset for sale

(1) By target

Item	Closing balance	Opening balance
Stocks	54,450,031.82	82,239,230.84
Bonds		3,905,177,000.00
Incl: Corporate bonds		
Financial bonds		1,284,815,000.00
Deposit certificates		2,620,362,000.00
Standard bonds		
Subtotal	54,450,031.82	3,987,416,230.84
Minus: Impairment reserve	54,450,031.82	59,546,975.71
Total		3,927,869,255.13

(2) By business

Item	Closing balance	Opening balance
Bond pledge-type repurchase		
Securities agreed to repurchase		3,905,177,000.00
Bond pledge repurchase	54,450,031.82	82,239,230.84
Minus: Impairment reserve	54,450,031.82	59,546,975.71
Total		3,927,869,255.13

(3) By residual period

Residual period	Closing balance	Opening balance
< 1 months	54,450,031.82	3,987,416,230.84
1- 3 months		
3 months to 1 year		
> 1 year		
Minus: impairment reserve	54,450,031.82	59,546,975.71
Total		3,927,869,255.13

(4). Redemptory financial asset for sales with commitment conditions

The Company has no redemptory financial assets for sale through bond buyout to pledge for the sale and repurchase business by 31st Dec. 2023.

16. Stock

(1) By category

Item	Closing balance			Opening balance		
	Book balance	falling price reserve/ contract performance cost impairment reserve	Book value	book balance	falling price reserve/ contract performance cost impairment reserve	Book value
Raw material	363,277,250.71	20,729,846.17	342,547,404.54	455,585,430.04	17,929,425.45	437,656,004.59
Circulation material	13,381,451.94	10,375.00	13,371,076.94	63,324,951.66	1,028,695.45	62,296,256.21
Inventory commodity	1,574,198,644.00	87,101,595.61	1,487,097,048.39	2,718,888,010.48	222,012,045.23	2,496,875,965.25
Product in process	227,355,354.30	23,767,693.89	203,587,660.41	220,755,025.67	5,746,395.42	215,008,630.25
Self-produced semi-finished product	31,393,530.19	872,924.58	30,520,605.61	383,253,739.57	88,550,785.57	294,702,954.00
Entrusted to process materials	561,787.77		561,787.77	183,953.75		183,953.75
Biological asset	20,940,446.70		20,940,446.70	12,961,998.96		12,961,998.96
Development cost	281,325,823,729.42	523,956,329.72	280,801,867,399.70	252,288,122,660.71	382,465,476.80	251,905,657,183.91
Development	67,395,193,701.21	1,380,062,699.31	66,015,131,001.90	61,884,078,498.57	375,843,190.72	61,508,235,307.85

Item	Closing balance			Opening balance		
	Book balance	falling price reserve/ contract performance cost impairment reserve	Book value	book balance	falling price reserve/ contract performance cost impairment reserve	Book value
products						
Lease products	926,867,590.30		926,867,590.30	1,615,283,942.79		1,615,283,942.79
Lease commodity				93,692.68		93,692.68
Commodity dispatched	445,372,329.87	454,448.55	444,917,881.32	301,774,048.42	1,103,697.35	300,670,351.07
Goods in transit	28,071,866.68		28,071,866.68	32,691,598.42		32,691,598.42
Project construction	248,850.02		248,850.02	1,485,526.59		1,485,526.59
Cost to perform the contract	988,646,174.82	9,029,477.51	979,616,697.31	619,158,548.25	7,837,388.52	611,321,159.73
Total	353,341,332,707.93	2,045,985,390.34	351,295,347,317.59	320,597,641,626.56	1,102,517,100.51	319,495,124,526.05

(2). Stock falling price reserve and contract performance cost impairment reserve

Stock	Opening	Current increment			Current decrease		Closing
		Withdrawal	Other	Reversed	Written-off	Other	
Raw material	17,929,425.45	8,374,508.65	17,278,002.24	455,808.24	11,345,555.55	11,050,726.38	20,729,846.17
Circulation material	1,028,695.45	3,365,060.08	2,159,412.42	94,375.46	2,054,661.96	4,393,755.53	10,375.00
Inventory commodity	222,012,045.23	138,866,049.12	44,042,539.95	9,165,093.60	137,158,091.14	171,495,853.95	87,101,595.61
Product in process	5,746,395.42	17,206,427.31	13,597,189.95	4,637,862.78	702,985.57	7,441,470.44	23,767,693.89
Self-produced semi-finished product	88,550,785.57	40,284,278.78		1,849,880.26	2,115,824.12	123,996,435.39	872,924.58
Development cost	382,465,476.80	455,387,280.71				313,896,427.79	523,956,329.72
Development product	375,843,190.72	1,137,796,133.94	313,896,427.79		447,473,053.14		1,380,062,699.31
Commodity dispatched	1,103,697.35	272,977.40	341,400.53	173,020.54	1,090,606.19		454,448.55
Cost to perform the contract	7,837,388.52	1,192,088.99					9,029,477.51
Total	1,102,517,100.51	1,802,744,804.98	391,314,972.88	16,376,040.88	601,940,777.67	632,274,669.48	2,045,985,390.34

Remarks on stock falling price reserve

- 1). The Company determines the realizable net value of the development cost based on the balance of the estimated sales price of a single real estate project after completion minus the estimated cost to occur until completion, estimated sales expense and relevant tax and expense until completion.
- 2). The Company determines the realizable net value of the development product based on the balance of the estimated sales price minus the estimated sales expense and relevant tax and expense.

3). The Company determines the realizable net value of the inventory commodity and commodity dispatched based on the balance of the estimated sales price minus the estimated sales expense and relevant tax and expense.

4). The Company determines the realizable net value of the the contract performance cost based on the anticipated recoverable amount through settlement for single contracts.

5). The Company determines the value of raw materials, products in process and self-produced semi-finished products by the balance of the estimated price minus the cost estimated to occur to completion, estimated sales expense and related tax and charges.

(3) Details of development cost

	Project Name	Start-up time	Estimated completion time	Estimated total investment	Closing balance	Opening balance
1	Shanghai Dongjing Project	2023	2027	1,005,770.79	7,683,055,867.79	
2	Shanghai Huafa Penninsula Mansion	2022	2025	566,222.00	5,264,413,609.55	4,813,742,843.56
3	Shanghai Huafa Gumei Mansion	2022	2025	345,812.98	3,412,749,536.83	3,064,041,402.63
4	Shanghai Huafa Manyue Mansion	2022	2024	122,237.15	1,147,227,226.35	1,021,733,243.22
5	Shanghai Huafa Manyun Mansion	2022	2024	371,158.58	3,578,972,125.97	3,315,364,368.15
6	Shanghai Huafa Panlong Four Season	2023	2025	240,399.07	2,218,083,605.76	
7	Shanghai Huafa Four Season Peninsula	2020	2023	884,357.23		8,203,070,200.74
8	Shanghai Huafa Four Season Riverside	2022	2025	455,112.86	4,218,663,751.01	3,360,873,680.57
9	Shanghai Jingan North Station Project	2023	2027	892,548.25	7,203,574,196.12	
10	Shanghai Jing'an Mansion	2023	2025	518,420.99	5,156,456,304.00	4,573,396,932.77
11	Shanghai Suhe Century	2021	2025	561,201.52	5,265,853,957.37	5,017,507,584.69
12	Hangzhou Binyue Mansion	2023	2026	210,657.00	1,923,797,381.19	
13	Hangzhou Huafa Chengyao Mansion	2023	2026	265,294.55	2,227,069,021.27	
14	Hangzhou Huafa Feng Hui	2020	2023	299,000.00		2,361,545,063.20
15	Hangzhou Huafa Riverside	2022	2025	503,486.00	4,969,900,490.86	4,660,929,223.26
16	Hangzhou Huafa Yuewang Mansion	2022	2025	149,762.50	1,414,723,475.41	1,232,066,087.69
17	Hangzhou Wucheng Mansion	2023	2026	225,615.00	1,769,822,033.22	
18	Shaoxing International Financial Vitality City	2020	2026	1,909,367.00	7,024,497,108.12	11,404,380,206.02
19	Yiwu Huafa Jiangyingyue Mansion	2021	2024	464,114.79	4,480,066,235.22	3,995,573,060.25
20	Nanjing Huafa Meidi Yunzhu Mansion	2021	2024	298,143.00	2,618,351,543.21	2,390,251,118.69
21	Nanjing Lvbo Garden	2023	2026	893,102.67	8,721,067,640.80	
22	Nanjing Four Season Yazhu Mansion	2021	2024	485,630.95	3,853,947,985.58	3,541,113,218.31
23	Nanjing Zhongshan Fengjing Mansion	2020	2024	1,038,446.02	1,195,591,572.88	6,785,458,727.54
24	Nanjing Zijing Four Season Garden	2021	2025	404,773.43	4,047,428,411.77	3,354,197,017.39
25	Xuzhou Qingcui Four Season Garden	2021	2024	159,441.33	1,524,448,701.05	1,326,882,461.23
26	Suzhou Canglang Project	2023	2025	234,985.33	1,829,282,701.55	
27	Suzhou Gushu Garden	2016	2023	466,203.32		1,721,444,676.08

Zhuohai Huafa Group Co., Ltd (Consolidated)
 Annotation to Financial Statements
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	Project Name	Start-up time	Estimated completion time	Estimated total investment	Closing balance	Opening balance
28	Suzhou Huafa Four Season Riverside	2023	2025	188,419.00	1,699,901,498.91	
29	Suzhou Qianyue Jingting Mansion	2020	2023	550,550.93		2,185,096,509.25
30	Changshu Artificial Smart Industry Park	2020	2024	172,874.32	1,361,363,006.46	1,165,891,838.60
31	Wuxi Huafa Four Season	2021	2025	223,481.00	1,988,705,645.12	1,708,607,601.09
32	Wuxi Xinyue Mansion	2018	2023	593,263.34		530,199,800.99
33	Wuxi Central Capital	2021	2026	778,149.60	4,600,558,467.85	6,667,679,806.79
34	Beijing Huafa Central Park	2019	2024	447,539.02	1,407,466,053.77	1,298,565,933.74
35	Xi'an Huafa Chang'an Capital	2021	2024	523,314.86	3,763,734,553.67	3,064,299,516.39
36	Xi'an Lijun Project	2023	2026	320,726.91	1,886,998,950.66	
37	Xi'an Yunxi Times	2020	2025	224,675.57	1,333,898,480.53	
38	Guangzhou Heyue Mansion	2020	2024	1,031,943.01	5,335,601,952.81	9,425,453,139.97
39	Shenzhen Ice and Snow Cultural Tourism City	2021	2025	3,465,869.24	17,273,366,900.89	
40	Foshan Huafa Riverside Mansion	2021	2029	976,553.96	2,518,081,050.32	2,383,486,295.54
41	Chengdu Huafa Jinjiang Pu Garden	2023	2025	102,756.51	807,860,641.37	665,497,361.15
42	Chengdu Huafa Xinchuan Yin Mansion	2023	2025	201,705.00	1,587,799,198.33	
43	Chengdu Jinjiang Courtyard (Chongde)	2021	2023	146,948.05		1,390,388,098.06
44	Chengdu Jinjiang Courtyard (Zhanghua)	2021	2023	160,462.17		1,547,975,922.96
45	Chengdu Tianfu 143-mu Project	2023	2027	630,025.00	4,228,486,897.33	
46	Dalian Huafa Green Ocean Villa	2014	2026	251,349.96	756,940,070.35	1,478,050,485.44
47	Wuhan Huafa Duhui Horizon	2021	2027	1,254,026.70	10,658,444,810.04	5,095,435,920.30
48	Wuhan Huafa Garden Capital	2021	2026	1,419,306.38	12,717,931,207.74	11,615,330,551.64
49	Wuhan Huafa Bund Mansion	2016	2026	430,173.97	1,338,168,923.91	2,510,402,967.31
50	Wuhan Midtown Mansion Phase 2	2019	2024	789,901.23	2,748,329,359.49	2,508,759,002.42
51	Ezhou Wutong Lake International Community	2018	2026	345,681.81	2,148,084,509.54	2,024,140,484.70
52	Kunming Huafa Book Scent Cloud Sea Mansion	2020	2027	1,376,809.00	7,073,305,566.84	8,406,364,171.05
53	Huafa Jinmao International Community	2019	2024	390,518.63		1,687,676,703.85
54	Huizhou Bozuan Four Season	2020	2023	382,862.59		2,257,042,413.14
55	Zhanjiang Huafa New City Garden	2019	2027	1,500,000.00	3,071,435,635.72	3,734,162,260.75
56	Changsha Elite Road 35-mu Project	2023	2026	113,958.00	836,078,384.85	
57	Shenyang Heping Capital	2020	2025	570,339.64	1,524,345,195.15	1,417,375,305.06
58	Shenyang Huafa Longhu Tianyao Mansion	2022	2027	418,226.87	3,601,067,859.82	3,175,104,274.25
59	Shenyang Huafa Four Season	2022	2024	142,279.64	1,306,153,543.54	1,092,709,346.36
60	Weihai Fengfan Mansion	2021	2025	117,937.00	610,688,886.32	782,828,326.10
61	Weihai Huafa Jiulong Bay	2014	2027	789,552.00	1,918,693,268.13	1,596,620,951.96
62	Yantai Huafa Guan Shan Shui	2019	2023	71,973.47		603,347,915.09
63	Zhengzhou Huafa Fengjing Bay	2020	2026	356,485.00	24,179,424.46	2,472,097,049.47
64	Zhongshan Huafa Guan Shan Shui	2013	2024	248,603.57	1,993,255,311.35	1,559,974,248.38
65	Zhongshan Huafa Mansion No.1	2022	2025	118,082.00	990,095,639.79	765,707,687.80

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	Project Name	Start-up time	Estimated completion time	Estimated total investment	Closing balance	Opening balance
66	Zhuhai Bonded Area R&D Center	2019	2026	288,236.00	543,548,972.13	542,465,726.11
67	Zhuhai Urban Construction International Coastal Garden	2017	2026	670,316.64	736,968,314.45	2,086,607,142.68
68	Zhuhai Duhui Four Season	2020	2024	369,592.38	2,214,551,951.37	3,417,956,457.06
69	Zhuhai Huafa Fengjing Bay Garden	2014	2025	333,914.71	777,930,725.40	595,565,921.77
70	Zhuhai Huafa Shizimen International Garden	2014	2023	446,581.88		2,784,164,260.84
71	Zhuhai Huafa Aquatic Villa Garden	2013	2024	1,253,193.67	1,315,334,769.28	1,802,877,271.55
72	Zhuhai Huafa Tianhui Saqure	2022	2026	653,004.70	3,847,660,778.45	3,409,835,541.38
73	Zhuhai Huafa Tianmao Peninsula Garden	2020	2024	371,050.54	65,625,332.15	3,278,660,318.12
74	Zhuhai Huafa Xianghai Lake	2022	2025	131,047.00	1,156,851,312.01	889,959,676.69
75	Zhuhai Huafa New Economy Headquarter Building	2020	2026	531,149.00	847,820,963.58	847,308,078.95
76	Zhuhai Lian'an Village Upgrade Project	2023	2026	555,982.00	2,208,060,000.29	
77	Hongyuntai	2010	/	1,500.00	13,839,122.63	13,839,122.63
78	Shizimen Central Business District (secondary development)	2009	2025	5,815,993.00	9,296,316,879.32	18,035,505,046.21
79	Shizimen Central Business District (primary development)	2009	2025	770,693.00	578,787,429.57	1,494,878,786.73
80	Zhu Natural Asset Reserve 2023-09 Block	2024	2026	206,000.00	900,000,000.00	
81	Zhu Natural Asset Reserve 2023-10 Block	2024	2026	277,000.00	1,203,000,000.00	
82	Huafa Future Chengyue Garden	2020	/	53,079.00	52,032,898.15	50,101,037.16
83	Huafa Future Four Season Garden	2020	/	42,276.00	40,226,883.12	38,513,811.10
84	Huafa Future Diecui Garden	2020	2023	110,111.00	679,630,343.48	587,125,724.48
85	Technical Innovation Coast (Beiwei) Area Project	2015	2025	593,000.00	355,264,856.21	323,914,808.31
86	Tangjia Houhuan Land Development	/	/	/	19,824,458,046.79	19,050,693,999.49
87	Jinwan Aviation City Project	2013	2024	350,000.00	109,097,371.74	73,300,933.38
88	City Center Phase One Project	2020	2028	1,924,900.00	2,775,809,730.02	2,280,806,992.67
89	Zhuhai People's Hospital North Second Zone	2021	2024	97,399.14	372,581,413.82	281,597,826.92
90	City Funeral Service Relocation Project	2021	2024	43,000.00	267,147,238.23	130,356,206.51
91	Hengqin International Financial Building Project	2013	2024	309,692.00	197,161,602.19	139,959,739.11
92	Bonded Area Phase 2 Land Development	2014	2025	351,378.00		51,676,302.10
93	Hi-tech Tangjia Headquarter Base A, C1 Plot	/	/	/	1,122,009,421.53	1,120,771,004.54
94	Nanping Tech Industrial Park Complementary Works	2016	2024	12,871.00	121,848,437.68	103,983,592.98
95	Beishan District City Upgrade	2019	2027	1,510,000.00	3,764,956,434.60	3,094,793,823.69
96	Hengqin International Transaction Square	2018	2024	301,981.20	1,436,804,980.83	1,258,100,749.18

	Project Name	Start-up time	Estimated completion time	Estimated total investment	Closing balance	Opening balance
97	Hengqin Insurance Finance Headquarter Building	2019	2025	237,026.00	1,111,616,303.79	1,061,464,917.46
98	Huafa Zhigu Wafer Square	2018	2024	176,255.30	159,706,553.07	158,953,820.95
99	Technical Innovation Beiwei Xingzhong Road South Plot	2023	2025	282,965.40	1,532,608,922.95	1,336,355,604.23
100	Zhuhai Fushan Industrial Park Startup Zone Innovation Center	2018	/	111,015.00	541,220,251.72	494,986,538.29
101	Zhuhai Fushan Industrial Park Startup Zone Neighborhood Center	2020	2024	15,049.00	101,097,091.98	86,988,689.90
102	Fushan Industrial Park Smart Manufacture Town Residential Center	2019	2024	338,363.00	2,558,690,511.92	1,584,023,134.16
103	Gongbei Inspection Building	/	/	/	4,804,018.96	3,612,798.77
104	Shengboli Innovation Park Project	2019	2023	62,000.00		68,778,303.70
105	Worker Cultural Hall Complex Project	2020	2026	624,200.00	4,252,249,136.53	3,899,461,996.49
106	Zhuhai Citizen Service Center	2021	2024	192,124.00	981,486,524.90	246,675,508.66
107	Zhuhai People's Hospital Main Building Project (Phase 1)	2021	2025	77,600.00	68,237,076.64	34,022,404.69
108	Yuhua Polyester reform project	2022	2025	1,871,000.00	4,380,308,819.06	134,133,090.04
109	Huafa QinAO Four Season Garden Plot No. 4	2023	2025	102,000.00	651,921,990.13	562,997,549.67
110	Shizimen Neighborhood Center	2023	2025	106,905.00	713,453,707.08	529,778,120.53
111	Qin'ao Bay Garden	2023	2025	286,924.00	1,562,406,572.80	1,313,675,345.83
112	Four Season Huyin Garden	2023	2026	777,142.00	3,795,331,717.25	3,466,351,369.50
113	Jiahe Bay Garden	2022	2025	108,173.00	625,164,793.93	
114	Other	/	/		5,600,128,149.75	6,560,700,559.91
	Total				281,325,823,729.42	252,288,122,660.71

(4) Details of development products

No.	Project Name	First phase completion time	Opening balance	Current increment	Current decrease	Closing balance
1	Shanghai Sishui Heming	2022	801,779,166.69	30,752,013.19	109,145,725.55	723,385,454.33
2	Shanghai Huafa Four Season Peninsula	2023		8,473,663,696.13	8,024,869,872.95	448,793,823.18
3	Hangzhou Huafa Feng Hui	2023		2,519,872,141.44	1,701,105,224.99	818,766,916.45
4	Shaoxing International Financial Vitality City	2022	68,595,959.47	6,235,160,233.48	3,257,158,757.23	3,046,597,435.72
5	Nanjing Huafa Zilin Mansion	2021	1,072,498,457.69		642,275,700.94	430,222,756.75
6	Nanjing Zhongshan Fengjing Mansion	2022	3,154,085,215.27	4,800,202,226.83	5,840,283,917.42	2,114,003,524.68

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No.	Project Name	First phase completion time	Opening balance	Current increment	Current decrease	Closing balance
7	Suzhou Gushu Garden	2019	259,689,098.37	2,063,343,607.15	1,796,286,051.13	526,746,654.39
8	Suzhou Taicang Courtyard	2020	174,331,906.25		25,986,425.50	148,345,480.75
9	Suzhou Qianyue Jingting Mansion	2022	1,262,911,438.44	1,331,866,651.60	2,594,778,090.04	
10	Suzhou Star Ocean	2023		1,676,211,030.78	1,588,787,990.57	87,423,040.21
11	Changshu Artificial Smart Industry Park	2022	1,341,567,155.41		321,751,824.91	1,019,815,330.50
12	Wuxi Xinyue Mansion	2020	24,050,956.07	570,501,241.29		594,552,197.36
13	Wuxi Central Capital	2023		3,524,995,338.39	2,490,430,992.49	1,034,564,345.90
14	Xi'an Yunjing Times	2023		1,809,290,164.82	1,568,863,188.06	240,426,976.76
15	Xi'an Yunxi Times	2023		770,369,007.31	770,369,007.31	
16	Tianjin Horizon	2022	255,871,129.44	27,338,445.27		283,209,574.71
17	Guangzhou Li Wan Hui Project	2017	483,775,907.79		969,602.30	482,806,305.49
18	Guangzhou Heyue Mansion	2023		5,095,691,454.22	4,726,922,604.56	368,768,849.66
19	Foshan Huafa Riverside Mansion	2023		725,197,484.57		725,197,484.57
20	Jiangmen Huafa Waterfront	2023		534,757,815.28	234,272,316.56	300,485,498.72
21	Jiangmen Huafa Four Season Phase 1	2021	314,286,005.27		75,518,480.48	238,767,524.79
22	Jiangmen Huafa Four Season Phase 2	2022	2,151,117,404.86	10,415,097.73	549,572,716.78	1,611,959,785.81
23	Zengcheng Huafa Fengshang Garden	2022	1,649,281,128.40	6,097,603.10		1,655,378,731.50
24	Chongqing Huafa Four Season Peninsula	2022	86,138,852.34	937,213,249.01	541,843,757.87	481,508,343.48
25	Chengdu Jinjiang Courtyard (Chongde)	2023		1,499,179,704.55	1,385,854,263.10	113,325,441.45
26	Chengdu Jinjiang Courtyard (Zhanghua)	2023		1,601,320,635.22	1,479,961,202.54	121,359,432.68
27	Dalian Huafa New City	2012	350,264,020.50		7,484,795.25	342,779,225.25
28	Dalian Guanxian Villa	2020	1,377,794,949.14	58,218,947.82	1,436,013,896.96	
29	Dalian Huafa Hua Jian Yue	2021	555,494,467.28	4,032,736.50	1,905,922.14	557,621,281.64
30	Dalian Huafa Villa	2022	862,103,068.80	25,289,749.38	54,255,742.56	833,137,075.62
31	Dalian Huafa Green Ocean Villa	2023		1,075,055,905.98	301,053,570.58	774,002,335.40
32	Wuhan Huafa Future Mansion	2018	920,918,068.00	5,423,058.82	730,721,921.08	195,619,205.74
33	Wuhan Huafa Bund Mansion	2019	455,354,781.95	35,924,059.17	267,969,903.51	223,308,937.61
34	Wuhan Huafa Times	2021	1,561,634,571.09	8,473,836.41		1,570,108,407.50
35	Wuhan Huafa Four Season	2021	1,835,719,672.59		14,894,397.98	1,820,825,274.61
36	Wuhan Huafa Central Park	2021	335,327,811.11	1,500,455,607.83	323,533,665.77	1,512,249,753.17
37	Wuhan Midtown Mansion Phase 2	2021	321,649,733.62		81,733,575.07	239,916,158.55
38	Wuhan Huafa Bund Villa	2022	625,042,003.55	1,472,062,058.08	1,396,599,800.42	700,504,261.21
39	Ezhou Wutong Lake International Community	2022	1,439,331,150.03		4,280,162.45	1,435,050,987.58

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No.	Project Name	First phase completion time	Opening balance	Current increment	Current decrease	Closing balance
40	Kunming Huafa Book Scent Cloud Sea Mansion	2023		3,458,414,452.49	2,469,796,304.67	988,618,147.82
41	Huafa Jinmaoyi Villa	2020	691,105,209.77	14,456,582.43	705,561,792.20	
42	Huafa Yidao Mansion	2021	584,207,261.35		31,867,187.70	552,340,073.65
43	Huafa Jinmao International Community	2022	911,158,161.61	62,373,105.89	973,531,267.50	
44	Huizhou Bozuan Four Season	2022	90,415,963.31	2,551,227,457.68	1,601,925,331.54	1,039,718,089.45
45	Zhanjiang Huafa New City Garden	2021	42,547,348.41	1,349,091,642.16	323,371,466.19	1,068,267,524.38
46	Shenyang Huafa New City	2020	1,334,621,641.56		191,875,803.33	1,142,745,838.23
47	Shenyang Heping Capital	2022	1,561,677,476.07		306,089,421.10	1,255,588,054.97
48	Weihai Huafa Jiulong Bay	2017	516,241,687.12		23,157,635.48	493,084,051.64
49	Yantai Huafa Guan Shan Shui	2023		690,602,614.22	504,030,029.70	186,572,584.52
50	Baotou Huafa New City	2012	802,845,595.57	37,998,425.30	240,752,363.23	600,091,657.64
51	Rongcheng Huafa Sakura Lake	2020	843,466,469.78		41,453,357.33	802,013,112.45
52	Qingdao Huafa Four Season	2021	1,036,718,869.87		179,431,994.51	857,286,875.36
53	Zhengzhou Huafa Fengjing Bay	2023		2,897,383,437.75	1,559,818,592.20	1,337,564,845.55
54	Zhongshan Huafa Guan Shan Shui	2017	1,141,444,002.40	7,099,089.75	489,172,826.96	659,370,265.19
55	Zhuhai Huafa Waterfront Garden	2015	628,969,534.74	17,194,338.07		646,163,872.81
56	Zhuhai Huafa Riverside Garden	2015	1,841,643,977.22	1,257,112,249.35	1,334,857,482.16	1,763,898,744.41
57	Zhuhai Huafa Villa	2016	1,038,646,356.68		430,404,581.98	608,241,774.70
58	Zhuhai Huafa Capital	2017	2,110,891,640.84	42,807,343.07	57,823,545.62	2,095,875,438.29
59	Zhuhai Huafa Fengshang Garden	2017	329,548,034.80	202,412,549.66	41,224,372.16	490,736,212.30
60	Zhuhai Huafa Shizimen International Garden	2018	373,783,047.69	3,729,442,489.49	2,988,639,321.53	1,114,586,215.65
61	Zhuhai Huafa Hillside Villa	2018	365,822,079.78	9,660,523.91	41,593,953.04	333,888,650.65
62	Zhuhai Jinwan International Business Center	2019	1,797,880,398.90	90,075,112.10	1,238,701,359.26	649,254,151.74
63	Zhuhai Urban Construction International Coastal Garden	2020	99,704,202.27	2,182,287,582.93	1,133,788,941.68	1,148,202,843.52
64	Zhuhai Green Ocean Bay Garden	2020	1,407,981,194.13		592,168,292.67	815,812,901.46
65	Zhuhai Huafa Entrepreneur Building	2021	1,224,878,470.52		1,195,577,509.88	29,300,960.64
66	Zhuhai Zhongyi Industrial Center	2021	538,190,835.52	3,307,345.19		541,498,180.71
67	Zhuhai Huafa Future New City	2022	2,056,590,555.19		208,399,646.36	1,848,190,908.83
68	Zhuhai Huafa Yuegu Mansion	2022	1,427,765,895.03	49,386,138.44	1,170,958,313.24	306,193,720.23
69	Zhuhai Coastal Skyline	2023		3,497,121,492.92		3,497,121,492.92
70	Zhuhai Duhui Four Season	2023		1,406,646,021.08	1,303,451,614.66	103,194,406.42
71	Zhuhai Huafa Tianmao Peninsula Garden	2023		3,900,099,722.60	2,178,243,829.83	1,721,855,892.77
72	Huafa International Coast Garden	2021	2,330,739,382.06	80,959,292.67	1,512,053,098.06	899,645,576.67

No.	Project Name	First phase completion time	Opening balance	Current increment	Current decrease	Closing balance
73	Hengqin International Financial Building	2020	1,053,516,190.15	1,326,577.76	476,633,590.68	578,209,177.23
74	Headquarter Base Blue Bay Smart Island Phase 2	2021	429,363,328.61		14,832,368.32	414,530,960.29
75	Hengqin Huafa Global Building	2022	1,738,681,464.04	186,188,436.98	1,595,873,569.86	328,996,331.16
76	Zhu'ao Professional Service Innovation Community	2022	39,846,390.74	47,338,312.44		87,184,703.18
77	Zhu'ao Wafer R&D and Information Technology Innovation Community	2022	494,075,659.66	59,053,435.24	410,326,216.53	142,802,878.37
78	Zhu'ao Special Finance Innovation Community	2022	162,567,690.15	3,294,343,754.84	1,785,583,833.23	1,671,327,611.76
79	Huafa Zhigu Wafer Square	2022	367,014,301.75		3,854,808.35	363,159,493.40
80	Shengboli Innovation Park Project	2022	37,002,049.01	11,360,384.20		48,362,433.21
81	Xiaojiang Chuanya Garden Henghu Mansion	2017		115,564,537.00		115,564,537.00
82	City East Coast	2014		65,938,117.67		65,938,117.67
83	Other	/	6,691,912,052.85	2,057,535,061.77	2,588,786,535.97	6,160,660,578.65
	Total		61,884,078,498.57	81,804,182,428.40	76,293,067,225.76	67,395,193,701.21

(5) Details of leased development product

	Lease Project	Opening balance	Current increment	Current decrease	Closing balance
1	Hengqin International Financial Building	274,806,566.33	139,917,809.82	7,773,831.10	406,950,545.05
2	Qinyuan Affordable Housing	52,537,054.53		1,651,733.16	50,885,321.37
3	Headquarter Base Blue Bay Smart Island Phase 2	8,305,637.52	5,477,149.59	323,327.12	13,459,459.99
4	Hengqin Huafa Global Building	82,454,110.66		82,454,110.66	
5	Huafa International Coast Garden	46,738,669.53	88,540,270.72	46,931,595.24	88,347,345.01
6	Fushan Industrial Park Smart Manufacture Town Residential Center	778,811,508.73		778,811,508.73	
7	Huafa Zhigu Wafer Square	256,245,178.15	3,771,408.90	5,705,735.59	254,310,851.46
8	Shengboli Innovation Park	115,385,217.34		2,471,149.92	112,914,067.42
	Total	1,615,283,942.79	237,706,639.03	926,122,991.52	926,867,590.30

Note: Among above stocks, the stock in an amount of RMB 55,546,132,065.33 is pledged for the loan of the Company and its subsidiaries. .

17. Contract asset

Item	Closing balance			Opening balance		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Construction, decoration and land development payment	5,543,325,734.23	311,133,513.42	5,232,192,220.81	5,104,426,789.25	241,931,584.16	4,862,495,205.09
Total	5,543,325,734.23	311,133,513.42	5,232,192,220.81	5,104,426,789.25	241,931,584.16	4,862,495,205.09

18. Non-current assets due within one year

Item	Closing balance	Opening balance
Long-term receivable due within one year	111,130,625.98	4,821,412,434.21
Creditor's right investment due within one year	303,266,100.00	
Total	414,396,725.98	4,821,412,434.21

19. Other current assets

Item	Closing balance	Opening balance
Advance payment of tax	12,120,069,377.43	9,101,892,771.14
Pending deduct VAT on purchase	1,266,824,618.56	958,748,448.95
Cost for contract acquisition	1,103,643,346.28	887,173,939.99
Factoring payment receivable	264,881,519.20	119,170,519.84
Pre-sale supervision fund	270,741,691.63	445,557,181.90
Short-term creditor's right investment	1,791,799,167.98	744,686,666.82
Fund lent and other	52,089,408,980.89	40,204,846,045.92
Total	68,907,368,701.97	52,462,075,574.56

Note: Refer to Note. 11.4 for fund lent to associated parties by 31st Dec. 2023.

20. Loan issued and advance for others

(1) Loan issued and advance for others

Item	Closing balance	Opening balance
Enterprise loan and advance payment for others	694,121,134.52	688,669,141.43
Incl: Discounted asset		18,853,179.90
Loan	694,121,134.52	669,815,961.53
Total	694,121,134.52	688,669,141.43
Minus: loan loss reserve	18,735,883.44	16,837,758.60
Net amount of loan and advance payment for others	675,385,251.08	671,831,382.83

(2) By type of guarantee

Item	Closing balance	Opening balance
Pledged loan	16,177,399.20	15,000,000.00
Mortgaged loan	17,212,520.28	27,070,647.40
Guaranteed loan	407,681,196.04	508,450,000.00
Credit loan	253,050,019.00	119,295,314.13
Total	694,121,134.52	669,815,961.53
Minus: loan loss reserve	18,735,883.44	16,837,758.60
Loan book value	675,385,251.08	652,978,202.93

(3). The Company has no overdue loan at end of current period.

21. Creditor's right investment

Item	Closing balance			Opening balance		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Investment and finance consultancy service product	203,903,165.56	6,440,326.23	197,462,839.33	5,559,654,394.51	56,046,385.88	5,503,608,008.63
Deposit certificate				597,912,049.75	107,624.17	597,804,425.58
Other	112,886,666.65	33,866,000.00	79,020,666.65	130,000,000.00	5,893,680.00	124,106,320.00
Subtotal	316,789,832.21	40,306,326.23	276,483,505.98	6,287,566,444.26	62,047,690.05	6,225,518,754.21
Minus: creditor's right investment due within one year	146,789,832.21	35,659,206.23	111,130,625.98	4,877,566,444.26	56,154,010.05	4,821,412,434.21
Total	170,000,000.00	4,647,120.00	165,352,880.00	1,410,000,000.00	5,893,680.00	1,404,106,320.00

22. Other creditor's right investment

(1). Other creditor's right investment

Item	Closing balance	Opening balance
State bond	2,354,115,250.00	2,149,851,150.00
Financial bond	350,606,107.32	
Corporate bond		185,513,133.00
Subtotal	2,704,721,357.32	2,335,364,283.00
Minus: Other creditor's right investment due within one year	303,266,100.00	
Total	2,401,455,257.32	2,335,364,283.00

(2). Closing balance of important other creditor's right investment

Item	Face value	Amortized cost	Fair value	Accumulated change to fair value included into other comprehensive income	Impairment reserve already withdrawn
State bond	2,120,000,000.00	2,122,624,641.41	2,152,848,650.00	30,224,008.59	
Financial bond	247,894,442.00	250,497,333.65	248,606,607.32	-1,890,726.32	
Total	2,367,894,442.00	2,373,121,975.06	2,401,455,257.32	28,333,282.27	

23. Long-term receivable

Item	Closing balance			Opening balance		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Other	94,295,744.52		94,295,744.52	100,152,330.83		100,152,330.83
Subtotal	94,295,744.52		94,295,744.52	100,152,330.83		100,152,330.83
Minus: long-term receivable due within one year						
Total	94,295,744.52		94,295,744.52	100,152,330.83		100,152,330.83

Note: Long-term receivable is the receivable and advance for others for the PPP project of reformation and expansion of Zhuhai Xiangzhou District People's Hospital and a part of construction fund for the PPP project of Zhuhai Pingsha People's Hospital .

24. Long-term equity investment

(1) Classification of long-term equity investment

Item	Closing balance			Opening balance		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Joint operation enterprises	16,194,653,755.22	3,719,255.57	16,190,934,499.65	12,874,785,954.96		12,874,785,954.96
Cooperative operation enterprise	39,593,260,199.87	7,691,829.74	39,585,568,370.13	42,259,541,449.29	7,691,829.74	42,251,849,619.55
Total	55,787,913,955.09	11,411,085.31	55,776,502,869.78	55,134,327,404.25	7,691,829.74	55,126,635,574.51

(2). Investment on joint and cooperative operation enterprises

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Investee	Opening balance	Increase of investment	Decrease of investment	Change of profit and loss in the current period	Other comprehensive income/other equity change in the current period	Declare to issue cash dividend or profit	Other	Closing balance	Impairment reserve
I. Joint operation enterprise									
Zhongye Huafa Public Utility Tunnel Co., Ltd	104,458,562.94			489,609.56				104,948,172.50	
Zhuhai Smart Industrial Park Development Co., Ltd	21,247,423.98			-12,991.98				21,234,432.00	
Zhuhai Xuhua International Trading Co., Ltd		50,000,000.00		1,718,085.24				51,718,085.24	
Zhuhai Chengtong Landscape Co., Ltd	1,526,682.87			-1,064,306.18				462,376.69	
Semicon Light (China) Company Limited	8,842.68						-8,842.68		
Guangzhou Zhongqi Energy Technology Co., Ltd	5,044,458.81			-2,127,497.04				2,916,961.77	2,916,961.77
Shenzhen Chuanshi Electronic Technology Co., Ltd	36,569,002.87			-1,898,260.20	-2,090,420.40			32,580,322.27	802,293.80
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	478,031,797.80			2,235,574.08				480,267,371.88	
Zhuhai Zhenghan Real Estate Co., Ltd *2	366,704,035.66			54,285,843.32				420,989,878.98	
Zhuhai Huafa Yinkeng Real Estate Development Co., Ltd	803,252.35			-637.53				802,614.82	
Zhuhai Huafa Poshi Real Estate Development Co., Ltd	-2,830.07			-109.60				-2,939.67	
Zhuhai Huafa Guiyuan Real Estate Development Co., Ltd	568,860.19			-132.86				568,727.33	

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Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	24,580,237.55			-390,413.76				24,189,823.79	
Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	2,799,520.90			166,164.85				2,965,685.75	
Zhuhai Bihu Real Estate Development Co., Ltd	375,286,883.48			-112,502,901.70				262,783,981.78	
Guangzhou Huafa Times Industrial Co., Ltd	4,949,397.53		-4,949,397.53						
Zhuhai Huafa Wufu Real Estate Development Co., Ltd	492,327.77			-4,942.22				487,385.55	
Zhuhai Huafa Phoenix Real Estate Development Co., Ltd	3,839,151.45			-20,455.72				3,818,695.73	
Zhuhai Huafa Yuetang Real Estate Development Co., Ltd	1,003,336.40			-26,118.43				977,217.97	
Zhuhai Huafa Niwan Real Estate Development Co., Ltd	-1,835.86			-639.69				-2,475.55	
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	81,745,522.89			-2,695,310.04				79,050,212.85	
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	65,471,921.06			6,983,220.21				72,455,141.27	
Zhongshan Huaxi Urban Upgrade Co., Ltd	422,492.75			-9,331.44				413,161.31	
Nanjing Huasong Real Estate Development Co., Ltd	832,797,526.03			-5,927,161.22			4,779,409.82	831,649,774.63	

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Nanjing Huihe Real Estate Co., Ltd	198,542,445.22			1,061,750.32				199,604,195.54	
Shanghai Xinpu East Bank Real Estate Co., Ltd	814,033,052.84			-201,308.05			-813,831,744.79		
Nanjing Yusheng Real Estate Co., Ltd	363,216,788.14			-5,930,208.21				357,286,579.93	
Suzhou Renfa Investment Co., Ltd	103,356,947.06		-101,111,453.64	46,001,754.11			1,101,800.26	49,349,047.79	
Zhuhai Qinfa Investment Co., Ltd	382,837,933.95			-1,691,115.40				381,146,818.55	
Zhuhai Haihao Industrial Investment Co., Ltd	21,868,192.03			-2,229,269.37				19,638,922.66	
Zhuhai Construction Safety Science Research Institute Co., Ltd	7,315,441.36			-561,561.10				6,753,880.26	
Guangzhou Guanghong Real Estate Development Co., Ltd	134,450,113.79			-1,686,737.19				132,763,376.60	
Taicang Renhua Real Estate Development Co., Ltd	1,627,635,083.89			-19,535,732.75				1,608,099,351.14	
Taicang Shangsheng Business Consultancy Co., Ltd	605,677,769.11			4,107,632.12		-154,178,500.00		455,606,901.23	
Shenzhen Rongqi Investment Development Co., Ltd				11,484,498.50				11,484,498.50	
Shenzhen Runzhao Real Estate Co., Ltd	461,458,682.24			-20,891,847.78				440,566,834.46	
Huizhou Rongtuo Real Estate Co., Ltd	151,790,829.95			-9,806,218.05				141,984,611.90	
Fu'an Business Co., Ltd	25,136.15		-25,318.36				182.21		
Zhuhai Henghua Developemtn Co., Ltd	7,999,041.30			958.70			-8,000,000.00		
Hua Ao Sports Group Co., Ltd	354.28						5.14	359.42	

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Beijing Xingtai Tongfu Real Estate Co., Ltd	6,631,891.92			-1,071,631.37				5,560,260.55	
Shanghai Huabao Real Estate Co., Ltd	643,613,660.18			143,509,050.13				787,122,710.31	
Nanjing Huaduo Real Estate Development Co., Ltd	1,859,299,512.60			-18,514,669.74				1,840,784,842.86	
Zhuhai Yongjing Huayue Real Estate Co., Ltd	103,764,662.53			8,192,843.34				111,957,505.87	
Zhuhai Jinghua Real Estate Co., Ltd	195,088,301.48			-5,491,761.00				189,596,540.48	
Hunan Dream Waterfront Bay Co., Ltd	7,992,384.08			13,410,209.79				21,402,593.87	
Wuhan Central Business District Investment & Development Co., Ltd	859,363,503.78			-146,407,749.10				712,955,754.68	
Zhuhai Huafa New City Real Estate Co., Ltd	58,358,622.12			-4,683,149.23			-53,675,472.89		
Nanjing Huamei Decoration Engineering Co., Ltd	21,701.85			62,285.01				83,986.86	
Ezhou Coast Real Estate Co., Ltd	383,666,816.11			-10,509,883.86				373,156,932.25	
Hubei Port Industry Investment Co., Ltd	72,029,788.30			-1,709.39				72,028,078.91	
Hangzhou Zhaoyi Enterprise Management Co., Ltd	1,389,386,047.51			-16,755,247.59				1,372,630,799.92	
Nanjing Huayu Decoration Engineering Co., Ltd	1,057,962.93			14,913.43				1,072,876.36	
Suzhou Xinhuaheng Construction & Development Co., Ltd	299,979.01			-120.26			-299,858.75		
Xi'an Zihua Real Estate Co., Ltd	4,372,462.22			-4,372,462.22					
Hangzhou Runxing Real Estate Co., Ltd		475,200,000.00		-7,311,977.93				467,888,022.07	

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Xi'an Ziwei Huafa Property Management Service Co., Ltd	1,284,275.00			473,602.28				1,757,877.28	
Nanjing Yufa Real Estate Development Co., Ltd		681,100,000.00		-3,885,277.57				677,214,722.43	
Nanjing Lianhua Real Estate Development Co., Ltd		666,400,000.00		-377,346.96				666,022,653.04	
Changsha Runyi Real Estate Development Co., Ltd		342,020,000.00		-5,992,421.74				336,027,578.26	
Guangzhou Haikun Smart Property Service Co., Ltd				-480.64			951,028.02	950,547.38	
Chengdu Runze Rongcheng Real Estate Development Co., Ltd		231,000,000.00		-423,744.53				230,576,255.47	
Dalian Wanteng Real Estate Co., Ltd				-6,617,667.54			411,173,111.97	404,555,444.43	
Suzhou Huaheng Commercial Real Estate Co., Ltd				-48,243,071.47			1,202,560,814.18	1,154,317,742.71	
Wuhan Huazhang Real Estate Development Co., Ltd				-96,515,025.12			389,561,242.29	293,046,217.17	
Wuhan Huasheng Qianmao Real Estate Co., Ltd				-79,655,436.76			354,039,261.95	274,383,825.19	
Subtotal	12,874,785,954.96	2,445,720,000.00	-106,086,169.53	-351,848,046.54	-2,090,420.40	-154,178,500.00	1,488,350,936.73	16,194,653,755.22	3,719,255.57
I. Cooperative operation enterprise									
Zhuhai Huajin Huiyuan Equity Investment Fund (Limited Partnership)	69,624,261.51			11,240,767.76		-1,171,832.55		79,693,196.72	

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Zhuhai Agricultural Commercial Bank Inc.	1,149,556,825.13			59,510,626.39	6,406,677.43	-19,647,861.90		1,195,826,267.05	
Guangdong Financial Asset Transaction Center Inc.	35,966,848.78			738,949.62				36,705,798.40	
Zhuhai Runhai Investment Co., Ltd	47,797,420.74			26,734.55				47,824,155.29	
Zhuhai Hengqin Rare and Valuable Trading Co., Ltd	16,021,370.51			246,529.94				16,267,900.45	
Hengqin Huatong Financial Lease Co., Ltd	1,277,443,653.81			59,869,615.79				1,337,313,269.60	
Zhuhai Hualong Investment Co., Ltd	29,333,323.72			-46,875.87				29,286,447.85	
Guangdong United Property Right Transaction Center Co., Ltd	165,449,508.83			1,849,164.87		-4,268,292.68		163,030,381.02	
Zhongzi (Beijing) Private Equity Fund Management Co., Ltd	2,744,428.85	1,000,000.00		-505,099.02				3,239,329.83	
Zhuhai Huarun Bank Inc.	4,796,501,814.64			192,045,806.83	-6,202,333.84			4,982,345,287.63	
Future Membership Qualification Investment	1,400,000.00						-1,400,000.00		
Hengqin Life Insurance Co., Ltd	783,373,168.53			-253,454,999.57	-305,225,309.59			224,692,859.37	
Zhuhai Hengqin Anyou Investment Holdings Co., Ltd	11,646,097.78			-234,872.78				11,411,225.00	
Zhuhai Xiangzhou Xingfu Town Bank Inc.	11,466,175.55			12,941.90				11,479,117.45	
Jinpu Landscape Inc.	113,959,250.76		-11,564,483.33	2,382,792.59	-5,184,394.02	-800,000.00	-14,121,348.08	84,671,817.92	
Jiulong Property Insurance Co., Ltd	104,645,095.38			1,981,651.35				106,626,746.73	

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Zhuhai Huajin Ruicheng Education Industry Equity Investment Partnership (Limited Partnership)	973,656.29		-1,000,000.00	-5,731.75			32,075.46		
Zhuhai Huashun Investment Co.,Ltd	16,023,092.71			-15,454,417.88				568,674.83	
Zhuhai Yuehua Hesheng Investment Partnership (Limited Partnership)		307,000,000.00		13,282,511.43		-13,282,511.43		307,000,000.00	
Zhuhai Zhongyi Yingfei Emerging Industry Investment Fund (Limited Partnership)	387,735,991.95		-27,763,607.60	194,100,490.13	-109,921,098.98	-63,568,307.31		380,583,468.19	
Zhuhai Huahong New Kinetic Energy Equity Investment Fund (Limited Partnership)	61,836,565.69		-15,939,070.01	-786,698.80				45,110,796.88	
Zhuhai Huajin Chuangying No. 6 Equity Investment Fund Partnership (Limited Partnership)	165,500,417.77		-4,927,684.87	2,790,598.22	6,822,502.68			170,185,833.80	
Zhuhai Hanhu Huajin Equity Investment Fund Partnership (limited partnership)	28,295,661.24		-7,619,047.62	2,854,856.54				23,531,470.16	
Guangdong-Zhuhai-Macao (Zhuhai) Qianyan Industrial Equity Investment Fund (Limited Partnership)	385,337,383.54		-160,000,000.00	14,607,430.21		-354,251.51		239,590,562.24	
Zhuhai Tech Angel Venture Capital Investment Fund Partnership (Limited Partnership)	548,214,286.68			117,491,416.64				665,705,703.32	

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Zhuhai Huajin Chuangying No.10 Equity Investment Fund Partnership (limited partnership)*3	154,646,115.25			5,285,489.82		-6,705,444.80		153,226,160.27	
Zhuhai Hegang Highway Co., Ltd	1,700,000,000.00							1,700,000,000.00	
Zhuhai Gejin CGB Xinde Smart Manufacture Industrial Investment Fund (Limited Partnership)	175,319,634.92		-1,935,840.00	34,777,002.81		-1,108,532.04		207,052,265.69	
Zhuhai Shenhong Gejin Medical Health Industrial Investment Fund Partnership (Limited Partnership)	100,529,178.54		-6,586,826.35	631,763.09		-703,073.17		93,871,042.11	
Zhuhai Huajin Lingyue Smart Manufacture Industrial Investment Fund (limited partnership)	441,156,284.43		-17,794,816.00	51,433,259.80		-2,567,753.50		472,226,974.73	
Zhuhai Huajin Fengying No.1 Equity Investment Fund Partnership (Limited Partnership)	247,290,008.67			-15,174,963.01				232,115,045.66	
Zhuhai Huajin Shangying No.5 Equity Investment Fund Partnership (Limited Partnership)	336,510,435.18			51,068,468.85		-1,639,313.86		385,939,590.17	
Huajin East No.1 Fund Partnership (Limited Partnership)	211,908,416.43			-131,671,042.66	3,481,533.36			83,718,907.13	
INFINITY-HB VENTURE FUND LP	22,364,666.23	7,417,021.05		-358,929.09	322,183.79			29,744,941.98	
Infinity Globa Fund III LP	138,681,084.50	35,508,463.57		-2,984,071.68	1,993,512.16			173,198,988.55	
Infinity Investment Holding Group	190,038,860.88			4,342,207.00	3,812,932.86		724,830.68	198,918,831.42	

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Yangjiang Huayang Investment Holding Co., Ltd *1	300,000,000.00							300,000,000.00	
Zhuhai Urban Construction Baoli Theatre Management Co., Ltd	1,620,033.44			287,034.57		-268,940.22		1,638,127.79	
Zhuhai Intercity Rail Industrial Co., Ltd	66,271,223.07			-13,879,441.78				52,391,781.29	
Zhuhai Jinwan East Power Supply Co., Ltd	78,781,171.93			498,521.16				79,279,693.09	
Chaozhou New Energy Development Co., Ltd		4,900,000.00		-30,820.65				4,869,179.35	
Zhuhai Urban Rail Underground Traffic Exchange Center Construction Co., Ltd *1	10,034,200.00							10,034,200.00	
Zhuhai Hangfa Space Center Operation & Management Co., Ltd		5,000,000.00		67,479.24				5,067,479.24	
Zhuhai Xinshengjing Investment Co., Ltd		128,673,011.42		10,492,647.15	-37,190,321.86			101,975,336.71	
Zhuhai Tax-exempt Enterprise Group Co., Ltd	793,567,135.89		-128,673,011.42	144,255,383.16	45,232,090.76			854,381,598.39	
Zhuhai Zhuguang Urban Construction Hezhou South Investment Development Co., Ltd	1,043,700.79			6,560.15				1,050,260.94	
Zhuhai Zhongying Urban Construction Cinema City Co., Ltd	2,004,162.80			1,300,560.61				3,304,723.41	
Zhuhai International Golf Tour Co., Ltd		541,948,311.51		291,237.53				542,239,549.04	
Zhuhai Hangfa Space Center Operation & Management Co., Ltd		39,500,000.00		-5,588,508.99				33,911,491.01	

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Zhuhai Huajin Alpha 4 Equity Investment Fund Partnerhsip (Limited Partnership)	957,691,418.61		-43,403,451.26	36,962,868.38		-25,449,602.45		925,801,233.28	
Zhuhai Huajin Capital Inc.	1,479,377,880.08			20,808,216.86		-5,884,684.86	385,297.56	1,494,686,709.64	
Zhuhai Huajin Cultural Media Special Equity Investment Fund (Limited Partnership)	7,875,195.45			20,505.91				7,895,701.36	
Zhuhai Huajin Shengying No. 4 Equity Investment Fund Partnership (Limited Partnership)	88,420,673.13			12,062,644.72				100,483,317.85	
Zhuhai Huajin Shengying No.1 Equity Investment Fund Partnership (Limited Partnership)	10,146,562.96			-243.38				10,146,319.58	
Zhuhai Fuhai Huachuang Information Technology Venture Capital Investment Fund (Limited Partnership)	218,585,114.37			6,840,636.09				225,425,750.46	
Zhuhai Lihe Huajin Emerging Industry Venture Investment Fund (Limited Partnership)	4,234,787.12			5,299.29				4,240,086.41	
Zhuhai Kechuang Hi-tech Venture Investment Fund Partnership (Limited Partnership)	32,864,876.39			3,721,121.80				36,585,998.19	
Zhuhai Fuhai Huajin Venture Investment Fund (Limited Partnership)	154,651,645.63		-738,786.54	-2,433,213.27				151,479,645.82	
Zhuhai Xiangzhou Huajin Emerging Industry Venture Investment Fund (Limited Partnership)	39,360,333.47			508,017.43				39,868,350.90	

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Zhuhai Jinkong General Industry Equity Investment Fund (Limited Partnership)	51,714,338.56			54,110.39				51,768,448.95	
Zhuhai Fuhai Huajin Venture Investment Co., Ltd	984,598.01			-2,044.35				982,553.66	
Zhuhai Fuhai Huachuang Venture Capital Investment Fund Management Enterprise (Limited Partnership)	11,498,002.41			7,148.19				11,505,150.60	
Zhuhai Infiniti Venture Capital Fund (Limited Partnership)	558,925,641.32		-124,800,000.00	25,704,185.11				459,829,826.43	
Zhuhai Advanced Phase 1 Integrated Circuit Equity Investment Fund (Limited Partnership)	40,241,293.76			-1,060,657.59				39,180,636.17	
Zhuhai Huajin Alpha No.1 Fund Partnership (Limited Partnership)	408,244,357.05			-4,056.17				408,240,300.88	
Zhuhai Huajin Alpha No.2 Equity Investment Fund Partnership (Limited Partnership)	448,205,956.69		-105,351,110.44	124,140,558.18		-123,684,940.55		343,310,463.88	
Zhuhai Huajin Alpha No.3 Equity Investment Fund Partnership (Limited Partnership)	906,503,085.77		-181,717,669.23	421,373,486.92		-337,530,596.70		808,628,306.76	
Zhuhai Huajin Alpha No.6 Equity Investment Fund Partnership (Limited Partnership)	699,222,642.64	600,000,000.00		-97,963,126.43				1,201,259,516.21	
Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	4,046,552,053.47						-4,046,552,053.47		

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Investee	Opening balance	Increase of investment	Decrease of investment	Change of profit and loss in the current period	Other comprehensive income/other equity change in the current period	Declare to issue cash dividend or profit	Other	Closing balance	Impairment reserve
Zhuhai Huajin Fengxing No. 3 Equity Investment Fund Partnership (Limited Partnership)	691,660,790.43			242,892,511.78		-7,459,039.18		927,094,263.03	
Zhuhai Huafa Xingen Qianyan Industrial Equity Investment & Management Co., Ltd*2	577,873.00			1,750.08				579,623.08	
Zhuhai Huajin Alpha 5 Equity Investment Fund Partnership (Limited Partnership)	1,972,612,849.74			-25,833,794.53				1,946,779,055.21	
Infinity No. 2 (Zhuhai) Venture Capital Investment Partnership (Limited Partnership)	605,438,820.15			4,291,678.85				609,730,499.00	
Zhuhai Huajin Tongda Equity Investment Fund Partnership (Limited Partnership)	423,190,949.68		-26,535,677.68	19,752,626.35		-10,016,713.54		406,391,184.81	
Zhuhai Huashi Venture Industrial Development Investment Fund (Limited Partnership)	580,276,575.03		-25,187,633.22	15,239,878.80				570,328,820.61	
Zhuhai Puluo Lingqi Equity Investment Partnership (Limited Partnership)	131,195,146.97			-383,113.08				130,812,033.89	
Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	-1,890,156.50			-978,600.32				-2,868,756.82	
Zhuhai Huajin Lingyi Emerging Technology Industrial Investment Fund (Limited Partnership)	239,071,149.06	40,000,000.00		53,688,951.65		-371,789.68		332,388,311.03	
Zhuhai Huajin Gongying Equity Investment Fund Partnership (Limited Partnership)	169,143,036.14	155,556,000.00		25,748.44				324,724,784.58	
Zhuhai Huaguan Tianze Technology Co., Ltd		40,000.00		-40,000.00					

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Zhuhai Huajin Heying Equity Investment Fund Partnership (Limited Partnership)		3,423,000,000.00		-3,651,358.86				3,419,348,641.14	
Beijing Yitang Changhou Display Chip Venture Capital Investment Center (Limited Partnership)	283,092,594.82		-84,674.51	-6,136,894.28				276,871,026.03	
Tongfu Commercial Factoring Co., Ltd	29,037,591.32			132,345.70		-564,133.34		28,605,803.68	
Shanghai Diju Information Technology Co., Ltd	413,135.98			-413,135.98					
Shenzhen Lease Technology Co., Ltd	17,610,328.19		-14,688,290.32	-2,922,037.87					
Dimi Technology (Thailand) Co., Ltd	5,878,162.44			-2,029,389.28				3,848,773.16	
Yangzhou Digitone Technology Information Co., Ltd	545.04			-93.65				451.39	
Zhonghai Smart Equipment Manufacture (Shenzhen) Co., Ltd	7,587,358.89			-1,977,418.33				5,609,940.56	
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	2,496,848,699.15			54,715,098.77		-79,984,000.00		2,471,579,797.92	
Guangzhou Runye Real Estate Co., Ltd	325,093,973.31			-11,269,937.43				313,824,035.88	
Nantong Zhaotong Real Estate Co., Ltd	1,104,430,897.71			45,971,754.82				1,150,402,652.53	
Wuhan Conghong Yuye Real Estate Development Co., Ltd	4,243,314.30			-329,727.18				3,913,587.12	
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	366,323,766.33			-6,874,038.17				359,449,728.16	
Xi'an Zihai Real Estate Co., Ltd	22,416,945.27			2,593,125.15			-25,010,070.42		

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Investee	Opening balance	Increase of investment	Decrease of investment	Change of profit and loss in the current period	Other comprehensive income/other equity change in the current period	Declare to issue cash dividend or profit	Other	Closing balance	Impairment reserve
Xi'an Zitao Real Estate Co., Ltd	23,400,131.02			-11,918,604.99			-11,481,526.03		
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	511,895,989.31			-3,421,165.74				508,474,823.57	
Ningbo Zhaohai Real Estate Co., Ltd	348,070,321.10		-300,000,000.00	19,535,931.53		-22,000,000.00		45,606,252.63	
Tianjin Ruijun Business Management Co., Ltd	153,760,840.96			17,609,742.02				171,370,582.98	
YANLORD ECO ISLAND INVESTMENTS PTE.LTD	180,082,050.54			150,302,221.56			3,692,350.33	334,076,622.43	
Changsha Yide Real Estate Co., Ltd	578,667,666.18			3,433,325.84				582,100,992.02	
Changsha Yongjing Real Estate Co., Ltd	92,095,265.03			-17,495,173.23				74,600,091.80	
Suzhou Shenglan Meike Real Estate Co., Ltd	1,969,242.07			45,848,538.05				47,817,780.12	
Shenzhen Ronghua Real Estate Investment Co., Ltd	3,393,223,866.14						-3,393,223,866.14		
Dreamy City Limited	31,725,718.50			-1,032,178.70			452,509.09	31,146,048.89	
Zhuhai Hualin Life Service Co., Ltd	376,940.26						-376,940.26		
Hubei Lianchen Real Estate Development Co., Ltd	62,393,237.09			-3,069,528.33				59,323,708.76	
Nanjing Yihuaju Real Estate Co., Ltd	75,978,735.70			-5,334,396.40				70,644,339.30	
Shanghai Gufeng Real Estate Development Co., Ltd	1,298,553,197.96			-32,314,592.10				1,266,238,605.86	
Chengdu Huajin Minghong Industrial Co., Ltd	677,082,531.02			-22,173,144.08				654,909,386.94	
Shenzhen Rongchuang Huafa Property Management Service Co., Ltd	406,469.99			273,614.12				680,084.11	

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Investee	Opening balance	Increase of investment	Decrease of investment	Change of profit and loss in the current period	Other comprehensive income/other equity change in the current period	Declare to issue cash dividend or profit	Other	Closing balance	Impairment reserve
Guangzhou Runzhen Real Estate Co., Ltd		255,000,000.00						255,000,000.00	
Zhuhai Shitong Shuining Engineering Service Co., Ltd	500,000.00							500,000.00	500,000.00
Zhuhai Front-line Technology Research Institute Co., Ltd	2,000,000.00							2,000,000.00	2,000,000.00
Zhuhai Economic Special Zone Huada Industrial Inc.	4,000,000.00							4,000,000.00	4,000,000.00
Beijing Jingdixin Technology Co., Ltd	1,191,829.74							1,191,829.74	1,191,829.74
Subtotal	42,259,541,449.29	5,544,542,807.55	-1,206,311,680.40	1,607,050,005.23	-395,652,025.25	-729,031,615.27	-7,486,878,741.28	39,593,260,199.87	7,691,829.74
Total	55,134,327,404.25	7,990,262,807.55	-1,312,397,849.93	1,255,201,958.69	-397,742,445.65	-883,210,115.27	-5,998,527,804.57	55,787,913,955.09	11,411,085.31

*1 is the civil work projects on agency basis. The fund for such projects comes from the fiscal department. The Company doesn't enjoy operating benefits nor shoulder the operating risk. Thus, it is not included into the scope of consolidation of the financial statement.

*2 Subsidiaries of the Company pledges their equity of joint and cooperative operation enterprises for their long-term loan. The value of equity pledged is RMB 420,989,878.98.

25. Other equity instrument investment

Item	Closing balance	Opening balance
Equity instrument investment	4,722,741,736.13	1,457,814,800.70

Note: This is investment held by the Company for a long term for strategic purpose. Thus, the Company designates it as the financial asset measured by fair value and with its change being included into other comprehensive income.

26. Other non-current financial assets

Item	Closing fair value	Opening fair value
Financial asset measured by fair value and with its change being included into the Current Profit and Loss.	44,235,859,062.64	32,849,442,215.15
Incl: debt instrument investment	27,123,135,437.92	12,420,458,607.74
Equity instrument investment	17,112,723,624.72	20,428,983,607.41
Total	44,235,859,062.64	32,849,442,215.15

Note: An amount of RMB 11,330,842.65 in other non-current financial assets of the Company has been provided as mortgage for the loan.

27. Investment real estate

(1) Investment real estate

Item	Opening fair value	Current increase				Current decrease		Closing fair value
		Purchase	Transfer from consolidation	Transferred from self-use real estate or stock	Profit and loss from change of fair value	Disposal	Other decrease	
I. Total cost	22,720,472,913.05	1,645,399,555.37	721,550,370.40	23,251,079,907.77		3,292,501.69	1,035,536,100.00	47,299,674,144.90
Incl: real estate, buildings	22,720,472,913.05	1,645,399,555.37	721,550,370.40	15,467,572,334.71		3,292,501.69	1,035,536,100.00	39,516,166,571.84
Land use right				7,783,507,573.06				7,783,507,573.06
2. Total change of fair value	541,952,101.85				1,663,135,515.15			2,205,087,617.00
Incl: real estate, buildings	541,952,101.85				1,663,135,515.15			2,205,087,617.00
land use right								
3. Total book value	23,262,425,014.90	1,645,399,555.37	721,550,370.40	23,251,079,907.77	1,663,135,515.15	3,292,501.69	1,035,536,100.00	49,504,761,761.90
Incl: real estate, buildings	23,262,425,014.90	1,645,399,555.37	721,550,370.40	15,467,572,334.71	1,663,135,515.15	3,292,501.69	1,035,536,100.00	41,721,254,188.84
land use right				7,783,507,573.06				7,783,507,573.06

*1 The Company's investment real estate are located in core urban areas, with an active market for transaction of real estate and favorable commercial environment. The Company could obtain the market price and other relevant information of same or similar real estate from the real estate transaction market and it is operable.

*2 When deciding the fair value of an investment real estate, the Company refers to current market price of same or similar real estate in an active market. If it is impossible to obtain the current market price of same or similar real estate, the Company refers to the latest transaction price of same or similar real estate in an active market and takes also into account the asset situation, location, transaction situation, transaction date, and other factors in order to estimate reasonably the fair value of the investment real estate. Alternately, the Company could determine its fair value based on the estimated future rental and present value of relevant cash flow.

*3 In order to reflect more objectively and fairly the value of investment real estate, the Company has engaged professional appraisers to appraise the fair value on the investment real estate at the end of 2023 and has obtained the appraisal report. The Company takes the appraisal result confirmed by the appraisal report as the fair value for subsequent measurement.

(2) Remarks on the investment real estate

A. Among the Company's investment real estate, an amount of RMB 27,629,398,760.41 is provided as mortgage for The loan.

B. Investment real estate for which no title documents have been obtained yet

Item	Book value	Reason
Conference & Exhibition Phase 2	2,405,925,967.00	In process
Industrial Service Center Phase 1 and Phase 2	446,945,081.00	Can't apply because mortgaged for loan
Property delivered by the government	204,141,767.11	No title documents has been applied yet.
Subtotal	3,057,012,815.11	

28. Fixed assets

Item	Closing book value	Opening book value
Fixed asset	22,279,263,373.62	17,624,334,298.64
Cleanup of fixed assets	20,528,905.97	146,639,383.67
Total	22,299,792,279.59	17,770,973,682.31

(1). Fixed assets

Item	Opening balance	Changeover from consolidation	Current increase	Current decrease	Closing balance
1.Total original value of fixed asset	25,046,329,975.66	6,160,790,766.18	8,527,234,151.87	10,876,334,874.07	28,858,020,019.64
Incl: real estate,	15,823,624,586.19	2,518,612,507.91	7,213,404,455.97	2,541,016,699.43	23,014,624,850.64

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Item	Opening balance	Changeover from consolidation	Current increase	Current decrease	Closing balance
buildings					
Equipment	6,855,115,474.03	3,368,496,368.28	955,940,293.51	7,757,262,837.30	3,422,289,298.52
Vehicles	473,711,578.56	73,669,535.92	36,412,813.96	42,180,822.73	541,613,105.71
Electronic equipment and etc	1,893,878,336.88	200,012,354.07	321,476,588.43	535,874,514.61	1,879,492,764.77
2.Total accumulated depreciation	7,393,423,634.24	2,967,181,837.83	1,398,880,210.65	5,265,758,631.56	6,493,727,051.16
Incl: real estate, buildings	2,470,972,338.88	602,044,682.07	630,049,338.54	631,208,006.06	3,071,858,353.43
Equipment	3,559,662,381.59	2,182,693,117.06	518,838,932.37	4,309,972,223.87	1,951,222,207.15
Vehicles	311,987,902.59	55,338,925.53	48,780,856.96	32,673,820.93	383,433,864.15
Electronic equipment and etc	1,050,801,011.18	127,105,113.17	201,211,082.78	291,904,580.70	1,087,212,626.43
3.Total net book value of fixed asset	17,652,906,341.42				22,364,292,968.48
Incl: real estate, buildings	13,352,652,247.31				19,942,766,497.21
Equipment	3,295,453,092.44				1,471,067,091.37
Vehicles	161,723,675.97				158,179,241.56
Electronic equipment and etc	843,077,325.70				792,280,138.34
4.Total impairment reserve of fixed assets	28,572,042.78	118,168,164.35	29,366,137.98	91,076,750.25	85,029,594.86
Incl: real estate, buildings	21,492,940.32	1,062,838.85		19,640,510.11	2,915,269.06
Equipment	6,868,460.73	112,694,437.32	28,620,904.01	69,356,179.76	78,827,622.30
Vehicles	116,734.71	331,098.08	96,067.96	102,544.40	441,356.35
Electronic equipment and etc	93,907.02	4,079,790.10	649,166.01	1,977,515.98	2,845,347.15
6. Total book value of fixed asset	17,624,334,298.64				22,279,263,373.62
Incl: real estate, buildings	13,331,159,306.99				19,939,851,228.15
Equipment	3,288,584,631.71				1,392,239,469.07
Vehicles	161,606,941.26				157,737,885.21
Electronic equipment and etc	842,983,418.68				789,434,791.19

2). Other remarks on fixed assets

A. Among the Company's fixed assets, an amount of RMB 6,115,489,481.01 in terms of book value is provided as mortgage for the loan.

B. Fixed assets for which no title documents have been obtained.

Item	Book value	Reason that no title documents haven't been obtained
Real estate and buildings	1,048,282,147.79	talent housing has limited property right, title documents are in process, temporary buildings
Total	1,048,282,147.79	

(3) Cleanup of fixed assets

Item	Closing book value	Opening book value	Reason for cleanup
House and building	13,933,350.70	149,364,670.63	Disposal
Equipment and etc	6,595,555.27	-2,725,286.96	Disposal
Total	20,528,905.97	146,639,383.67	

29. Construction in process

Item	Closing balance			Opening balance		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
Construction in process	3,938,702,678.12	2,334,362.96	3,936,368,315.16	7,046,738,345.96	697,675.54	7,046,040,670.42
Project materials	60,036,829.00		60,036,829.00			
Total	3,998,739,507.12	2,334,362.96	3,996,405,144.16	7,046,738,345.96	697,675.54	7,046,040,670.42

Construction in process

Item	Closing			Opening		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
Project construction on agency basis	719,398,694.80		719,398,694.80	1,395,668,923.10		1,395,668,923.10
Smart city project	521,465,570.90		521,465,570.90	505,070,528.39		505,070,528.39
Zhuhai Xiangzhou District Nanping Baishatou Affordable Housing Project	505,904,024.03		505,904,024.03	270,342,371.03		270,342,371.03
Zhuhai Hengqin International Tennis Center Project	426,691,981.17		426,691,981.17	421,125,712.39		421,125,712.39
Zhuhai Seaside Building Reform	394,513,763.80		394,513,763.80	215,054,572.03		215,054,572.03
Huafa Dongao Island Hotel Project	281,377,841.63		281,377,841.63	254,912,099.57		254,912,099.57

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Item	Closing			Opening		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
Dawanshan Island Jintang Bay Resort Hotel Project	271,704,295.91		271,704,295.91	260,550,423.18		260,550,423.18
New energy project	127,904,362.33		127,904,362.33			
Pingsha Electronic & Electric Industrial Park	121,186,619.87		121,186,619.87	1,345,660,666.24		1,345,660,666.24
Zhuhai Grand Hall Reconstruction Parking Lot Project	90,852,598.52		90,852,598.52	29,533,937.84		29,533,937.84
International Conference & Exhibition Center Project	86,009,174.30		86,009,174.30			
Founder Technology Equipment Purchase and Decoration Project and etc.	82,350,394.21		82,350,394.21			
Dismantle and reconstruction of office building No. 491 in Meihua East Road	63,284,450.93		63,284,450.93	63,284,450.93		63,284,450.93
Guangku lithium niobate high-speed modulator chip R&D and industrialization project infrastructure works	59,930,854.72		59,930,854.72	104,175,112.41		104,175,112.41
Jingan Mansion Plot No. 10 Decoration	10,773,063.14		10,773,063.14	7,047,575.96		7,047,575.96
Office building decoration	24,773,527.34		24,773,527.34	557,357,383.14		557,357,383.14
Big Data Center Phase 2				343,663,144.11		343,663,144.11
Zhejiang Huachan Phase 2 Project				385,404,042.55		385,404,042.55
Huachan mini Phase 2 Expansion Project				208,419,745.93		208,419,745.93
Huachan micro and Zhejiang Huachan Phase 1 project				137,148,626.14		137,148,626.14
Huachan Red-Yellow Mini Expansion Project				69,113,687.32		69,113,687.32
Huachan 35 million substrate slice phase 1 project				64,742,541.57		64,742,541.57
Zhejiang Huachan GaN Power and Electronic Appliance				52,445,923.11		52,445,923.11

Item	Closing			Opening		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
Huachan Zhangjiagang Chip Phase 4 Project				41,787,802.45		41,787,802.45
Huachan Zhangjiagang Chip Phase 3 Project				23,883,892.99		23,883,892.99
Dawan District Smart Manufacture Industry Park Workshop and Complementary Works				23,674,535.25		23,674,535.25
Construction cost of Brand Hall Cluster				11,888,018.33		11,888,018.33
Other	150,581,460.52	2,334,362.96	148,247,097.56	254,782,630.00	697,675.54	254,084,954.46
Total	3,938,702,678.12	2,334,362.96	3,936,368,315.16	7,046,738,345.96	697,675.54	7,046,040,670.42

30. Use right assets

Item	Opening balance	Transfer from Consolidation	Current increase	Current decrease	Closing balance
I. Total original book value	2,880,898,070.59	22,094,110.41	664,508,966.98	381,359,800.07	3,186,141,347.91
Buildings	2,734,103,363.25	19,404,272.63	391,637,703.15	372,525,244.26	2,772,620,094.77
Land use right	16,742,429.19		256,479,143.68		273,221,572.87
Other	130,052,278.15	2,689,837.78	16,392,120.15	8,834,555.81	140,299,680.27
II. Total accumulated depreciation	1,199,420,243.89	10,472,006.96	467,771,232.01	263,301,202.71	1,414,362,280.15
Buildings	1,114,244,750.87	10,427,176.31	432,823,414.61	261,655,242.19	1,295,840,099.60
Land use right	4,814,066.89		8,979,263.48		13,793,330.37
Other	80,361,426.13	44,830.65	25,968,553.92	1,645,960.52	104,728,850.18
III. Total book value of land use right asset	1,681,477,826.70				1,771,779,067.76
Buildings	1,619,858,612.38				1,476,779,995.17
Land use right	11,928,362.30				259,428,242.50
Other	49,690,852.02				35,570,830.09
IV. Total impairment reserve	1,357,070.36			1,357,070.36	
Buildings	1,357,070.36			1,357,070.36	
Land use right					
Other					
IV. Total book value of use right asset	1,680,120,756.34				1,771,779,067.76
Buildings	1,618,501,542.02				1,476,779,995.17
Land use right	11,928,362.30				259,428,242.50
Other	49,690,852.02				35,570,830.09

Note: An amount of RMB 9,628,905.32 of the use right asset in terms of book value is provided as mortgage for the loan.

31. Intangible assets

(1). Intangible assets

Item	Opening balance	Carryover from consolidation	Current increase	Current decrease	Closing balance
I. Original value	3,602,171,398.62	226,998,908.20	16,179,541,107.08	17,045,392,114.31	2,963,319,299.59
Land use right	2,224,490,439.91	212,371,052.00	16,020,981,874.60	16,297,064,194.22	2,160,779,172.29
Software	603,983,612.10	5,817,066.83	112,840,772.13	28,587,902.41	694,053,548.65
Patent right	713,304,393.27	274,376.63	41,242,635.70	716,398,303.13	38,423,102.47
Other	60,392,953.34	8,536,412.74	4,475,824.65	3,341,714.55	70,063,476.18
2.Total accumulated amortization	920,502,164.97	44,895,224.57	190,590,336.93	421,677,464.57	734,310,261.90
Land use right	353,814,667.55	35,316,795.99	58,131,307.97	90,118,393.25	357,144,378.26
Software	271,219,780.35	1,981,712.83	75,204,469.27	15,309,128.03	333,096,834.42
Patent right	280,528,293.26	239,513.18	51,972,829.93	315,475,690.10	17,264,946.27
Other	14,939,423.81	7,357,202.57	5,281,729.76	774,253.19	26,804,102.95
3.Intangible asset impairment reserve	7,107,089.79		385,240.34	4,998,058.05	2,494,272.08
Land use right					
Software			385,240.34		385,240.34
Patent right	4,998,058.05			4,998,058.05	
Other	2,109,031.74				2,109,031.74
3. Total intangible asset impairment reserve	2,674,562,143.86				2,226,514,765.61
Land use right	1,870,675,772.36				1,803,634,794.03
Software	332,763,831.75				360,571,473.89
Patent right	427,778,041.96				21,158,156.20
Other	43,344,497.79				41,150,341.49

(2). Other remarks on intangible asset

The Company has no mortgage or pledge for intangible assets by 31st December 2023.

32. Development cost

Item	Opening balance	Current increase		Current decrease			Closing balance
		R&D expense	Other	Recognized as intangible asset	Transferred to current profit and loss	Other	
Information Platform Project	18,148,254.07	2,602,670.75		17,864,819.63			2,886,105.19
New display Micro-LED epitaxial technology development and industrialization project		-308,212.22		-308,212.22			-
Mini LED blue-green epitaxial technology development		-151,378.74		-151,378.74			-
Red-light Mini LED chip technology development		-201,284.75		-201,284.75			-
Ag process inverted LED chip technology R&D		-236,551.12		-236,551.12			-
Blue-green MiniLED chip reliability improvement technology	11,074,740.81	2,006,123.70		13,080,902.82		-38.31	
TV and handphone backlight LED chip technological development	3,757,077.60	4,930,620.82				8,687,698.42	
DBR Flip Product ESD Improvement Technical Development	2,381,187.08	1,797,472.83		4,182,379.18		-3,719.27	
Third-generation chemical semi-conductor GaN power device development	4,662,351.38	6,065,151.69				10,727,503.07	

Item	Opening balance	Current increase		Current decrease			Closing balance
		R&D expense	Other	Recognized as intangible asset	Transferred to current profit and loss	Other	
Blue green high lighting effect display chip technical development		3,917,637.71				3,917,637.71	
White light large width backlight epitaxial performance technical development		3,868,641.00				3,868,641.00	
New generation new display semiconductor LED chip manufacture technology		-23,524.90		-23,524.90			
Third-generation semi-conductor GaN substrate epitaxial material and device R&D industrialization		3,175.08		3,175.08			
Large GaN epitaxial material and component manufacture key technology development 2021C01168	17,630,930.97	-347,240.72		17,283,690.25		-	
Large band gap semiconductor photoelectronic material and its key performance component key technology 2021C01030	14,318,524.07	8,959,932.11				23,278,456.18	
Micro-order ultra-small size inverted LED chip technical development	18,013,882.85	-1,027,567.52				16,986,315.33	

Item	Opening balance	Current increase		Current decrease			Closing balance
		R&D expense	Other	Recognized as intangible asset	Transferred to current profit and loss	Other	
New display application-oriented third-generation semi-conductor material MicroLED epitaxial growth and chip preparation key technology research	8,786,679.02	24,904,812.35				33,691,491.37	
4" precision double-polished processing key technology development		163,831.44				163,831.44	
4" sapphire monocrystal crack improvement R&D	3,252,348.66			3,252,348.66			
8" isometric C-directional sapphire crystal growth key technology development		142,508.92				142,508.92	
MicroLED cleaning process R&D	3,638,623.25			3,638,623.25			
6" sapphire wafer processing key technology	1,484,311.51	2,934,623.60				4,418,935.11	
High-power 280nm deep ultra-violet LED epitaxial technology development		16,065,259.67				16,065,259.67	

Item	Opening balance	Current increase		Current decrease			Closing balance
		R&D expense	Other	Recognized as intangible asset	Transferred to current profit and loss	Other	
Third-generation semi-conductor GaN power & electronic device key technical development		5,630,819.91				5,630,819.91	
White light SiO ₂ high lighting effect epitaxial property improvement technical development		14,982,842.06				14,982,842.06	
AlGainP-based high bonding yield rate red light MiniLED chip technical development		12,574,506.99				12,574,506.99	
Industrial Park Smart Park System	9,450,701.31			9,450,701.31			
Corporate Digital Management System	14,551,952.82	4,204,234.36	1,498,277.86				20,254,465.04
Other		27,861,054.07					27,861,054.07
Total	131,151,565.40	141,320,159.09	1,498,277.86	67,835,688.45		155,132,689.60	51,001,624.30

33. Goodwill

(1). Book value of goodwill

Name of investee or matters that results in goodwill	Opening balance	Current increase	Current decrease	Closing balance
Huachan Photo-electronic Inc.	1,822,888,752.06		1,822,888,752.06	
Beijing Digitone Trading Inc.	1,003,688,355.41			1,003,688,355.41
Zhuhai Guangku Technology Inc.	778,398,836.52			778,398,836.52
Shenzhen Weiye Decoration Group Inc.	390,106,457.35			390,106,457.35
Yunnan Aquamarine Asset Portfolio	253,767,565.36		253,767,565.36	
Huafa Property Service Group Co., Ltd *3	180,876,655.56			180,876,655.56
Zhuhai Jiahua Weijie Technology Co., Ltd	109,822,083.83			109,822,083.83
Johnson Investment Holding Co., Ltd *1	113,983,270.79	1,652,449.25		115,635,720.04
Huajin Securities Inc.	64,901,152.30			64,901,152.30
Huajin Futures Co., Ltd	64,744,368.67			64,744,368.67
Fujian Mindong Jiangong Investment Co., Ltd	58,110,815.64		58,110,815.64	
Zhuhai Huafa Industrial Inc.	32,226,739.37			32,226,739.37
Huafa Property Management Service (Hong Kong) Co., Ltd	25,135,791.89			25,135,791.89
Zhuhai Hi-tech Headquarter Base Construction & Development Co., Ltd	18,181,742.15			18,181,742.15
Huajin Finance (International) Co., Ltd	8,944,721.04			8,944,721.04
Zhuhai Huafa Dehe, Tiancheng Automobile Co., Ltd	477,880.57			477,880.57
Zhuhai Guangchen Technology Co., Ltd	35,066.34			35,066.34
Zhuhai Haichuan Real Estate Co., Ltd	1,363.43			1,363.43
Zhuhai Huaguan Technology Inc.	8,087,513.96			8,087,513.96
Founder Technology Group Inc. *2		697,941,120.44		697,941,120.44
Zhuhai Founder Technology Multi-layer Circuit Board (Hong Kong) Development Co., Ltd *2		81,356,056.06		81,356,056.06
Zhuhai Aoyue Energy Co., Ltd *3		477,688,883.51		477,688,883.51
Total	4,934,379,132.24	1,258,638,509.26	2,134,767,133.06	4,058,250,508.44

(2). Goodwill impairment reserve

Name of investee or matters that results in goodwill	Opening balance	Current increase	Current decrease	Closing balance
Yunnan Aquamarine Asset Portfolio	253,767,565.36		253,767,565.36	
Beijing Digitone Trading Inc.		200,874,307.92		200,874,307.92
Huafa Property Service Group Co., Ltd		180,876,655.56		180,876,655.56
Huafa Property Management Service (Hong Kong) Co., Ltd		25,135,791.89		25,135,791.89
Zhuhai Founder Technology Multi-layer Circuit Board (Hong Kong) Development Co., Ltd		81,356,056.06		81,356,056.06
Fujian Mindong Jiangong Investment Co., Ltd	24,508,196.40	33,602,619.24	58,110,815.64	
Total	278,275,761.76	521,845,430.67	311,878,381.00	488,242,811.43

*1 The current increase is the translation difference.

*2 The current increase is the goodwill arising from acquisition of Founder Technology not under the same control in 2023.

*2 The current increase is the goodwill arising from acquisition of Zhuhai Aoyue Energy Co., Ltd.

34. Long-term deferred expense

Item	Opening balance	Increase from consolidation	Current increase	Current amortization	Other decrease	Closing balance
Decoration expense	305,152,994.45	29,643,657.19	158,169,150.71	136,396,970.61	20,538,514.58	336,030,317.16
Project payment	6,276,097.48	87,498,346.41	15,024,955.92	19,289,762.01	219,245.34	89,290,392.46
Other	38,375,463.23	52,028,427.44	57,581,736.44	67,171,166.67	19,933,868.04	60,880,592.40
Total	349,804,555.16	169,170,431.04	230,775,843.07	222,857,899.29	40,691,627.96	486,201,302.02

35. Deferred income tax asset and deferred income tax liabilities

(1) Un-offset deferred income tax asset

Item	Closing balance		Opening balance	
	Deferred income tax asset	Deductible temporary difference	Deferred income tax asset	Deductible temporary difference
Un-realized internal gross profit	467,179,965.46	1,868,716,315.51	223,750,856.80	903,889,200.82
Asset impairment reserve	647,442,767.93	2,998,541,824.35	518,191,775.82	2,480,615,630.95
Anticipated profit of advance receipt of payment	2,471,329,902.49	9,885,319,609.94	1,977,819,968.49	7,911,279,873.96
Withholding expense	1,843,078,161.53	7,372,673,633.64	1,018,650,921.37	4,089,046,042.37

Item	Closing balance		Opening balance	
	Deferred income tax asset	Deductible temporary difference	Deferred income tax asset	Deductible temporary difference
Recoverable loss	1,978,812,386.67	8,221,423,458.92	2,214,156,030.97	9,562,231,333.98
Lease liabilities	372,282,363.10	1,490,135,057.23	330,264,870.67	1,322,930,632.95
Change of fair value of financial assets	196,830,790.25	787,323,161.01	122,093,564.03	488,374,256.12
Other	156,285,734.34	667,721,667.77	106,558,172.42	539,033,212.74
Total	8,133,242,071.77	33,291,854,728.37	6,511,486,160.57	27,297,400,183.89

(2) Un-offset deferred income tax liability

Item	Closing balance		Opening balance	
	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference
Cost to obtain the contract	234,487,572.15	937,950,288.60	157,981,850.49	631,927,401.95
Change to fair value of financial asset	637,890,498.75	2,551,620,412.69	330,598,248.32	1,322,503,294.59
Investment real estate	921,404,520.48	3,685,618,081.91	379,137,460.55	1,516,549,842.16
Use right asset	305,140,614.73	1,221,613,756.44	284,221,403.26	1,138,837,987.84
Book value of the stock higher than the taxable basis	831,412,449.62	3,325,649,798.47	929,384,730.77	3,719,708,163.59
Value-added for merger of enterprises not under the same control	332,327,667.50	1,393,582,405.97	109,394,727.62	620,793,943.86
Depreciation difference of fixed assets	117,100,030.05	766,379,156.34	160,022,422.05	1,066,816,147.18
Other	550,249,109.56	2,200,996,438.22	325,953,890.19	1,369,679,817.00
Total	3,930,012,462.83	16,083,410,338.64	2,676,694,733.25	11,386,816,598.17

(3) Deferred income tax or liabilities presented as offset net amount

Item	Offset amount of deferred income tax asset and liabilities on 31 st Dec. 2023	Offset balance of deferred income tax asset or liabilities on 31 st Dec. 2023	Offset amount of deferred income tax asset and liabilities on 1 st Jan. 2023	Offset balance of deferred income tax asset and liabilities on 1 st Jan. 2023
Deferred income tax asset	1,615,866,532.35	6,517,375,539.42	1,212,562,892.16	5,298,923,268.41
Deferred income tax liability	1,615,866,532.35	2,314,145,930.48	1,212,562,892.16	1,464,131,841.09

36. Other non-current assets

Item	Closing balance	Opening balance
Prepayment for purchase of long-term asset	367,243,128.53	396,183,039.20
Prepayment for equity transfer	1,837,958,896.57	3,024,971,173.02
Land use right for municipal works *1	195,185,469.65	195,185,469.65
Land use right with restrictions on development *2	800,000,000.00	800,000,000.00
Cost to obtain contract	243,030,002.13	229,582,606.34
Factoring receivable	171,907,781.55	275,595,527.14
Fund lent and other	716,990,796.26	298,239,890.76
Total	4,332,316,074.69	5,219,757,706.11

*1. The land use right for the municipal works is the land use right of Yeli Island used by Urban Construction Group for Zhuhai Opera House.

Land use right for municipal works:

Land use right	Area (sqm)	Title deed No.	Date of registration	Title period	Usage
Zhuhai Xiangzhou District Yeli Island Northwest Plot A	7,121.43	YFDQZZ No.0100183161	2013-01-31	Other purpose from 2013-01-10 to 2063-01-10	Other purpose from 2013-01-10 to 2063-01-10 Land usage is "square" and the land use period is 50 years from 10 th Jan. 2013.
Zhuhai Xiangzhou Yeli Island Northwest Plot B1	20,645.23	YFDQZZ No.0100183162	2013-01-31	Entertainment from 2013-01-10 to 2063-01-10	Entertainment from 2013-01-10 to 2063-01-10 Land usage is "entertainment" (opera house) and the land use period is 50 years from 10 th Jan. 2013. There is construction in process above the ground.
Zhuhai Xiangzhou District Yeli Island Northwest Plot B2	33,014.93	YFDQZZ No. 0100183163	2013-01-31	Entertainment from 2013-01-10 to 2063-01-10	Entertainment from 2013-01-10 to 2063-01-10. Land usage is "entertainment" (opera house) and the land use period is 50 years from 10 th Jan. 2013. There is construction in process above the ground.

*2. The land use right with restrictions on development is the investment of Zhuhai People's Government State Asset Supervision and Administration Committee into the Company and shall not be used for actual development. It is used by the Company to provide the land use right as mortgage for guarantee of bank loans.

Details of land use right with restrictions on development:

Land use right	Area (sqm)	Title deed No.	Date of registration	Title period	Usage
Zhuhai Xiangzhou District Tangjia Houhuan Coastal Area	500,000.00	YFDQZZ No 0100032846	2009-09-18	Commercial service (from 2002-11-28 to 2042-11-28), residential (from 2002-11-28 to 2072-11-28)	Commercial service (from 2002-11-28 to 2042-11-28), residential (from 2002-11-28 to 2072-11-28)

37. Short-term loan

(1). Type of short-term loan

Type of loan	Closing balance	Opening balance
Pledged loan	3,141,657,559.93	3,132,706,993.49
Mortgaged loan	6,396,308,742.20	6,935,519,000.00
Guaranteed loan	15,246,253,412.75	12,141,174,805.89
Credit loan	13,416,125,611.65	8,631,005,311.47
Interest payable of outstanding loan	45,345,193.91	51,325,279.78
Total	38,245,690,520.44	30,891,731,390.63

(2). There is no overdue short-term loan.

(3). Refer to Note 8.1, Note 8.8, Note 8.10, Note 8.11, Note 8.14, Note 8.16, Note 8.24, Note 8.26, Note 8.27, Note 8.28, Note 8.30 and Note 9.1 for mortgage, pledge and guarantees.

38. Loan

(1) By entry

Type	Closing balance	Opening balance
Fund borrowed and then financed	700,000,000.00	150,000,000.00
Subtotal	700,000,000.00	150,000,000.00
Add: Interest payable	6,212,166.67	175,000.00
Total	706,212,166.67	150,175,000.00

(2) Balance period of fund borrowed and then financed

Balance period	Closing		Opening	
	Closing balance	Interest rate	Opening balance	Interest rate
<3 months	706,212,166.67	2.16%-3.56%		
3-6 months			150,175,000.00	2.10%
Total	706,212,166.67		150,175,000.00	

39. Transaction financial liability

Item	Closing fair value	Opening fair value
Financial liability that is designated to be measured by fair value and with its change being included into the current profit & loss	55,092,050.08	
Total	55,092,050.08	

40. Derivative financial liabilities

Item	Closing balance	Opening balance
Overseas operation net investment hedging instrument	58,153,972.77	4,828,454.88
Future contract	970,950.00	53,476,520.00
Total	59,124,922.77	58,304,974.88

41. Notes payable

Type	Closing balance	Opening balance
Commercial acceptance bill	312,960,628.00	770,793,367.18
Bank acceptance bill	1,225,783,472.51	1,009,085,704.35
Letter of credit	344,220,000.00	32,157,491.00
Total	1,882,964,100.51	1,812,036,562.53

Note: The Company doesn't have notes payable due but not paid yet in the current period.

42. Account payable

Age	Closing balance	Opening balance
< 1 year (including 1 year)	46,013,642,782.74	36,065,283,243.80
>1 year	5,460,906,614.02	3,055,301,866.99
Total	51,474,549,396.76	39,120,585,110.79

Note: The Company's account payable is mainly project and material payable related with real estate development.

Important account payable with an age above 1 year

Creditor	Closing balance	Reason of not paid
Zhuhai Jinwan International Business Center	293,552,137.48	No final account yet for the project payment
Ezhou Wutong Lake International Community	279,396,637.15	No final account yet for the project payment
Shenyang Heping Capital	203,789,959.13	No final account yet for the project payment
Zhanjiang Huafa New City Garden	180,324,319.26	No final account yet for the project payment
Jiangmen Huafa Four Season Phase 2	166,617,034.60	No final account yet for the project payment

Creditor	Closing balance	Reason of not paid
Hebei Logistics Group Metal Material Co., Ltd	80,000,000.00	No final account yet for the project payment
Hengqin International Tennis Center Complementary Project Phase 1	52,523,177.17	No final account yet for the project payment
Tibet Logistics Park Phase 1 Project Payment	49,508,189.11	No final account yet for the project payment
Hengqin International Tennis Center Phase 2 Complementary Facilities (Diving Hall)	43,911,215.64	No final account yet for the project payment
Guan Ao Platform Project Payment	43,571,357.45	No final account yet for the project payment
Shenzhu Digital System Integration Service Co., Ltd	24,707,747.90	No final account yet for the project payment
UNICOM Digital Technology Co., Ltd Guangdong Branch	23,994,753.13	No final account yet for the project payment
Guangzhou Jiajie Technology Co., Ltd	19,225,230.15	No final account yet for the project payment
Beijing Shengze Tongda Trading Co., Ltd	18,978,419.61	No final account yet for the project payment
Pingsha Hospital Project payment	13,753,329.15	No final account yet for the project payment
Doumen "One River Two Banks" Comprehensive Development Project	11,651,650.64	No final account yet for the project payment
Guangdong Jianxing Construction Group Co., Ltd	11,864,181.92	No final account yet for the project payment
Total	1,517,369,339.49	No final account yet for the project payment

43. Advance receipt of payment

Item	Closing balance	Opening balance
Advance receipt of rental, property management fee and etc.	514,484,964.39	519,056,254.31

Note: The Company has no important advance receipt of payment with an age above 1 year at end of the period.

44. Contract liabilities

(1) Type of contract liabilities

Item	Closing balance	Opening balance
Advance receipt of real estate payment	99,657,703,599.45	88,795,384,784.72
Advance receipt of project or service payment	969,334,503.05	1,013,767,632.12
Advance receipt of goods payment	790,283,776.25	485,922,477.20
Other	284,801,078.82	551,755,219.46
Total	101,702,122,957.57	90,846,830,113.50

(2) Advance receipt of real estate payment

Project Name	Closing balance	Opening balance	Anticipated first phase completion time	Advance sales percentage %
Guangzhou Heyue Mansion	6,631,134,592.80	6,944,828,541.16	2023	99.93
Shenzhen Ice and Snow Cultural Tourism City	6,603,787,229.36		2024	98.20
Shanghai Huafa Penninsula Mansion	6,487,970,192.66		2024	100.00
Hangzhou Huafa Riverside	5,928,264,268.81	4,681,379,189.91	2024	100.00
Shanghai Huafa Four Season Riverside	5,909,461,122.02		2024	100.00
Hengqin Area Residential Project	5,412,110,317.31	6,915,134,269.54	2023	69.13
Shanghai Huafa Manyun Mansion	4,446,491,232.11	4,147,545,360.55	2024	100.00
Shanghai Huafa Gumei Mansion	4,371,171,544.95		2024	100.00
Shanghai Jingan House	4,348,914,014.58		2025	98.93
Shanghai Suhe Century	3,961,582,043.12	3,955,668,659.63	2025	100.00
Nanjing Four Season Yazhu Mansion	3,338,826,486.07	1,708,869,584.41	2024	76.91
Shaoxing International Financial Vitality City	3,316,345,368.74	6,413,270,049.40	2022	88.48
Wuhan Huafa Park Capital	2,687,053,457.97	1,735,607,209.35	2024	72.49
Nanjing Huafa Meidi Yunzhu	2,342,673,012.84	1,548,678,523.85	2024	92.84
Wuhan Huafa Duhui Horizon	2,331,637,088.39	1,060,488,303.07	2024	81.28
Shanghai Huafa Panlong Four Season	2,124,838,638.53		2025	100.00
Yiwu Huafa Jiangyingyue Mansion	1,790,079,570.64	1,102,708,807.34	2024	54.55
Hangzhou Huafa Chengyao Mansion	1,697,409,026.61		2026	86.76
Nanjing Zijing Four Season Garden	1,570,617,524.77	653,110,892.66	2024	56.94
Hangzhou Huafa Yuewang Mansion	1,554,747,114.68		2024	99.76
Suzhou Huafa Four Season Riverside	1,485,324,240.37		2025	100.00
Shanghai Huafa Manyue Mansion	1,443,687,050.46	767,826,886.24	2024	100.00
Xuzhou Qingcui Four Season Garden	1,369,474,218.35	699,073,441.28	2024	100.00
Chengdu Huafa Xinchuanyin Mansion	1,347,730,288.07		2025	95.63
Kunming Huafa Book Scent Cloud Sea Mansion	1,210,059,610.09	2,391,616,477.06	2023	77.38
Foshan Huafa Riverside Mansion	1,206,665,109.17	506,000,705.50	2023	66.51
Shenyang Huafa Longhu Tianyao Mansion	1,171,720,087.16	661,291,452.29	2024	56.25
Chengdu Huafa Jinjiang Pu Garden	1,141,967,716.11		2024	99.63
Xi'an Yunxi Times	1,136,611,412.39		2023	96.97
Hangzhou Binyue Mansion	980,207,560.55		2026	50.00
Zhuhai Huafa Waterfront Garden	848,051,262.68	831,216,774.10	2015	100.00
Xi'an Huafa Chang'an Capital	796,052,329.76	591,962,251.38	2024	32.14
Four Season Cloud & Hill Project	761,744,266.97		2023	19.81
Zhuhai Duhui Four Season	706,234,714.87	2,459,999,680.95	2023	80.58

Project Name	Closing balance	Opening balance	Anticipated first phase completion time	Advance sales percentage %
Wuxi Central Capital	603,789,025.69	1,388,241,842.20	2023	66.98
Zhongshan Huafa Guan Shan Shui	596,486,685.02	267,766,590.99	2017	100.00
Wuhan Huafa Bund Mansion	556,640,690.82	656,674,050.45	2022	100.00
Four Season Fengshang Project	294,528,015.01	1,864,213,891.70	2022	79.38
Jiahe City Project	237,482,526.98		2022	4.3
Hengqin International Financial Building Project	65,049,069.52	45,965,190.50	2018	54.33
Other	4,843,083,872.45	34,796,246,159.21		
Total	99,657,703,599.45	88,795,384,784.72		

(3). Important contract liabilities with an age above one year

Name	Closing balance	Reason for unpaid or not carried forward
Hangzhou Huafa Riverside	4,681,379,189.91	Not delivered and settled
Shanghai Huafa Manyun Mansion	4,147,545,360.55	Not delivered and settled
Shanghai Suhe Century	3,955,668,659.63	Not delivered and settled
Wuhan Huafa Park Capital	1,735,607,209.35	Not delivered and settled
Nanjing Four Season Yazhu Mansion	1,708,869,584.41	Not delivered and settled
Nanjing Huafa Meidi Yunzhu	1,548,678,523.85	Not delivered and settled
Hengqin Area Residential Project	1,403,975,546.54	Not delivered and settled
Yiwu Huafa Jiangyingyue	1,102,708,807.34	Not delivered and settled
Wuhan Huafa Duhui Horizon	1,060,488,303.07	Not delivered and settled
Hengqin International Financial Center Building	45,965,190.50	Not delivered and settled
Macao Daily Zhuhai Office Project (Huafa Club)	33,412,824.00	Not delivered and settled
Yantai Guorun Copper Industry Co., Ltd	23,650,975.75	Not delivered and settled
Hebei Logistics Group Metal Material Co., Ltd	21,834,916.52	Goods payment not settled
Total	21,469,785,091.42	Goods payment not settled

45. Financial assets sold for repurchase

(1) By type

Type	Closing balance	Opening balance
Bond	3,854,517,350.70	2,632,293,927.73
Corporate bond		1,429,819,098.64
Government bond	813,079,268.51	239,092,735.40
Financial bond	2,455,838,082.19	963,382,093.69

Type	Closing balance	Opening balance
Special purpose vehicle	315,600,000.00	
Deposit certificate	270,000,000.00	
Standard bond	70,001,138.01	145,003,382.33
Total	3,924,518,488.71	2,777,297,310.06

(2) By business

Type	Closing balance	Opening balance
Bond pledge-type repurchase	1,171,918,488.71	2,777,297,310.06
Bond buyout-type repurchase	2,752,600,000.00	
Total	3,924,518,488.71	2,777,297,310.06

(3) Collateral for financial assets sold for repurchase

Type of collateral	Closing collateral	Opening collateral
Bond	3,627,120,020.00	2,582,487,320.00
Standard bond	73,639,657.09	208,983,458.86
Bonus	250,000,000.00	250,000,000.00
Large-sum deposit certificate	300,000,000.00	
Total	4,250,759,677.09	3,041,470,778.86

(4) Collateral provided

Refer to Note 8.8 for the Company's bond pledged for the "sold for repurchase" business on 31st Dec. 2021 and 31st Dec. 2023.

46. Deposit received and interbank placement

Item	Closing balance	Opening balance
Deposit received	1,400,103,405.97	2,844,691,125.43
Interbank placement	3,669,332.99	990,923,960.08
Total	1,403,772,738.96	3,835,615,085.51

47. Fund for securities transaction under agency agreement

(1) By type

Item	Closing balance	Opening balance
Individual client	1,039,121,132.74	1,220,341,359.29
Institutional client	366,216,458.94	400,373,994.31
Total	1,405,337,591.68	1,620,715,353.60

(2) By currency

Item	Closing balance			Opening balance		
	Original currency	Exchange ratio	Converted to Renminbi	Original currency	Exchange ratio	Converted to Renminbi
Individual client						
Incl: Renminbi	1,013,644,148.74	1.0000	1,013,644,148.74	1,146,769,306.50	1.0000	1,146,769,306.50
US \$	872,685.40	7.0827	6,180,968.88	1,733,909.25	6.9646	12,075,984.36
HK \$	21,292,859.49	0.90622	19,296,015.12	68,843,763.25	0.8933	61,496,068.43
Subtotal			1,039,121,132.74			1,220,341,359.29
Institutional client						
Incl: Renminbi	339,119,937.24	1.0000	339,119,937.24	394,322,301.91	1.0000	394,322,301.91
HK \$	29,900,599.96	0.90622	27,096,521.70	6,774,762.84	0.8933	6,051,692.40
Subtotal			366,216,458.94			400,373,994.31
Total			1,405,337,591.68			1,620,715,353.60

48. Monetary bond payable

Item	Closing		Opening	
	Quantity	Amount	Quantity	Amount
Natural person	13,094	1,249,639,383.95	10,904.00	1,101,280,644.72
Legal person	749	1,937,194,961.93	560	1,299,867,152.95
Total	13,843	3,186,834,345.88	11,464.00	2,401,147,797.67

49. Pledge bond payable

Item	Closing		Opening	
	Quantity	Amount	Quantity	Amount
Legal person	4	296,302,720.00	6	236,403,712.00
Total	4	296,302,720.00	6	236,403,712.00

50. Future risk reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Future risk reserve	12,092,038.86	2,506,467.36		14,598,506.22
Total	12,092,038.86	2,506,467.36		14,598,506.22

50. Payroll payable

(1). By payroll payable

Item	Opening balance	Changeover from consolidation	Current increase	Current decrease	Closing balance
Short-term payroll	1,280,382,569.66	51,121,590.71	8,875,454,918.58	9,085,071,268.97	1,121,887,809.98

Item	Opening balance	Changeover from consolidation	Current increase	Current decrease	Closing balance
Welfare after severance-defined contribution plans	117,303,243.15	58,863.62	636,891,199.64	552,864,927.74	201,388,378.67
Termination welfare	4,158,944.14	984,167.55	58,168,191.03	57,027,528.15	6,283,774.57
Total	1,401,844,756.95	52,164,621.88	9,570,514,309.25	9,694,963,724.86	1,329,559,963.22

(2) By short-term payroll

Item	Opening balance	Changeover from consolidation	Current increase	Current decrease	Closing balance
Salary, bonus, subsidy and allowance	1,216,117,380.31	47,352,788.57	7,798,347,965.05	8,004,698,697.67	1,057,119,436.26
Staff welfare	7,363,853.64	919,336.81	228,533,194.65	229,270,112.19	7,546,272.91
Social insurance	22,441,309.05	28,148.25	227,192,904.05	228,261,799.54	21,400,561.81
Incl: medical insurance and birth insurance	22,221,412.71	27,560.22	218,187,909.23	219,216,420.54	21,220,461.62
Work-related injury insurance	219,896.34	588.03	9,004,994.82	9,045,379.00	180,100.19
Other					
Housing contribution fund	4,955,574.46	23,600.44	308,270,961.51	309,449,148.86	3,800,987.55
Labor union dues and staff education fund	27,601,075.81	2,797,716.64	114,604,979.34	121,292,233.77	23,711,538.02
Short-term paid leave			1,046,794.15	1,020,861.15	25,933.00
Short-term profit sharing plan					
Other short-term payroll	1,903,376.39		197,458,119.83	191,078,415.79	8,283,080.43
Total	1,280,382,569.66	51,121,590.71	8,875,454,918.58	9,085,071,268.97	1,121,887,809.98

(3) By defined contribution plan

Item	Opening balance	Changeover from consolidation	Current increase	Current decrease	Closing balance
Basic life insurance	9,165,092.40	55,927.76	461,177,877.06	463,985,788.98	6,413,108.24
Unemployment insurance premium	212,485.27	2,935.86	17,192,227.81	17,273,923.37	133,725.57
Corporate annuity payment	107,925,665.48		158,521,094.77	71,605,215.39	194,841,544.86
Total	117,303,243.15	58,863.62	636,891,199.64	552,864,927.74	201,388,378.67

52. Tax payable

Item	Closing balance	Opening balance
Value-added tax	685,457,960.75	485,354,812.37
Corporate income tax	2,370,439,038.12	2,079,728,005.09
Land value-added tax	296,088,356.29	151,356,941.91
Urban maintenance and construction tax	35,124,644.98	39,789,369.54
Real estate tax	79,197,187.03	31,728,669.11
Individual income tax	36,567,706.14	31,611,234.33
Stamp duty	16,820,836.02	26,989,263.94
Education surtax	17,159,035.60	25,668,005.16
Withholding tax and etc	119,001,462.44	66,873,981.15
Total	3,655,856,227.37	2,939,100,282.60

53. Other payable

Type	Closing balance	Opening balance
Interest payable	2,456,708.09	5,947,130.84
Dividend payable	77,061,825.19	655,708.40
Other payable	34,292,793,080.92	27,369,802,449.97
Total	34,372,311,614.20	27,376,405,289.21

(1) Interest payable

Item	Closing balance	Opening balance
Other interest	2,456,708.09	5,947,130.84
Total	2,456,708.09	5,947,130.84

(2) Dividend payable

Item	Closing balance	Opening balance
Common share dividend	77,061,825.19	655,708.40
Total	77,061,825.19	655,708.40

(3) Other payable

1). By nature

Item	Closing balance	Opening balance
Deposit and bond	1,499,759,982.91	1,194,030,925.55
Current account and borrowing	24,320,920,138.84	18,777,288,913.75
Land value-added tax reserve	6,906,168,952.43	5,309,453,434.47
Account of shareholding on agency basis	1,108,512,495.95	1,244,767,106.60
Payment received on behalf of others	69,338,586.45	341,488,049.59
Payment from equity transfer	7,083,100.00	103,478,258.50
Restricted stock repurchase obligation	7,196,292.00	30,769,211.00
Withholding expense	91,153,438.92	236,393,895.92

Item	Closing balance	Opening balance
Other	282,660,093.42	132,132,654.59
Total	34,292,793,080.92	27,369,802,449.97

2). Other important payable with an age above 1 year

Creditor	Closing balance	Reason of not repaid
Land value-added tax reserve	2,674,659,846.24	Hasn't reached the settlement period
Hangzhou Zhaoyue Real Estate Co., Ltd	1,312,041,741.74	Hasn't reached the settlement period
Zhuhai Fiscal National Treasury Payment Center	1,108,512,495.95	Hasn't reached the settlement period
Taicang Renhua Real Estate Development Co., Ltd	1,298,500,000.00	Hasn't reached the settlement period
Shanghai Gufeng Real Estate Development Co., Ltd	854,093,038.71	Hasn't reached the settlement period
Wuhan Central Business District Investment & Development Co., Ltd	807,327,176.97	Hasn't reached the settlement period
Zhuhai Hengqin Tax Bureau	660,324,530.34	Hasn't reached the settlement period
State Taxation Administration Zhuhai Bonded Area Tax Bureau	602,143,985.02	Hasn't reached the settlement period
Zhuhai Hi-tech Industrial Development Zone Development, Reform and Finance Bureau	76,374,989.80	Hasn't reached the settlement period
Withholding land transfer fee	63,288,990.00	Reorganization of historical residual debt
Zhuhai Port Holding Group Co., Ltd	61,258,082.25	Reorganization of historical residual debt
Total	9,518,524,877.02	

54. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term loan due within one year	38,228,974,861.16	28,528,503,808.54
Bond payable due within one year	23,279,264,064.24	12,942,889,069.87
Long-term payable due within one year	1,559,260,047.00	900,632,496.01
Lease liabilities due within one year	292,540,422.94	426,906,904.35
Other non-current liabilities due within one year	1,162,666,000.00	13,250,000.00
Interest payable of long-term loan due within one year	243,417,239.19	288,627,657.83
Interest payable of bond payable due within one year	1,949,997,878.87	1,908,975,809.08
Interest payable of long-term payable due within one year	40,702,250.44	9,667,038.88
Interest payable of other non-current liabilities due within one year	117,796,932.66	84,174,425.78
Total	66,874,619,696.50	45,103,627,210.34

55. Other current liabilities

Item	Closing balance	Opening balance
Undue liability reserve *1	31,365,371.90	21,405,685.20
Guarantee indemnity reserve *1	2,819,860.00	13,237,835.76
Future investor guarantee fund	158,451.59	139,984.46

Item	Closing balance	Opening balance
Short-term financial bond *2	9,400,000,000.00	8,469,721,690.00
US overseas private placement bond		933,565,085.33
Financial lease payable		50,000,000.00
Factoring payment payable	519,043,590.74	953,383,761.65
Short-term earning certificate *3	455,000,000.00	117,000,000.00
Undue notes already endorsed	44,273,325.76	110,535,797.51
Tax and other to write off	9,409,276,303.88	8,829,967,255.76
Undue interest payable	91,729,490.79	95,101,630.18
Total	19,953,666,394.66	19,594,058,725.85

*1 The subsidiary Zhuhai Huajin Inclusive Finance Service Co., Ltd withdraws the undue liability reserve and guarantee indemnity reserve in accordance with rules in Guangdong Province's "Financial Guarantee Company Provisional Management Method".

*2 Closing super-short term bond is the short-term bond issued by the Company and its subsidiaries in the current term, detailed as below:

Bond	Date of Issuance	Term (days)	Amount issued	Nominal interest rate %	Closing balance
23 HuafaGroup SCP009	2023-7-25	270	800,000,000.00	2.51	800,000,000.00
23 Huafa Group SCP008	2023-7-18	270	1,000,000,000.00	2.58	1,000,000,000.00
23 Huafa Group SCP007	2023-4-12	270	1,000,000,000.00	2.99	1,000,000,000.00
23 Huafa Group SCP014	2023-11-2	175	1,000,000,000.00	2.72	1,000,000,000.00
23 Huafa Group SCP015	2023-11-29	176	600,000,000.00	2.77	600,000,000.00
23 Huafa Group SCP013	2023-10-25	240	1,000,000,000.00	2.72	1,000,000,000.00
23 Huafa Group SCP012	2023-10-18	270	1,000,000,000.00	2.63	1,000,000,000.00
23 Huafa Group SCP010	2023-9-1	270	1,000,000,000.00	2.46	1,000,000,000.00
23 Huafa Group SCP011	2023-9-22	270	1,000,000,000.00	2.70	1,000,000,000.00
23 Huafa Group CP001	2023-7-11	336	1,000,000,000.00	2.75	1,000,000,000.00
Total	9,400,000,000.00		9,400,000,000.00		

* 3. Closing short-term yield certificate is the short-term yield certificate issued by the subsidiary Huajin Securities, detailed as below:

	Date of issuance	Bond term	Amount issued	Nominal interest rate	Face amount
23 Huajin Securities CP001	2023-7-27	237	100,000,000.00	2.98	100,000,000.00
Huajin Securities Jinxiang No. 1 Earnings Certificate	2023-1-10	365	1,000,000.00	3.30	1,000,000.00
Huajin Securities Xinrui No. 69 Earnings Certificate	2023-7-26	356	40,000,000.00	3.60	40,000,000.00
Huajin Securities Xinrui No. 71 Earnings Certificate	2023-10-9	252	150,000,000.00	3.45	150,000,000.00
Huajin Securities Xinrui No. 70 Earnings Certificate	2023-10-16	213	100,000,000.00	3.60	100,000,000.00
Huajin Securities Xinrui No. 72 Earnings Certificate	2023-10-16	125	50,000,000.00	3.55	50,000,000.00
Huajin Securities Jinshi No. 12 Earnings Certificate	2023-12-4	30	4,500,000.00	2.80	4,500,000.00
Huajin Securities Jinshi No. 122 Earnings Certificate	2023-12-11	30	1,000,000.00	2.80	1,000,000.00
Huajin Securities Jinshi No. 123 Earnings Certificate	2023-12-18	30	5,000,000.00	2.80	5,000,000.00
Huajin Securities Jincheng No. 154 Earnings Certificate	2023-12-19	14	570,000.00	5.38	570,000.00
Huajin Securities Jinshi No. 124 Earnings Certificate	2023-12-25	30	2,730,000.00	2.80	2,730,000.00
Huajin Securities Jincheng No. 155 Earnings Certificate	2023-12-26	14	200,000.00	5.38	200,000.00
Total			455,000,000.00		

56. Long-term loan

Type of loan	Closing balance	Opening balance
Pledged loan	3,023,585,523.33	2,632,630,000.00
Mortgaged loan	38,381,763,819.77	40,479,042,786.63
Guaranteed loan	95,597,724,269.56	83,251,690,466.02
Credit loan	25,921,735,739.97	20,316,140,428.10
Undue interest payable	243,460,109.67	291,272,271.84
Subtotal	163,168,269,462.30	146,970,775,952.59
Minus: long-term loan due within one year	38,472,392,100.35	28,817,131,466.37
Total	124,695,877,361.95	118,153,644,486.22

Refer to Note 8.1, Note 8.8, Note 8.10, Note 8.11, Note 8.14, Note 8.16, Note 8.24, Note 8.26, Note 8.27, Note 8.28, Note 8.30 and Note 9 (2) for mortgage, pledge and guarantees.

57. Bond payable

(1) Bond payable

Item	Closing balance	Opening balance
Corporate bond	90,486,720,698.14	86,027,435,987.34
Undue interest payable	1,949,997,878.87	1,908,975,809.08
Subtotal	92,436,718,577.01	87,936,411,796.42
Minus: bonds payable due within one year	25,229,261,943.11	14,851,864,878.95
Total	67,207,456,633.90	73,084,546,917.47

(2) Increase and decrease of bond payable

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Bond	Face value	Nominal interest rate (%)	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
Green Bond G18 Huazong 1	100	5.27	2018-3-30	3+2	10.00	896,662,000.00		11,522,229.53		896,662,000.00	
18 Huazong 01	100	4.68	2018-8-17	3+2	20.00	2,000,587,937.91		58,675,166.27	-587,937.91	2,000,000,000.00	
Green Bond G19 Huazong 1	100	4.17	2019-12-4	5	5.00	499,181,228.30		20,833,263.88	417,425.93		499,598,654.23
22 Huazong 01	100	3.39	2022-1-24	3+2	10.00	998,018,418.02		33,849,681.49	497,260.02		998,515,678.04
23 Huazong 01	100	4.19	2023-2-22	3+2	10.00		1,000,000,000.00	35,859,813.20	-1,972,457.00		998,027,543.00
23 Huazong 04	100	3.37	2023-8-10	3+2	10.00		1,000,000,000.00	13,265,766.42	-2,224,541.74		997,775,458.26
23 Huazong 03	100	3.43	2023-7-20	3+2	10.00		1,000,000,000.00	15,471,390.26	-2,198,525.68		997,801,474.32
23 Huazong 02	100	3.50	2023-5-31	3+2	10.00		1,000,000,000.00	20,572,901.28	-2,111,765.10		997,888,234.90
G23 Huazong 1	100	3.47	2023-6-19	3+2	3.90		390,000,000.00	7,251,865.64	-814,127.14		389,185,872.86
23 Zhuhai Huafa MTN001	100	3.90	2023-3-23	3+2	10.00		1,000,000,000.00	30,282,966.72	-2,051,024.56		997,948,975.44
19 Huafa Group MTN001	100	4.10	2019-1-16	5	10.00	1,000,000,000.00		41,000,000.00			1,000,000,000.00
19 Huafa Group MTN002	100	4.26	2019-1-23	5	15.00	1,500,000,000.00		63,900,000.00			1,500,000,000.00
19 Huafa Group MTN003	100	4.93	2019-4-23	5	10.00	1,000,000,000.00		49,300,000.00			1,000,000,000.00
19 Huafa Group MTN005	100	4.21	2019-9-27	5	10.00	1,000,000,000.00		42,100,000.00			1,000,000,000.00
19 Huafa Group MTN006	100	4.39	2019-11-6	5	10.00	1,000,000,000.00		43,900,000.00			1,000,000,000.00
Huafa Group 2019 I Co., Ltd Corporate Bond	100	4.43	2019-11-4	5+5	10.00	1,000,000,000.00		44,300,000.00			1,000,000,000.00
20Huafa Group MTN001	100	4.20	2020-8-27	5+5	5.00	500,000,000.00		21,000,000.00			500,000,000.00
20Huafa Group MTN003	100	4.37	2020-9-27	5+5	5.00	500,000,000.00		21,850,000.00			500,000,000.00
20Huafa Group MTN005	100	4.27	2020-11-26	3	10.00	1,000,000,000.00		38,605,479.45		1,000,000,000.00	
20Huafa Group MTN006	100	4.46	2020-12-17	3	10.00	1,000,000,000.00		42,889,315.07		1,000,000,000.00	

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Bond	Face value	Nominal interest rate (%)	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
Huafa Group 2020 I Co., Ltd Corporate Bond	100	4.05	2020-1-17	5+5	10.00	1,000,000,000.00		40,500,000.00			1,000,000,000.00
Huafa Group 2020 II Co., Ltd Corporate Bond	100	4.03	2020-8-5	5+5	7.00	700,000,000.00		28,210,000.00			700,000,000.00
23 Zhuhua 01	100	3.48	2023-8-25	3+2	15.00		1,500,000,000.00	18,448,767.12			1,500,000,000.00
20 Zhuhua 01	100	3.48	2020-12-1	3+2	15.00	1,500,000,000.00		52,200,000.00			1,500,000,000.00
21 Zhuhua 01	100	4.32	2021-2-5	3+2	15.00	1,500,000,000.00		64,800,000.00			1,500,000,000.00
21 Zhuhua 02	100	4.50	2021-6-1	3+2	8.00	769,898,270.00	30,101,730.00	36,000,000.00			800,000,000.00
21 Zhuhua G1	100	4.34	2021-3-11	3+2	10.00	1,000,000,000.00		43,400,000.00			1,000,000,000.00
21Huafa Group MTN001	100	4.20	2021-1-6	3	15.00	1,500,000,000.00		63,000,000.00			1,500,000,000.00
21Huafa Group MTN003	100	4.70	2021-2-5	5	5.00	350,000,000.00		10,317,724.35			350,000,000.00
21Huafa GroupGN001(carbon naturalization bond)	100	4.17	2021-4-12	3+2	3.00	300,000,000.00		12,510,000.00			300,000,000.00
21Huafa Group MTN004	100	4.29	2021-4-23	3+2	10.00	970,127,050.00	29,872,950.00	42,900,000.00			1,000,000,000.00
21Huafa Group MTN005	100	4.30	2021-4-29	3+2	5.00	500,000,000.00		21,500,000.00			500,000,000.00
21Huafa Group MTN006	100	4.39	2021-6-7	3	10.00	1,000,000,000.00		43,900,000.00			1,000,000,000.00
21Huafa Group MTN007	100	4.65	2021-6-28	3	10.00	1,000,000,000.00		46,500,000.00			1,000,000,000.00
21Huafa Group MTN008	100	4.35	2021-7-22	3+2	10.00	1,000,000,000.00		43,500,000.00			1,000,000,000.00
21Huafa Group MTN009	100	4.47	2021-9-2	3+2	10.00	1,000,000,000.00		44,700,000.00			1,000,000,000.00
21Huafa Group MTN010(village revitalization)	100	4.68	2021-11-3	3+2	10.00	1,000,000,000.00		46,800,000.00			1,000,000,000.00

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Bond	Face value	Nominal interest rate (%)	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
22Huafa Group MTN001	100	4.23	2022-1-18	3+2	10.00	1,000,000,000.00		42,300,000.00			1,000,000,000.00
22Huafa Group MTN002	100	3.90	2022-2-23	3+2	10.00	1,000,000,000.00		39,000,000.00			1,000,000,000.00
22 Huafa MTN003	100	3.94	2022-3-2	3+2	10.00	1,000,000,000.00		39,400,000.00			1,000,000,000.00
22Huafa Group MTN004	100	4.34	2022-3-14	5	5.00	500,000,000.00		21,700,000.00			500,000,000.00
22Huafa Group MTN005A	100	4.00	2022-3-21	3+2	7.00	630,000,000.00		23,103,424.79			630,000,000.00
22Huafa Group MTN005B	100	4.37	2022-3-21	5	3.00	210,000,000.00		6,233,378.56			210,000,000.00
22 Yue Huafa GroupZR002	100	4.97	2022-3-31	1.42	8.00	800,000,000.00		25,816,767.12		800,000,000.00	
22Huafa Group MTN007	100	4.20	2022-4-28	5	5.00	500,000,000.00		21,000,000.00			500,000,000.00
22 Yue Huafa GroupZR003	100	5.38	2022-5-20	2	1.28	127,970,000.00		6,884,786.00			127,970,000.00
22 Yue Huafa GroupZR004	100	5.38	2022-5-20	2	0.97	97,380,000.00		5,239,044.00			97,380,000.00
22 Yue Huafa GroupZR005	100	5.38	2022-6-8	2	0.75	74,650,000.00		4,016,170.00			74,650,000.00
22Huafa Group MTN008	100	4.05	2022-6-8	5	10.00	1,000,000,000.00		40,500,000.00			1,000,000,000.00
22Huafa Group MTN010(Innovation Note)	100	4.05	2022-7-13	5	10.00	1,000,000,000.00		40,500,000.00			1,000,000,000.00
22 Yue Huafa GroupZR006	100	5.50	2022-7-19	5	5.00	500,000,000.00		27,500,000.00			500,000,000.00
22Huafa Group MTN011A	100	3.40	2022-7-22	3+2	5.00	500,000,000.00		17,000,000.00			500,000,000.00
22Huafa Group MTN011B	100	4.00	2022-7-22	5	5.00	470,000,000.00		18,306,737.31			470,000,000.00
Huafa Group 2022 I Co., Ltd Corporate Bond	100	3.78	2022-10-20	3+2	10.00	1,000,000,000.00		37,800,000.00			1,000,000,000.00
23Huafa Group MTN001	100	4.53	2023-3-10	3+2	10.00		1,000,000,000.00	36,860,547.95			1,000,000,000.00
23Huafa Group MTN002	100	4.00	2023-4-14	3	10.00		1,000,000,000.00	28,712,328.77			1,000,000,000.00
23Huafa Group MTN004	100	3.86	2023-6-8	3	10.00		1,000,000,000.00	21,890,958.90			1,000,000,000.00

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23Huafa Group MTN005	100	3.75	2023-9-25	3	10.00		1,000,000,000.00	10,068,493.15			1,000,000,000.00
23Huafa Group MTN006	100	3.80	2023-11-15	3	10.00		1,000,000,000.00	4,893,150.68			1,000,000,000.00
2020 subprime debt (20 Huajin C1)	100	3.90	2020-3-10	3	7.50	750,000,000.00		5,449,315.07		750,000,000.00	
2020 corporate bond (20 Huajin 01)	100	4.48	2020-11-23	3	7.40	740,000,000.00		29,609,731.51		740,000,000.00	
2021 corporate bond (21 Huajin 01)	100	3.90	2021-9-17	3	7.60	760,000,000.00		29,640,000.00			760,000,000.00
2022 subprime debt (22 Huajin C1)	100	3.80	2022-6-16	3	10.00	1,000,000,000.00		38,000,000.00			1,000,000,000.00
Huajin Securities Jinxiang No.2 Earnings Certificate	100	3.40	2023-9-27	1.06	0.10		10,000,000.00	88,493.15			10,000,000.00
Huajin Securities Jinxiang No.3 Earnings Certificate	100	3.40	2023-9-27	1.06	0.10		10,000,000.00	88,493.15			10,000,000.00
19 Zhukong 01	100	4.59	2019-1-28	5	25.00	2,498,676,509.58		113,274,143.82	1,158,513.68		2,499,835,023.26
19 Zhukong 02	100	3.83	2019-8-26	3+2	5.00	499,665,912.96		16,950,000.00	200,768.72		499,866,681.68
19 Zhushu 02	100	4.19	2019-3-19	5	20.00	1,998,445,063.14		86,244,383.55	1,264,292.99		1,999,709,356.13
20 Huakong 01	100	3.95	2020-3-16	5	10.00	998,682,445.95		39,065,620.23	582,359.87		999,264,805.82
20 Huakong 02	100	3.60	2020-4-14	5	10.00	998,643,076.76		36,000,000.00	579,184.70		999,222,261.46
21 Huakong 01	100	4.06	2021-1-19	3+2	6.00	599,139,257.95		24,038,351.59	270,616.54		599,409,874.49
in-depth bond	100	4.50	2023-4-27	3	5.00		500,000,000.00	16,936,643.84	-4,677,212.82		495,322,787.18
23 Huakong 01	100	3.70	2023-9-21	3+2	10.00		1,000,000,000.00	10,339,726.02	-2,063,012.84		997,936,987.16
23 Huakong 02	100	3.59	2023-11-14	3+2	10.00		1,000,000,000.00	4,721,095.89	-2,170,450.13		997,829,549.87

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Bond	Face value	Nominal interest rate (%)	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
Zhuhai Huafa Physical Industry Investment Holding Co., Ltd 2021 Phase 1 Creditor Right Finance Plan	100	3.42	2021-6-25	5	13.00	1,169,000,000.00		29,243,577.61		232,000,000.00	937,000,000.00
Zhuhai Huafa Physical Industry Investment Holding Co., Ltd 2021 Phase 2 Creditor Right Finance Plan	100	3.42	2021-7-20	5	2.00	180,000,000.00		5,037,395.12		20,000,000.00	160,000,000.00
Zhuhai Huafa Physical Industry Investment Holding Co., Ltd 2021 Phase 3 Creditor Right Finance Plan	100	3.42	2021-11-19	5	5.00	450,000,000.00		14,008,405.38		50,000,000.00	400,000,000.00
Huafa 2019 I Co., Ltd 4.25% guaranteed USD bond 2024	USD 200000	4.25	2019-7-3	5	USD 3.00	2,089,416,938.05		83,178,268.96	36,910,590.46		2,126,327,528.51
Huafa 2020 I Co., Ltd 2.8% guaranteed USD bond 2025	USD 200000	2.80	2020-11-4	5	USD 2.50	1,733,480,372.00		50,584,599.59	32,193,679.45		1,765,674,051.45
Huafa 2020 I Co., Ltd 2.8% guaranteed USD bond 2025	USD 200000	2.80	2021-1-21	4.79	USD 1.50	1,031,415,102.46		30,352,623.00	21,930,211.40		1,053,345,313.86
Huafa 2019I Co., Ltd 2.95% guaranteed USD bond 2025	USD 200000	2.95	2021-8-31	3.5	USD 2.00	1,387,709,614.59		42,715,035.17	26,051,743.09		1,413,761,357.68
19 Huafa 01	100	5.10	2019-2-25	3+2	7.50	748,728,100.00		38,234,252.19	1,108,958.67		749,837,058.67
19 Huafa 03	100	5.00	2019-8-19	3+2	5.00	420,000,000.00	20,000,000.00	23,891,432.84	-510,761.50		439,489,238.50
20 Yue Zhuhai Huafa ZR001	100	6.45	2020-1-21	3+1.5	10.00	999,682,290.76		64,210,191.78	290,733.28	10,000,000.00	989,973,024.04

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20 Yue Zhuhai Huafa ZR003	100	6.00	2020-3-31	3+1.5	5.00	499,812,602.42		30,416,666.67	-518,860.80		499,293,741.62
20 Yue Zhuhai Huafa ZR008	100	5.00	2020-7-15	3	5.00	497,427,617.84		13,356,164.38	2,572,382.16	500,000,000.00	
20 Yue Zhuhai Huafa ZR010	100	5.00	2020-8-11	3	10.00	993,346,436.72		30,410,958.90	6,653,563.28	1,000,000,000.00	
20 Huafa 02	100	5.30	2020-2-25	3+2	15.80	1,581,724,100.56	1,327,600,000.00	79,389,937.05	5,970,733.89	1,327,600,000.00	1,587,694,834.45
20 Huafa 04	100	4.05	2020-11-12	3+2	15.00	1,500,636,476.30	1,118,000,000.00	62,799,973.39	-2,675,626.93	1,230,000,000.00	1,385,960,849.37
20 Huafa 05	100	4.70	2020-11-12	2+2+1	9.20	50,075,536.68		2,445,656.38	-86,794.42		49,988,742.26
20 Huafa Industrial MTN003	100	4.58	2020-9-29	3	9.50	949,263,728.20		32,304,684.93	736,271.80	950,000,000.00	
20 Huafa Industrial MTN004	100	4.05	2020-10-29	3+2	8.30	829,240,969.85		28,446,214.11	-9,240,969.85	820,000,000.00	
20 Huafa Industrial PPN001	100	4.68	2020-8-31	3	5.50	469,433,624.67	80,315,880.00	17,065,972.60	250,495.33	550,000,000.00	
20 Huafa Industrial PPN002	100	4.68	2020-9-25	3	5.00	449,591,145.40	50,140,220.00	17,117,260.27	268,634.60	500,000,000.00	
20 Yue Huaguo Trading ZR006	100	6.40	2020-12-24	3	4.20	418,929,504.14		22,019,506.85	1,070,495.86	420,000,000.00	
20 Yue Huaguo Trading ZR008	100	6.70	2020-12-29	1.98+1+1+1	6.00	600,182,266.18		40,200,000.00	-6,807,691.49		593,374,574.69
2021 Phase 1 Creditor Right Finance Plan	100	4.95	2021-1-13	2	1.50	149,960,232.75		246,575.34	39,767.25	150,000,000.00	
21 Huafa 01	100	4.98	2021-1-18	2+2+1	19.20	1,868,803,277.91	50,036,600.00	10,896,957.88	1,234,471.68	1,795,000,000.00	125,074,349.59
21 Huafa 03	100	3.90	2021-9-13	2+2+1	20.00	1,993,772,767.22	1,140,000,000.00	88,277,496.41	-101,767.80	1,207,500,000.00	1,926,170,999.42
21 Huafa 05	100	4.05	2021-12-17	2+2+1	15.00	1,419,522,600.00	80,477,400.00	74,762,592.47	-1,500,914.96	1,420,000,000.00	78,499,085.04
21 Huafa Industrial PPN001	100	4.95	2021-2-4	2+2+1	8.40	687,792,088.18	152,030,386.40	7,105,216.44	103,003.57	768,000,000.00	71,925,478.15
21 Huafa Industrial MTN001	100	4.65	2021-4-26	3	5.10	439,365,142.30	70,000,000.00	23,670,619.81	480,772.52		509,845,914.82
21 Huafa Industrial MTN002	100	3.90	2021-6-24	2+2+1	6.90	679,524,069.68		24,100,585.18	-141,361.45	310,000,000.00	369,382,708.23

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21 Huafa Industrial MTN003	100	3.20	2021-9-2	2+1	10.40	1,028,108,815.00	10,059,200.00	41,922,842.09	1,200,455.29	40,000,000.00	999,368,470.29
21 Huafa Industrial MTN004	100	3.60	2021-11-29	2+1	5.00	424,507,820.24	75,029,325.00	23,914,668.76	31,218.68	110,000,000.00	389,568,363.92
21 Yue Huaguo TradingZR004	100	6.40	2021-7-30	3	1.30	130,164,795.79		6,815,561.65	-164,795.79	130,000,000.00	
21 Yue Huaguo TradingZR005	100	6.68	2021-10-11	3	2.50	248,337,186.58		13,680,273.97	1,662,813.42	250,000,000.00	
21 Yue Huaguo TradingZR006	100	6.00	2021-9-28	1+1+1	3.50	347,775,831.15		21,000,000.00	-227,369.02		347,548,462.13
21 Yue Huaguo TradingZR007	100	6.00	2021-12-29	1+1+1	2.50	248,010,675.52		15,000,000.00	1,989,324.48		250,000,000.00
21 Yue Huaguo TradingZR002	100	6.50	2021-3-5	2+N	1.50		150,000,000.00	8,120,547.95	-292,298.18		149,707,701.82
21 Huazhu 01	100	4.68	2021-7-30	2+2+1	5.00	409,737,413.29	90,000,000.00	13,463,013.70	262,586.71	500,000,000.00	
22 Huafa 01	100	4.70	2022-4-29	2+2+1	3.90	390,000,000.00		18,279,918.03	-96,636.81		389,903,363.19
22 Huafa 02	100	4.90	2022-4-29	3+2	3.00	279,056,603.57	20,000,000.00	14,672,820.57	642,818.00		299,699,421.57
22 Huafa 03	100	4.80	2022-9-13	2+2+1	5.00	369,319,833.56	130,000,000.00	23,980,238.04	414,828.19		499,734,661.75
22 Huafa Industrial MTN001A	100	4.94	2022-7-4	3+2	12.00	1,194,123,638.85		59,199,682.01	4,510,433.59		1,198,634,072.44
22 Huafa Industrial MTN001B	100	4.79	2022-7-4	2+2+1	18.00	1,752,327,451.23	40,297,680.00	86,103,181.23	6,683,543.89		1,799,308,675.12
22 Huafa Industrial MTN002A	100	4.85	2022-8-8	3+2	6.00	598,750,666.67		29,068,196.72	522,987.10		599,273,653.77

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22 Huafa Industrial MTN002B	100	4.70	2022-8-8	2+2+1	10.00	998,717,777.78		46,948,633.88	825,881.72		999,543,659.50
22 Huafa Industrial MTN003	100	4.80	2022-10-31	2+2+1	10.00	838,666,666.67	160,000,000.00	47,977,722.88	703,542.14		999,370,208.81
22 Yue Huaguo TradingZR001	100	6.00	2022-3-30	1+1+1	2.45	244,267,036.01		16,187,452.06	50,934.91		244,317,970.92
23 Huafa 03	100	4.20	2023-7-18	2+2+1	11.00		932,000,000.00	18,082,857.40	-1,361,555.56		930,638,444.44
23 Huafa 04	100	4.58	2023-7-18	3+2	6.95		480,000,000.00	10,344,727.44	-1,416,255.56		478,583,744.44
23 Huafa Industrial MTN001	100	4.70	2023-4-3	2+2+1	10.00		1,000,000,000.00	35,057,377.05	-1,138,418.86		998,861,581.14
23 Huafa Industrial MTN002	100	4.20	2023-4-27	2+2+1	4.00		400,000,000.00	11,429,508.20	-398,655.98		399,601,344.02
23 Huafa Industrial MTN003A	100	4.15	2023-9-19	3+2	9.00		840,000,000.00	9,804,528.85	-1,956,188.71		838,043,811.29
23 Huafa Industrial MTN003B	100	3.62	2023-9-19	1+1+1	11.00		1,100,000,000.00	11,282,333.33	-631,357.34		1,099,368,642.66
23 Huafa Industrial MTN004A	100	4.30	2023-11-24	3+2	4.00		240,000,000.00	992,094.29	-927,141.54		239,072,858.46
23 Huafa Industrial MTN004B	100	3.46	2023-11-24	1+1+1	6.00		600,000,000.00	2,133,666.67	-430,803.32		599,569,196.68
23 Huafa Industrial MTN005	100	3.60	2023-12-11	1+1+1	10.00		1,000,000,000.00	2,000,000.00	-755,678.67		999,244,321.33
Subtotal	—	—	—	—	—	86,027,435,987.34	25,825,961,371.40	3,858,738,783.20	110,085,339.40	21,476,762,000.00	90,486,720,698.14

58. Lease liabilities

Item	Closing balance	Opening balance
Lease payment	2,179,509,679.68	2,102,511,490.25
Minus: unrecognized financial expense	526,298,337.15	508,063,902.35
Subtotal	1,653,211,342.53	1,594,447,587.90
Minus: lease liabilities due within one year	292,540,422.94	426,906,904.35
Total	1,360,670,919.59	1,167,540,683.55

59. Long-term payable

Item	Closing balance	Opening balance
Long-term payable	3,965,808,474.65	2,221,908,934.05
Special payable	965,395,538.75	1,173,258,281.08
Total	4,931,204,013.40	3,395,167,215.13

(1) Long-term payable

Item	Closing balance	Opening balance
Sale and leaseback financing	5,479,318,824.83	3,015,088,237.26
Fund raised *1	14,892,200.00	15,363,200.00
Financial lease payable		57,882,664.03
Fund for equity repurchase *2	21,854,452.06	34,207,328.77
Fund for debt reorganization *3	9,003,044.76	
Undue interest payable	40,702,250.44	9,667,038.88
Subtotal	5,565,770,772.09	3,132,208,468.94
Minus: long-term payable due within one year	1,599,962,297.44	910,299,534.89
Total	3,965,808,474.65	2,221,908,934.05

*1. Former Zhuhai Special Economic Zone Yuxing Polyester Chip Co., Ltd raised a fund of RMB 61,592,300.00 from its employees for its project construction in 1993. Zhuhai System Reform Committee approved to establish Zhuhai Yuhua Inc. In 1994. The fund raised in an amount of RMB 40,279,100.00 was changed to the internal employee share of Zhuhai Yuhua Inc.. from the former Zhuhai Special Economic Zone Yuxing Polyester Chip Co., Ltd in April 1994. The balance fund raised in an amount of RMB 21,313,200.00 was still kept as the creditor right for the fund raised and the annual interest rate was 21.6% and expired in Jun. 1995. Since the stock reform didn't succeed, the above-mentioned fund raised was all converted to the long-term payable of Zhuhai Yuhua Polyester Co., Ltd (Yuhua Polyester). Since Yuhua Polyester suffered from loss in years and the principal and interest can't be repaid to the fund contributors at one time for years, the board of directors of Yuhua Polyester decided to return the principal to difficult fund contributors over years. By 31st Dec. 2023, an amount of RMB 46,700,100.00 of the principal has been returned. The balance principal (including the fund raised in the internal employee share) is now RMB 14,892,200.00.

*2. Fund for the subsidiary Digitone to repurchase 25% equity of Chongqing Digitone Smart Technology Co., Ltd in accordance with the Civil Mediation Paper No. (2020) Yu 01 MC 1054.

*3 Amount that shall be repaid by cash in reserved outstanding debt in accordance with provisions in the Reorganization Plan 2022 of its subsidiary Founder Technology.

(2) Special payable

Item	Opening balance	Current increase	Current decrease	Closing balance
1. Large industry cluster special fund	200,000,000.00			200,000,000.00
2. Sponge city special fund	46,203,390.18	122,220.00	1,259,417.86	45,066,192.32
3. Zhuhai public green lighting 30000 LED road lamp reform project	43,438,854.10		660,462.52	42,778,391.58
4. China South Commodity Exhibition & Transaction Center Project	16,506,925.41	6,433,508.94	20,365,875.26	2,574,559.09
5. Huitong Gucun Village *1		9,999,999.88	2,648,990.46	7,351,009.42
6. Jinwan Aviation City International Business Center special fund	2,840,686.73			2,840,686.73
7. 2020 Zhuhai Consumption Coupon	1,001,643.73			1,001,643.73
8. 2022 Spring Festival Coupon Activity	1,697,449.00		1,037,566.39	659,882.61
9. Power battery production base construction project (phase 1) *2		129,040,461.47	129,000,895.91	39,565.56
10. Gaolan Port Comprehensive Bonded Zone Road and complementary facilities	11,434.77	25.64	241.09	11,219.32
11. Guangdong provincial enterprise technical reform special fund and its interests *3	820,526,213.12	227,105,112.42	424,002,757.00	623,628,568.54
12. Technical innovation strategy special fund	868,568.28		769,970.72	98,597.56
13. Industrial ecological construction support special fund	29,610,303.06			29,610,303.06
14. Zhuhai Kunpeng ecological project support special fund	9,777,265.99	88,979.64	906,830.00	8,959,415.63
15. Other	775,546.71	368.56	411.67	775,503.60
Total	1,173,258,281.08	372,790,676.55	580,653,418.88	965,395,538.75

*1. In accordance with "Huitong Guchun Project Contract", it determines that Zhuhai Tangjiawan Town Huitong Guchun Project entrusts the subsidiary Zhuhai Huaxin Development and Construction Co., Ltd to carry out the construction, be responsible for organizing and implementing whole-process construction work of the project, get involved in all matters related with cost, quality, safety, schedule, design, material, construction, contract, engineering information and project management. The payer is Zhuhai Tangjiawan Town Government and the amount received is used for accounting of special payable.

*2 In accordance with “Zhuhai Jinwan District New Energy and Equipment Manufacture Industry Area- Power Cell Production Base Project Entrusted Construction Contract”, it determines that “Jinwan District New Energy and Equipment Manufacture Industry Area- Power Cell Production Base Construction Project” entrusts the subsidiary Zhuhai Huaqing Large-scale Industry Cluster Development Co., Ltd (Huaqing) to carry out the construction. In accordance with the contract, Huaqing is responsible for organizing and implementing the whole-process construction work of the project, get involved in all matters related with cost, quality, safety, schedule, design, material, construction, contract, engineering information and project management. The payer is Zhuhai Jinzhou District Finance Bureau and the amount received is subject to accounting of special payable.

*3 In accordance with “Provincial Fiscal Working Capital Equity Investment Entrusted Management Agreement”, the subsidiary Zhuhai Technical Venture Capital Investment Co., Ltd is entrusted to manage the provincial fiscal working capital and support the “Ninestar Laser Printer Hi-end Equipment Smart Manufacture Industrial Park Phase 1 Project Construction” implemented by Zhuhai Ninestar Printing Technology Co., Ltd and “Alloy Smart Equipment Industrial Park Phase 1 Construction Project” of Zhuhai Alloy Technology Co., Ltd. In accordance with the agreement, Zhuhai Technical Venture Capital Investment Co., Ltd invests the equity investment capital entrusted to manage and carry out daily operation and management. The capital is earmarked for special purpose and special accounting. The payer is Zhuhai Finance Bureau and the amount received is subject to accounting of special payable.

60. Deferred income

Item	Opening balance	Carryover after consolidation	Current increase	Current decrease	Closing balance
Government subsidy	437,798,301.71	89,844,180.74	1,189,657,818.76	577,684,581.13	1,139,615,720.08
Total	437,798,301.71	89,844,180.74	1,189,657,818.76	577,684,581.13	1,139,615,720.08

In which: deferred income-government subsidy

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Provincial modern service development pilot fund	800,000.00							800,000.00
Trading enterprise development special fund	600,000.00							600,000.00
Renewable special fund	300,000.00							300,000.00
Operational state asset free transfer	56,356,373.42			3,456,888.14	Other income			52,899,485.28
Doctorate station building subsidy	500,000.00							500,000.00
Intellectual Property Operation Public Service Platform Support Fund	2,524,895.43			2,429,534.20	Other income			95,361.23
Public Health-Vegetable Basket Project	29,767,567.00			1,006,227.60	Other income			28,761,339.40
Zhuzhun Project Special Fund Subsidy	894,772.00		3,050,000.00	2,448,701.58	Other income			1,496,070.42

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Technical Innovation and Infrastructure Construction Award	4,815,562.33			305,750.04	Other income			4,509,812.29
Seedling and Attachment Compensation	937,217.92			30,205.06	Other income		907,012.86	
Pre-school Education Expense	108,153.80			1,931.40	Other income		106,222.40	
Excellence + Wisdom	1,416,666.74			999,999.96	Other income			416,666.78
Shandong Branch Settlement Subsidy	2,499,502.50			302,970.00	Other income			2,196,532.50
Changsha Office Settlement Subsidy	31,200.00			10,400.00	Other income			20,800.00
Shenzhen Qianhai Branch Settlement Subsidy	1,988,888.89			133,333.32	Other income			1,855,555.57
Shenzhen Qianhai Branch Financial Enterprise High-quality Development Special Fund			1,000,000.00	58,333.31	Other income			941,666.69
Suzhou Branch Settlement Subsidy			1,200,000.00	1,200,000.00	Other income			

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Hubei Branch Settlement Subsidy			990,616.26	61,626.52	Other income			928,989.74
Henan Branch Settlement Subsidy			200,000.00	21,466.58	Other income			178,533.42
High-speed Scan Illuminant R&D and Industrialization	1,497,505.99			576,367.92	Other income			921,138.07
Optical fiber laser component industrialization project	16,669,273.06			3,283,328.76	Other income			13,385,944.30
Unmanned vehicle LIDAR laser illuminant and core component technology	1,259,016.75			278,166.96	Other income			980,849.79
Aerospace-level Sputtering Optical Fiber Metalization Research and Industrialization	985,704.22			158,839.44	Other income			826,864.78
R&D and industrialization of chip and core components for 5G telecommunication	87,163.68			87,163.68	Other income			

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Photo-electronic telecommunication high-end component-R&D and industrialization of lithium niobate light modulator used for 100G coherent	4,029,406.92			540,316.08	Other income			3,489,090.84
New-generation high-speed modulator chip and module R&D and industrialization	6,871,931.91			901,339.51	Other income			5,970,592.40
New-generation high-speed modulator chip and module R&D and industrialization	371,149.52			371,149.52	Other income			0.00
Purchase of industry 4.0 equipment project government subsidy	9,745,121.16		7,263,297.56	1,679,636.12	Other income			15,328,782.60
2022 integrated circuit industry development support fund	7,548,477.56			665,804.52	Other income			6,882,673.04

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Optical component smart manufacture benchmark project	517,833.20			85,240.20	Other income			432,593.00
Thin-film lithium niobate inactive and active electronic component store	86,106.87		267,300.00	106,239.44	Other income			247,167.43
R&D and industrialization of lithium niobate light modulator used for 200G coherent	4,789,759.28			676,201.32	Other income			4,113,557.96
2021 Production/Academy/R&D cooperation and basic and applied research projects	181,382.92			181,382.92	Other income			
High-reliability optical fiber isolator R&D and industrialization project	747,000.00		1,743,000.00	666,228.64	Other income			1,823,771.36
30GHz and above simulation strength modulator project			3,615,120.18	616,122.70	Other income			2,998,997.48

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Talent platform subsidy			1,000,000.00	1,000,000.00	Other income			
Large power optical fiber component R&D and industrialization project			570,600.00	18,371.58	Other income			552,228.42
Large power optical fiber isolator, grating, beam combiner and laser machine R&D			5,820,000.00					5,820,000.00
High-speed integrated optical component and coherent module project subsidy			7,500,000.00	137,614.68	Other income			7,362,385.32
Development of coherent light component for short-distance light interconnection			717,500.00					717,500.00
Thin-film lithium niobate inactive and active electronic component store			1,232,700.00	386,821.76	Other income			845,878.24
2023 Confidential Project			10,200,000.00					10,200,000.00

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Suzhou Huachan Core Equipment Purchase Subsidy	62,654,948.46			16,507,043.50	Other income		46,147,904.96	
R&D Project Subsidy	9,693,054.06			1,016,730.23	Other income		8,676,323.83	
Import Equipment Trading Subsidy	22,300,828.67		2,456,675.33	3,277,263.20	Other income		21,480,240.80	
Zhejiang Huachan Core Equipment Purchase Subsidy	146,570,623.19			30,231,295.01	Other income		116,339,328.18	
Yunnan Aquamarine Technical Reform Subsidy Bonus	1,218,231.23			818,231.23	Other income		400,000.00	
Yunnan Aquamarine Industry Transformation and Upgrade Subsidy	10,945,200.16			1,109,066.64	Other income		9,836,133.52	
Greening Subsidy	1,472,102.68			58,013.92	Other income		1,414,088.76	
Waste Water Upgrae Project Subsidy	2,816,836.79			231,083.52	Other income		2,585,753.27	
Suzhou Huachan Advanced Manufacture Project Subsidy	1,613,681.50		18,000.00	245,455.76	Other income		1,386,225.74	

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Suzhou Huachan Technical Achievement Transformation Special Fund	8,800,000.00			527,337.38	Other income		8,272,662.62	
Suzhou Huachan Industrial Transformation and Upgrade Special Fund	8,041,674.71			343,431.86	Other income		7,698,242.85	
Zhuhai 2018 Industrial Enterprise Technical Reform Reward	657,333.34			136,000.00	Other income			521,333.34
Guangzhou-Zhuhai-Macao Innovation Capacity Improvement R&D Fund	1,246,153.85			1,246,153.85	Other income			
Activities to improve and coordiante the innovation capacity for construction of International Technical Innovation Center	840,000.00							840,000.00

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Hengqin International Intellectual Property Transaction Center New Energy Project			141,509.43	141,509.43	Other income			
Support to Construction of China-Portugal Technical Center and Technical Transfer Talent Cultivation Base			200,000.00					200,000.00
Huafa Smart Manufacture Industry Park (5.0 Industry New Space)			113,718,400.00	30,639,101.27	Other income			83,079,298.73
Gaolan Port Equipment Manufacture Area Pingsha			589,373,200.00	148,712,167.35	Other income			440,661,032.65
Dawan District Smart Manufacture Industry Park Workshop and Complementary Works D Area D1 Plot			226,040,500.00	41,729,196.94	Other income			184,311,303.06

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Gaolan Port Equipment Manufacture Area Zhuhai West Station Electronic Information Industrial Park			210,732,000.00	40,092,242.51	Other income			170,639,757.49
Founder High-end Smart Industrial Base Project Support Fund		19,289,999.93		600,000.03	Other income			18,689,999.90
2023 Guangdong Advanced Manufacture Development Special Fund (Enterprise Technical Reform) Project		16,496,920.07		1,319,408.64	Other income			15,177,511.43

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
2019 Zhuhai Innovation and Entrepreneur and High-level Talent Project Pilot Zone-Level Subsidy (5G Telecommunication Printed Circuit Series New Product Key Technology and Industrialization)		7,176,778.25		744,676.08	Other income			6,432,102.17
New Soft/Hard Combination HDI Production System Capacity Improvement and Smart Reform Project (Provincial level)		4,726,584.17		552,457.89	Other income			4,174,126.28
2019 Provincial Technical Innovation Strategy Special Fund		4,112,814.09		377,559.36	Other income			3,735,254.73
2021 Third batch Industry and Informatization Special Subsidy (VCP Line)		4,081,632.62		459,183.69	Other income			3,622,448.93

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
2021 City Enterprise Technical Reform Fund (ELIC Circuit Board Capacity Improvement and Smart Technology Reform Project) (City-level)		3,796,586.30		421,842.96	Other income			3,374,743.34
High-density inter-connection (HDI) circuit board smart manufacture technical reform project		3,707,898.15		606,746.97	Other income			3,101,151.18
2020 city-level enterprise technical reform project district-level capital (new software/hardware combination HDI production system capacity improvement and smart reform project).		2,933,333.48		342,857.16	Other income			2,590,476.32

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
PCB circuit board smart production industry Internet platform		2,707,123.83		295,329.87	Other income			2,411,793.96
5G telecommunication printed circuit board series new product key technology and industrialization project		2,922,760.31	360,000.00	1,089,267.94	Other income			2,193,492.37
2019 Zhuhai Introduction of Innovation Team Project		1,844,918.60		205,880.04	Other income			1,639,038.56
High-end feature printed circuit board production line smart reform project		1,730,560.56		305,393.04	Other income			1,425,167.52
2018 Zhuhai industrial core and key technology difficulty-tackling project fund		1,600,000.00		184,615.38	Other income			1,415,384.62

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
City Industry and Information Technology Bureau fund to support development of Industrial Internet (2021) No. 55		1,464,298.60		131,131.26	Other income			1,333,167.34
Electronic information industry printed circuit board smart workshop information physical system application and high-frequency high-speed printed circuit board smart workshop CPS in-depth application project		1,472,500.21		232,499.99	Other income			1,240,000.22

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
2021 provincial-level promotion of high economic quality development special fund for enterprise technical reform (batch 1) (ELIC circuit board capacity improvement and smart technology reform project)		1,187,207.28		131,911.92	Other income			1,055,295.36
Chongqing Hi-tech Industrial Development Zone Administrative Committee Reform and Development Bureau 2022 First Batch City Industry and Informatization Special Fund		1,170,000.00		146,250.00	Other income			1,023,750.00
Applied Technical R&D Special Fund		1,169,230.74		276,923.07	Other income			892,307.67

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
HDI Smart Production Technical Reform Project		1,118,401.19		234,083.97	Other income			884,317.22
Green High-speed Circuit Board Development and Technical Reform Project		741,000.00		117,000.00	Other income			624,000.00
New Soft/Hard Combination HDI Production System Capacity Improvement and Smart Reform Project (city level)		693,693.00		81,081.00	Other income			612,612.00
Smart plant (Key equipment hot melt machine)		681,818.08		136,363.68	Other income			545,454.40

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Zhuhai Industry and Information Technology Bureau 2023 Zhuhai special fund for promoting the physical economy high-speed development		360,000.00	147,400.00					507,400.00
Plating pore-filling capacity improvement technical reform project reward		525,000.00		225,000.00	Other income			300,000.00
AOI automatic board-laying mechanical hand		297,297.48		40,540.50	Other income			256,756.98
2022 special fund-import subsidy for foreign trade		222,949.07		22,090.42	Other income			200,858.65
Smart manufacture informatization special fund		350,000.07		150,000.03	Other income			200,000.04
2019 Zhuhai Innovation and Entrepreneur and High-level Talent Project		1,012,965.00		839,249.73	Other income			173,715.27

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance
Smart reform project		178,530.00		48,690.00	Other income			129,840.00
Provincial-level production/academy/R&D cooperation special fund		71,379.66		71,379.66	Other income			
5G telecommunication high-speed optical module high-density multi-layer interconnection printed circuit key technology and industrialization (Zhuhai production/academy/R&D cooperation project)			100,000.00	100,000.00	Other income			
Total	437,798,301.71	89,844,180.74	1,189,657,818.76	352,434,441.34			225,250,139.79	1,139,615,720.08

61. Other non-current liabilities

Item	Closing balance	Opening balance
Rental House Asset Backed Special Program	7,135,774,640.00	5,696,000,000.00
Commercial Real Estate Mortgaged Loan Backed Notes	3,339,242,919.40	3,772,700,000.00
Asset support special plan	7,821,480,099.63	4,470,830,000.00
Asset support notes	1,000,000,000.00	
Advance receipt of equity payment	3,392,793,593.84	
Undue interest payable	120,862,666.07	85,284,967.39
Subtotal	22,810,153,918.94	14,024,814,967.39
Minus: other non-current liabilities due within one year	1,280,462,932.66	97,424,425.78
Total	21,529,690,986.28	13,927,390,541.61

62. Paid-up capital

Investor	Opening balance				Closing balance	
	Investment amount	Percentage %	Current increase	Current decrease	Investment amount	Percentage %
Zhuhai People's Government State-owned Asset Supervision and Administration Commission	15,821,748,771.92	93.51			15,821,748,771.92	93.51
Guangdong Province Fiscal Bureau	1,098,040,943.72	6.49			1,098,040,943.72	6.49
Total	16,919,789,715.64	100.00			16,919,789,715.64	100.00

63. Other equity instruments

Outstanding financial instrument/Quantity	Opening book value /quantity	Current increase book value/quantity	Current decrease book value/quantity	Closing book value
19 Huafa Group MTN008B	200,000,000.00			200,000,000.00
China Railway Trust- Perpetual Trust	740,000,000.00		740,000,000.00	
20 Huafa Group MTN002	1,000,000,000.00		1,000,000,000.00	
20 Huafa Y1	1,000,000,000.00		1,000,000,000.00	
20 Huafa Y2	1,500,000,000.00		1,500,000,000.00	
20 Huafa Y3	1,000,000,000.00		1,000,000,000.00	
20 Huafa Group MTN004	500,000,000.00		500,000,000.00	
Beijing Financial Asset Exchange/Industrial Bank-Perpetual	1,452,000,000.00		24,000,000.00	1,428,000,000.00

Creditor Right Finance Plan				
Air China Trust- Perpetual Trust	901,000,000.00		901,000,000.00	
21Huafa GroupMTN002	432,102,450.00	9,707,630.00		441,810,080.00
Zhongyuan Trust- Perpetual Creditor Right Investment	1,200,000,000.00		1,200,000,000.00	
22 Zhuhua Y1	855,553,843.47	2,946,156.53		858,500,000.00
22 Huafa Group MTN006	500,000,000.00			500,000,000.00
22 Huafa Group MTN009A	499,000,000.00			499,000,000.00
22 Huafa Group MTN009B	499,000,000.00			499,000,000.00
22 Huafa Group MTN012A	579,036,219.18			579,036,219.18
22 Huafa Group MTN012B	349,029,726.03			349,029,726.03
22 Huafa Group MTN013	359,075,068.50	50,016,438.35		409,091,506.85
Jiangsu International Trust- Perpetual Trust		1,000,000,000.00		1,000,000,000.00
23 Zhuhua Y1		998,400,000.00		998,400,000.00
BOC Trust- Perpetual Trust		942,700,000.00		942,700,000.00
23Huafa GroupMTN007		599,040,000.00		599,040,000.00
23Huafa GroupGN001		500,000,000.00		500,000,000.00
23Huafa GroupMTN003		499,200,000.00		499,200,000.00
23 Zhuhua Y2		499,000,000.00		499,000,000.00
23 Zhuhua Y3		499,000,000.00		499,000,000.00
23 Huafa Group MTN008		399,040,000.00		399,040,000.00
Total	13,565,797,307.18	5,999,050,224.88	7,865,000,000.00	11,699,847,532.06

Note: Above perpetual creditor's right has no definitive date of expiry in accordance with the contract or prospectus and could exist for a long period before the Company exercises the right of redemption. The Company has the right to defer payment of principal and interest. In accordance with the "Enterprise Accounting Standards No. 37- Presentation of Financial Instruments", the Company includes the perpetual creditor's right into other equity instruments.

64. Capital reserve

Type	Opening balance	Current increase	Current decrease	Closing balance
Stock premium	24,094,456,821.28	1,743,112,909.71	6,876,252,292.49	18,961,317,438.50
Other capital reserve	-742,730,185.76	66,898,267.02	46,198,042.02	-722,029,960.76
Total	23,351,726,635.52	1,810,011,176.73	6,922,450,334.51	18,239,287,477.74

(1)Capital reserve--capital stock premium is increased in 2023 because:

1) The Company has received the capital increase fund of RMB 246,150,000.00 from Zhuhai State Asset Supervision and Administration Commission in 2023;

- 2) The Company has received the asset of RMB 60,036,829.00 including Zhuhai International Health Station from the shareholder;
- 3) The Company has received capital of RMB 408,100.00 in 2023 for standardizing and improving urban environmental cleanup in 2023;
- 4) The Company disposes the minority equity of its subsidiaries and inclusion of minority shareholders of its subsidiaries in 2023. The difference between the investment price and share of identifiable net asset of associated subsidiaries that minority shareholders could enjoy in accordance with the share ratio results in increase of capital reserve of RMB 180,508,705.53;
- 5) The Company and its subsidiaries have transferred equity in Zhuhai Hairun Real Estate Development Co., Ltd and Huajin Investment Co., Ltd to Huafa Inc. The difference between the transfer price and share of net asset results in increase of capital reserve by RMB 1,254,294,180.97;
- 6) The subsidiary Founder Technology recognized the creditor's right not declared at end of 2022 and transferred the debt into shares in accordance with the reorganization plan 2022, resulting in increase of capital reserve by RMB 219,497.58;
- 7) The Company has received free transfer of equity from Zhuhai International Exchange Center, resulting in increase of capital reserve by RMB 165,866.63.
- 8) The value of state transfer land is adjusted in accordance with the evaluation report, and the capital reserve is increased by RMB 1,329,730.00.

(2). Capital reserve- capital premium is decreased in 2023 because:

- 1) The Company has acquired equity of minority shareholders in 2023, and the difference between the acquisition price and the share of identifiable net asset of relevant subsidiaries that minority shareholders shall enjoy in accordance with their share ratio results in decrease of capital reserve by RMB 6,772,618,867.55;
- 2) The subsidiary Zhuhai Urban Construction Asset Operation & Management Co., Ltd submit the fiscal income in 2023 and the capital reserve is RMB 11,228,655.85 when it adjusts the entry due to the transfer.
- 3) The Company and its subsidiary redeems some of perpetual bond in 2023, the underwriting commission and etc offset the capital reserve by RMB 11,609,443.04
- 4) The Company has made free transfer of the equity of Zhuhai Kechuang Haike Investment Co., Ltd to Zhuhai State Asset Supervision and Administration Commission, and transferred 2% equity of Zhuhai Huanxin Founder Technology Partnership (Limited Partnership) and creditor's right to Beida Founder Group to Zhuhai Kechuang Haike Investment CO., Ltd, resulting in decrease of capital reserve by RMB 80,792,151.20.
- 5) The subsidiary Huafa INC. reduces its capital reserve by RMB 3,714,85 due to repurchase and cancellation of restricted shares held by original incentive objects.

(3). Capital reserve- other capital reserve is increased because that the subsidiaries Founder Technology and Guangku Technology have changes to their treasury stock, resulting in increase of capital reserve by RMB 66,898,267.02.

(4). Capital reserve- other capital reserve is decreased in 2023 because

- 1) Accounting of joint operation enterprise by equity method has increased other capital reserve by RMB 9,483,780.96;

2) Disposal of equity of subsidiaries and change of merger scope have resulted in decrease of capital reserve by RMB 6,442,917.75 in 2023;

3) The subsidiary Zhuhai Shizimen Central Business District Construction Inc. has carried over and reversed the value-added part from original evaluation of IFC project and reduced the capital reserve already registered in accordance with the old criteria by RMB 30,271,343.31.

65. Other comprehensive income

Item	2023						2023.12.31
	2022.12.31	Amount before income tax in the current year	Minus: amount previously included into other comprehensive income, transferred into current profit and loss or equity	Minus: income tax expense	After-tax attributed to the parent company	After-tax attributed to minority shareholders	
I. Other comprehensive income that can't be re-classified into the profit and loss							
1. Re-measure the change of defined benefit plan							
2. Other comprehensive income that can't convert to profit and loss under the equity method	28,370,250.66	4,088,016.54	108,466,330.97		-28,769,231.19	-75,609,083.24	-398,980.53
3. Change on fair value of investment of other equity instrument	-1,378,774.69	-739,512,347.73	164,804.87	-184,856,383.42	-548,755,802.87	-6,064,966.31	-550,134,577.56
4. Change on fair value of the enterprise's own credit risk							
II. Other comprehensive income that will be reclassified into profit and loss.							

Item	2023						2023.12.31
	2022.12.31	Amount before income tax in the current year	Minus: amount previously included into other comprehensive income, transferred into current profit and loss or equity	Minus: income tax expense	After-tax attributed to the parent company	After-tax attributed to minority shareholders	
1. Other comprehensive income that can be transferred to profit and loss under the equity method	-328,880,476.56	-290,587,674.84			-292,730,661.93	2,142,987.09	-621,611,138.49
2. Change on fair value of other creditor right investment	21,476,593.11	28,491,360.13		7,595,521.67	19,266,445.95	1,629,392.51	40,743,039.06
3. Amount of other comprehensive income reclassified into financial asset	-4,251,120.53						-4,251,120.53
4. Credit impairment reserve on other creditor right investment	119,913.42	161,685.46		40,421.36	112,592.90	8,671.20	232,506.32
5. Cash flow hedging reserve		24,333,643.47			7,213,416.60	17,120,226.87	7,213,416.60
6. Translation difference of financial statement in foreign currency	20,966,309.18	116,615,949.66			76,871,935.37	39,744,014.29	97,838,244.55
7. Fair value of investment real estate	1,090,133,131.30	128,101,398.60		7,280,781.35	27,938,774.61	92,881,842.64	1,118,071,905.91
Total of other comprehensive income	826,555,825.89	-728,307,968.71	108,631,135.84	-169,939,659.04	-738,852,530.56	71,853,085.05	87,703,295.33

66. Surplus reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Statutory surplus reserve	366,675,505.24			366,675,505.24
Discretionary surplus reserve	2,207,693.19			2,207,693.19
Reserve fund	3,932,313.83			3,932,313.83
Corporate development fund	1,966,156.91			1,966,156.91
Total	374,781,669.17			374,781,669.17

67. Undistributed profit

Item	2023	2022
Opening undistributed profit before the adjustment	3,578,554,896.25	4,984,779,124.13
Adjustment		
Closing undistributed profit after the adjustment	3,578,554,896.25	4,984,779,124.13
Add: carryover of current year profit	1,764,691,482.04	1,529,700,571.82
Minus: withdrawal of statutory surplus reserve		
Withdrawal of general risk reserve		
Common stock dividend payable	669,350,992.46	1,812,581,301.63
Other profit distribution	600,962,670.45	1,095,704,549.19
Other change	-28,802,299.60	27,638,948.88
Closing undistributed profit	4,101,735,014.98	3,578,554,896.25

68. Operating income, operating cost

(1) by items

Item	2023	2022
Operating income	175,686,878,681.12	157,512,397,385.17
Incl: main operating income	172,955,047,433.03	155,012,466,420.14
Other operating income	2,731,831,248.09	2,499,930,965.03
Operating cost	152,669,497,189.30	135,523,332,292.92
Incl: main operating cost	150,367,212,344.17	132,990,874,177.43
Other operating cost	2,302,284,845.13	2,532,458,115.49

(2) By main operation:

Item	2023		2022	
	Operating income	Operating cost	Operating income	Operating cost
Commodity sales	80,210,257,244.40	79,000,827,802.99	72,601,169,476.92	71,515,474,029.06
Real estate sales	79,933,316,895.22	61,320,186,109.41	68,894,024,532.47	51,003,454,703.54
Primary land development			1,130,036,192.51	1,048,272,648.15
Property service	2,741,419,682.56	2,414,203,400.10	3,237,772,724.49	2,842,353,506.98

Item	2023		2022	
	Operating income	Operating cost	Operating income	Operating cost
Financial service	2,380,390,018.71	491,318,453.91	2,703,876,092.29	456,804,576.76
Hotel, conference and exhibition	595,522,025.07	422,230,609.38	339,245,587.83	354,090,580.07
Architectural and decoration design	6,289,740,850.84	6,010,493,534.81	5,283,741,074.13	5,003,539,986.21
Other	804,400,716.23	707,952,433.57	822,600,739.50	766,884,146.66
Total	172,955,047,433.03	150,367,212,344.17	155,012,466,420.14	132,990,874,177.43

69. Tax and surtax

Item	2023	2022
Urban maintenance and construction tax	248,758,448.11	223,439,638.01
Education surtax	136,300,352.27	124,772,721.00
Land value-added tax	4,853,549,103.14	3,846,666,394.41
Land use tax	34,111,981.44	25,949,789.05
Property tax	220,491,876.60	153,178,419.90
Stamp duty	169,286,377.87	167,932,973.66
Other	68,490,769.24	61,813,036.59
Total	5,730,988,908.67	4,603,752,972.62

70. Financial expense

Item	2023	2022
Interest cost	4,293,763,064.49	3,385,463,866.67
Minus: interest income	1,316,841,300.19	1,194,884,372.25
Exchange gain or loss	4,128,443.22	208,193,298.25
Charges and other	186,169,971.01	204,468,634.40
Total	3,167,220,178.53	2,603,241,427.07

71. Other income

Item	2023	2022
Government subsidy	666,283,805.88	450,938,524.40
Return of individual income tax commission charge	11,804,374.55	10,906,466.97
Value-added tax additional deduction	17,446,357.49	17,943,145.27
Total	695,534,537.92	479,788,136.64

Government subsidy included into other income

Item	Year 2023	Asset-related/income-related
Industrial park subsidy	261,172,708.07	asset-related/ income-related
Financial enterprise reward	166,850,329.81	income-related

Item	Year 2023	Asset-related/income-related
Equipment purchase subsidy	49,245,384.71	asset-related
R&D subsidy	38,873,010.21	asset/income related
Pilot enterprise reward	27,460,000.00	income-related
Public service facilities property complementary fee subsidy	18,140,416.00	income-related
Industrial development subsidy	14,799,110.04	asset/income related
Software tax return	8,139,515.48	income-related
Technical reform subsidy	6,235,715.02	asset-related/ income-related
Technical development special bonus	5,905,913.38	income-related
Innovation subsidy	5,454,625.90	income-related
Project operation subsidy	4,820,342.88	income-related
Import expansion subsidy	4,640,083.67	asset-related/ income-related
Contest subsidy	3,629,530.00	income-related
Operational state asset free transfer amortization	3,456,906.66	asset-related
Headquarter economy reward	4,084,190.00	income-related
Subsidy to promote high-quality economic development	2,970,098.00	income-related
Export credit insurance subsidy and bonus	2,420,070.23	income-related
Settlement subsidy	2,060,185.11	income-related
Tax return and exemption	2,936,097.77	income-related
Other subsidy	32,989,572.94	asset-related/ income-related
Total	666,283,805.88	

72. Investment income

Source of investment income	2023	2022
Long-term equity investment income calculated by equity method	1,189,245,013.86	2,965,673,914.64
Investment income from disposal of long-term equity investment	88,080,832.20	29,740,844.47
Investment income while holding transaction financial assets	180,239,835.05	203,774,506.65
Investment income from disposal of transaction financial asset	74,410,921.59	18,914,275.37
Investment income from holding other non-current financial assets	209,184,869.60	249,968,503.96
Dividend income from disposal of other non-current financial assets	425,351,090.94	19,599,409.92
Interest income while holding other creditor right investment	59,346,381.16	66,691,635.09
Income from disposal of other creditor right investment	3,652,300.34	
Interest income while holding creditor right investment	45,573,545.46	72,604,469.17
Income from disposal of creditor's right investment	-8,360,255.13	-1,105,959.89
Gain from recalculation of equity in accordance with the fair value upon acquisition of the control right	251,244,718.27	
Other	-20,585,558.81	-31,989,459.51
Total	2,497,383,694.53	3,593,872,139.87

73. Income from change of fair value

Source of income from change of fair value	2023	2022
Transaction financial asset	454,484,731.90	30,012,779.17
Transaction financial liability	-2,323,750.00	
Other non-current financial asset	1,464,936,283.81	-279,322,099.49
Derivative financial instrument	31,314,856.96	-8,745,629.79
Investment real estate measured by fair value	1,663,135,515.15	165,800,663.96
Total	3,611,547,637.82	-92,254,286.15

74. Credit impairment loss

Item	2023	2022
Bad debt loss	-870,751,802.87	-370,853,286.88
Impairment loss of fund under outward finance	1,317,135.86	-3,022,659.11
Impairment loss of redemptory financial asset for sale	5,096,943.89	-3,809,229.49
Loan impairment loss	-1,891,840.59	26,619,268.57
Other creditor right investment loss	-162,093.64	-123,809.46
Impairment loss of creditor right investment	3,639,062.93	-31,078,658.39
Loss of fund lent	280,800.00	79,200.00
Loss of interbank placement	-692,315.68	267,740.22
Factoring risk loss	-9,085,682.89	-14,280,424.90
Total	-872,249,792.99	-396,201,859.44

75. Asset impairment loss

Item	2023	2022
Stock falling price loss	-1,786,368,764.10	-1,031,736,957.08
Fixed asset impairment loss	-29,366,137.98	-44,237.54
Intangible asset impairment loss	-385,240.34	
Use right asset impairment loss		-842,386.59
Contract asset impairment loss	-85,080,735.89	-55,598,321.50
Goodwill impairment loss	-439,740,090.60	-18,650,000.00
Held-for-sale asset impairment loss		-1,655,877.01
Long term equity investment impairment loss	-3,719,255.57	
Total	-2,344,660,224.48	-1,108,527,779.72

76. Income from asset disposal

Item	2023	2022	Amount included into non-recurring profit and loss in the current period
Gain from disposal of non-current asset (- for loss)	4,906,024.75	9,353,075.54	4,906,024.75
Total	4,906,024.75	9,353,075.54	4,906,024.75

77. Non-operating income

Item	2023	2022	Amount included into non-recurring profit and loss in the current period
Gain from destruction and write-off of fixed assets	680,633.03	643,176.42	680,633.03
Government subsidy	21,700.00	1,310,039.42	21,700.00
Compensation income	23,726,136.23		23,726,136.23
Income from breach of contract and penalty	122,661,180.89	96,654,628.60	122,661,180.89
Amount not need to pay	244,604,916.32	13,638,057.06	244,604,916.32
Other	37,301,953.06	45,999,608.48	37,301,953.06
Total	428,996,519.53	158,245,509.98	428,996,519.53

In which, the government subsidy is detailed as below:

Item	2023	2022
Fiscal subsidy	21,700.00	1,310,039.42
Total	21,700.00	1,310,039.42

78. Non-operating expense

Item	2023	2022	Amount included into non-recurring profit and loss in the current period
Loss from destruction and write-off of non-current assets	8,984,679.75	9,292,846.05	8,984,679.75
Donation, sponsor expense	29,613,249.72	55,147,293.41	29,613,249.72
Liquidated damage/overdue fine	40,548,581.93	7,286,958.59	40,548,581.93
Abnormal loss	189,296.80	2,839,082.53	189,296.80
Other	2,338,954.71	46,032,864.93	2,338,954.71
Total	81,674,762.91	120,599,045.51	81,674,762.91

79. Income tax expense

Item	2023	2022
Current income tax expense	4,323,315,159.05	3,167,914,764.01
Adjustment of deferred income tax	-412,880,721.87	-159,506,707.17
Total	3,910,434,437.18	3,008,408,056.84

80. Notes on items in the cash flow statement.

(1) Other cash received related with operating activities

Item	2023	2022
Rental, retail income, cultural broadcast income, management and service fee and interest income collected in cash	4,280,945,093.38	2,810,204,082.19
Government subsidy and liquidated damages	1,648,902,965.16	594,267,730.31
Current account and other	3,405,282,988.73	5,012,940,418.08
Total	9,335,131,047.27	8,417,412,230.58

(2) Other cash paid related with operating activities

Item	2023	2022
Out-of-pocket expense	4,502,207,294.24	4,349,968,135.53
Current account	3,543,685,993.38	6,290,765,167.89
Total	8,045,893,287.62	10,640,733,303.42

81. Matters related with consolidated cash flow statement

(1). Supplementary materials of the cash flow statement.

Item	2023	2022
1. Adjust the net profit into operating activity cash flow	—	—
Net profit	5,244,453,082.30	6,398,493,757.27
Add: asset impairment loss	2,344,660,224.48	1,108,527,779.72
Credit impairment loss	872,249,792.99	396,201,859.44
Fixed asset depreciation	1,398,880,210.65	1,270,406,346.29
Intangible asset amortization	190,590,336.93	195,864,495.99
Long-term deferred expense amortization	222,857,899.29	156,772,748.97
Use right asset amortization	467,771,232.01	465,597,603.57
Loss from disposal of fixed asset, intangible asset and other long-term asset (- for gain)	-4,906,024.75	-9,353,075.54
Loss from write-off of fixed asset(- for gain)	8,304,046.72	9,292,846.05
Loss from change of fair value(- for gain)	-3,611,547,637.82	92,254,286.15
Financial expense(- for gain)	4,114,914,017.01	3,385,463,866.67
Investment loss(- for gain)	-2,497,383,694.53	-3,593,872,139.87

Item	2023	2022
Decrease of deferred income tax asset(- for increase)	-1,244,009,935.34	-781,934,195.25
Increase of deferred income tax liabilities(- for decrease)	831,129,213.47	622,427,488.08
Decrease of stock (- for increase)	29,253,219,065.94	15,017,661,801.85
Decrease of operating receivables (- for increase)	7,232,640,798.43	3,361,105,766.90
Increase of operating payable (- for decrease)	15,044,498,228.97	18,186,125,244.74
Other		
Net cash flow from operating activities	59,868,320,856.75	46,281,036,481.03
2. Important investment and fund-raising activities that don't involve cash receipt and expenditure		
Conversion of debt into capital		
Convertible corporate bond due within one year		
Fixed asset on financial lease		
3. Net change of cash and cash equivalent		
Closing cash balance:	58,328,589,947.28	60,851,189,874.76
Minus: Opening cash balance	60,851,189,874.76	67,351,969,680.39
Add: Closing balance of cash equivalent		
Minus: Opening balance of cash equivalent		
Net increase of cash and cash equivalent	-2,522,599,927.48	-6,500,779,805.63

(2) Constitution of cash and cash equivalent

Item	Closing balance	Opening balance
I. Cash	58,328,589,947.28	60,851,189,874.76
Incl: cash in hand	466,927.17	466,814.39
Bank deposit payable on demand	44,687,082,690.31	51,791,968,298.33
Other monetary fund payable on demand	1,572,708,040.15	9,401,515.63
Interbank deposit and deposit with other financial institutions	10,591,845,774.21	8,317,442,995.37
Settlement fund	328,945,916.21	232,971,385.83
Future bond deposit	1,147,540,599.23	498,938,865.21
II. Cash equivalent		
Incl: bond investment due within three months		
III. Closing balance of cash and cash equivalent	58,328,589,947.28	60,851,189,874.76
Incl: restricted cash and cash equivalent of the Parent Company or Group's subsidiary		

82. Assets with restricted ownership and use right

Item	Closing book value	Reason of restriction
Monetary capital	8,115,975,579.02	Refer to Note 8.1 for monetary capital and guarantee bond subject to restricted use
Account receivable	692,614,313.81	Pledge for loan
Other receivable	250,000,000.00	Pledge for loan
Notes receivable	66,426,164.05	Pledge for issuance of bank acceptance bill, documentary credit, note discounting or endorsement
Stock	55,546,132,065.33	Pledge for loan
Other non-current asset	995,185,469.65	Land subject to restricted use
Fixed asset	2,784,317.96	Talent housing of limited property right
	6,115,489,481.01	Pledge for loan
Investment real estate	27,629,398,760.41	Pledge for loan
Use right asset	9,628,905.32	Pledge for loan
Transaction financial asset	1,468,401,205.79	Pledge for "sold for repurchase", loan and issuance of bank acceptance bill
Other non-current financial asset	11,330,842.65	Pledge for loan
Long term equity investment	420,989,878.98	Pledge for loan
Total	101,324,356,983.98	

Note: Refer to Note 8.1, Note 8.8, Note 8.10, Note 8.11, Note 8.12, Note 8.14, Note 8.16, Note 8.24, Note 8.26, Note 8.27, Note 8.28, Note 8.30 for assets with restricted ownership.

IX. Commitment and contingencies

(1) Significant commitment

1. By 31st December 2023, the balance of unpaid amount under the land transfer contract already concluded by its subsidiaries and are being performed or ready to perform is RMB 5.537 billion. The balance amount will be paid as scheduled at the same time when the other party to the contract fulfills the contractual liabilities and obligations.

2. Huafa Inc., will provide the credit enhancement facilities including the operating capital or guarantee (same with the share ratio) for the joint and cooperative operation enterprises in accordance with the joint venture and cooperation agreement. When other shareholders of the joint and cooperative operation enterprises provide the full-amount guarantee, Huafa Inc. provides the counter guarantee to other shareholders in accordance with the share ratio.

3. Huafa Inc., has set up "Huafa Rental House Asset-backed Special Plan". Huafa Inc. is obligated to

provide the security in an amount same with the drop of the appraisal amount of the underlying initial asset, acquire all asset securities in priority level when the rating is adjusted downwards, pay the difference when the fund of the special plan is insufficient to pay the yield of asset securities in priority level, and provide the security for the whole-package rental. Meanwhile, Huafa Inc. has the buyback priority.

4.. The subsidiary of Huafa Inc., Zhuhai Huafa Real Estate Development Co., Ltd (Zhuhai Huafa Real Estate) has concluded an Equity Transfer Agreement with Shenzhen Rongchuang Cultural and Tourism Industry Development Group Co., Ltd (Shenzhen Rongchuang Cultural and Tourism). The Agreement stipulated that Zhuhai Huafa Real Estate acquired 51% equity and corresponding creditor's right of Shenzhen Ronghua Real Estate Investment Co., Ltd (Ronghua Real Estate) held by Shenzhen Rongchuang Cultural and Tourism, and the purchase price of target equity is RMB 3.57 billion; and the purchase price of target creditor's right is RMB 11,902,437.16. After the acquisition is completed, Zhuhai Huafa Real Estate will hold 100% equity of Ronghua Real Estate. Zhuhai Huafa Real Estate has paid the first phase of equity transfer price, which is RMB 2,082,165,800. As to the final phase of purchase price of the equity, Zhuhai Huafa Real Estate will offset it by an same amount (in terms of cost) of Ice and Snow Project, Commercial Office and other unsold property in other plots within 60 working days after expiry of three years after the industrial and commercial registration for the equity transfer has been completed. Shenzhen Rongchuang Cultural and Tourism has the right to buy back the target equity and target creditor's right before 23rd Nov. 2025 (buyback deadline). If it chooses to buy back, Shenzhen Rongchuang Cultural and Tourism shall notify Zhuhai Huafa Real Estate in writing before the buyback deadline.

3. Except for above commitments, the Company has no other important commitment that shall be disclosed, but not disclosed yet by 31st December 2023.

(2) Contingency

1. Contingent liability

(1). Contingent liability and its financial influence resulting from pending litigation and arbitration

A. The plaintiff Lijiang Heye Group Real Estate Development Co., Ltd filed a lawsuit with the Intermediate People's Court of Lijiang, Yunnan in April 2021 because of its dispute arising from purchase of commodity apartments with the defendants Weiye Inc. and Yunnan Heyue Zongbang Hotel Management Co., Ltd, asking Weiye Inc. to fulfill its obligation of purchasing 168 apartments of Heye Complex developed by the plaintiff and conclude the Commodity Apartment Purchase Contract, and paying a liquidated damage of RMB 25,356,341.08 to the plaintiff for failing to purchase the apartments as scheduled, requesting Weiye Inc. and Yunnan Heyue Zongbang Hotel Management Co., Ltd to pay a rental of RMB 15,838,567.40 severally and jointly for apartments unsold since they fail to purchase from 1st May 2019 to the day when the payment for such apartments have been paid (calculated to 30th April 2021 for the time being), requesting Weiye Inc. and Yunnan Heyue Zongbang Hotel Management Co., Ltd to shoulder jointly the litigation fee, asset preservation fee, lawyer fee and other expense arising directly from the litigation, estimated as RMB 1,119,892,05. This case is still under trial by 31st Dec. 2023.

B. In May 2019, the subsidiary Huajin Securities and Hainan Airlines Group Financial Co., Ltd (Hainan Airlines Financial) have negotiated and reached the final transaction that Huajin Securities will borrow RMB 250 million from China Industrial International Trust Co., Ltd (Industrial Trust) through pledged repurchase of bond. Huajin Securities borrowed fund from Industrial Trust through pledged repurchase of bond and lent it right away to Hainan Airlines Finance through pledged repurchase of bond. On the day of settlement when expired, Hainan Airlines Financial Co., Ltd didn't repay the amount due to the Company, and Huajin Securities didn't repay the amount due to Industrial Trust.

Industrial Trust filed an arbitration application to CIETAC (China International Economic and Trade Arbitration Commission), requesting Huajin Securities to compensate totally RMB325,834,421.98 including settlement payment due on 31st July 2023 (temporary), compensation, penalty interest, and requesting Huajin Securities to shoulder the arbitration fee for the arbitration case, attorney fee and other reasonable expense paid by the applicant. Huajin Securities has received the "Arbitration Notice" and other documents mailed by CIETAC. The case has been docketed on 25th Dec. 2023. Huajin Securities believed that it was not liable because the dispute involves essentially the debtor Hainan Airlines Finance. The above arbitration was still under trial by 31st Dec. 2023.

(2). Guarantee of the Group and its subsidiary

By 31st December 2023, the balance of guarantee provided by the Company and its subsidiaries (exclusive that between the listed company and its subsidiaries) is RMB110,967,301,900, HKD1,637,950,000, USD 1,268,987,000 and Euro 68,200,000, detailed as below:

Unit: 10000

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
The Company	167,100.00	2023	2025
The Company	395,000.00	2023	2024
The Company	90,000.00	2023	2028
Guangdong Chengzhi Technology Co., Ltd	190.00	2017	2026
Guangdong Chengzhi Technology Co., Ltd	12,270.02	2019	2026
Guangdong Chengzhi Technology Co., Ltd	12,000.00	2021	2026
Guangdong Chengzhi Technology Co., Ltd	30,000.00	2023	2026
Guangdong Chengzhi Technology Co., Ltd	40,000.00	2022	2042
Huafa 2019 I Co., Ltd	USD 30,000.00	2019	2024
Huafa 2020 I Co., Ltd	USD 25,000.00	2020	2025
Huafa 2020 I Co., Ltd	USD 15,000.00	2021	2025
Huafa 2021 I Co., Ltd	USD 20,000.00	2021	2025
Huafa 2021 I Co., Ltd	USD 25,000.00	2021	2024
Huafa 2021 I Co., Ltd	USD 10,000.00	2022	2024
Huafa Holding 2022 1 Co., Ltd	50,000.00	2023	2026
Huajin International Commercial Factoring (Zhuhai) Co., Ltd	111,800.00	2023	2024
Huajin International Commercial Factoring (Zhuhai) Co., Ltd	30,000.00	2023	2025
Huajin Securities Inc.	76,000.00	2021	2024
Huajin Securities Inc.	100,000.00	2022	2025

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Huajin Asset Management (Shenzhen) Co., Ltd	100,000.00	2023	2024
Huajin Asset Management (Shenzhen) Co., Ltd	112,100.00	2022	2040
Hong Kong Huafa Investment Holding Co., Ltd	HKD 163,795.00	2021	2024
Hong Kong Huafa Investment Holding Co., Ltd	15,000.00	2023	2024
Zhuhai Urban Construction Asset Operation & Management Co., Ltd	857.32	2022	2027
Zhuhai Urban Construction Group Co., Ltd	24,240.00	2018	2033
Zhuhai Urban Construction Group Co., Ltd	8,061.86	2019	2033
Zhuhai Urban Construction Group Co., Ltd	1,516.80	2020	2033
Zhuhai Urban Construction Group Co., Ltd	8,950.00	2022	2042
Zhuhai Urban Construction Group Co., Ltd	1,500.00	2021	2024
Zhuhai Urban Construction Group Co., Ltd	23,623.33	2022	2025
Zhuhai Chuanghua International Trading Co., Ltd	40,921.00	2023	2024
Zhuhai Hezhoubei Huafa Modern Agricultural Technology Co., Ltd	45,557.50	2023	2028
Zhuhai Hezhoubei Huafa Modern Agricultural Technology Co., Ltd	16,440.09	2020	2028
Zhuhai Hezhoubei Huafa Modern Agricultural Technology Co., Ltd	1,665.81	2021	2028
Zhuhai Hezhoubei Huafa Modern Agricultural Technology Co., Ltd	4,694.54	2022	2028
Zhuhai Huachen Development & Construction Co., Ltd	3,381.04	2023	2043
Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	60,000.00	2020	2025
Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	25,000.00	2022	2025
Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	28,500.00	2022	2027
Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	16,017.45	2023	2026
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	48,500.00	2021	2026
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	153,441.74	2022	2026
Zhuhai Huafa International Conference and Exhibition Co., Ltd	29,355.00	2023	2030
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	24,996.30	2021	2025
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	39,680.00	2021	2026
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	26,270.00	2022	2026
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	21,420.00	2023	2026
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	89,800.00	2022	2027
Zhuhai Huafa Technical Group Co., Ltd	315,600.00	2021	2026
Zhuhai Huafa Technical Group Co., Ltd	60,000.00	2023	2024
Zhuhai Huafa Technical Group Co., Ltd	62,500.00	2021	2028
Zhuhai Huafa Technical Group Co., Ltd	7,800.00	2023	2028
Zhuhai Huafa Technical Group Co., Ltd	19,000.00	2022	2029
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	484,539.00	2023	2024

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	EUR 4,100.00	2023	2024
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	USD 1,898.70	2023	2024
Zhuhai Huafa New Energy Operation & Management Co., Ltd	272.00	2022	2024
Zhuhai Huafa New Energy Operation & Management Co., Ltd	408.00	2023	2025
Zhuhai Huafa Sports Development Co., Ltd	35,000.00	2021	2026
Zhuhai Huafa Investment Holding Co., Ltd	339,340.00	2023	2024
Zhuhai Huafa Investment Holding Co., Ltd	100,000.00	2019	2025
Zhuhai Huafa Investment Holding Co., Ltd	184,000.00	2022	2025
Zhuhai Huafa Investment Holding Co., Ltd	19,960.00	2021	2024
Zhuhai Huafa Investment Holding Co., Ltd	60,000.00	2023	2025
Zhuhai Huafa Investment Holding Co., Ltd	200,000.00	2020	2025
Zhuhai Huafa Investment Holding Co., Ltd	500,000.00	2019	2024
Zhuhai Huafa Zhigu Investment & Operation Co., Ltd	58,000.00	2022	2037
Zhuhai Huafa Comprehensive Development Co., Ltd	351,000.00	2023	2024
Zhuhai Huafa Comprehensive Development Co., Ltd	EUR 2,720.00	2023	2024
Zhuhai Huafa Comprehensive Development Co., Ltd	266,205.42	2022	2025
Zhuhai Huafa Comprehensive Development Co., Ltd	172,433.00	2023	2025
Zhuhai Huafa Comprehensive Development Co., Ltd	125,579.75	2023	2028
Zhuhai Huafa Comprehensive Development Co., Ltd	88,350.00	2023	2026
Zhuhai Huafa Comprehensive Development Co., Ltd	230,000.00	2021	2024
Zhuhai Huafa Comprehensive Development Co., Ltd	12,041.00	2022	2024
Zhuhai Huafa Comprehensive Development Co., Ltd	50,000.00	2019	2024
Zhuhai Huagang Industry New Space Investment & Development Co., Ltd	245,000.00	2023	2043
Zhuhai Huagang Industry New Space Investment & Development Co., Ltd	100,000.00	2023	2024
Zhuhai Huahe Ecological Technology Co., Ltd	95.00	2023	2043
Zhuhai Huajin Development & Construction Co., Ltd	39,735.00	2017	2031
Zhuhai Huakai Development & Construction Co., Ltd	2,802.92	2022	2025
Zhuhai Huakai Development & Construction Co., Ltd	12,038.73	2023	2025
Zhuhai Huale Industry New Space Investment & Development Co., Ltd	71,700.00	2023	2043
Zhuhai Hualing Construction Engineering Co., Ltd	37,002.93	2021	2026
Zhuhai Hualing Construction Engineering Co., Ltd	58,395.00	2022	2026
Zhuhai Hualing Construction Engineering Co., Ltd	19,990.00	2023	2026
Zhuhai Huaqin Development & Construction Co., Ltd	10,547.60	2020	2035
Zhuhai Huaqin Development & Construction Co., Ltd	3,311.48	2021	2035
Zhuhai Huaqin Development & Construction Co., Ltd	76,471.69	2023	2028
Zhuhai Huashi Huanxin Fangke Investment Enterprise (Limited Partnership)	90,000.00	2023	2030

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Huawei Development & Construction Co., Ltd	90,000.00	2023	2043
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	218,600.00	2021	2024
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	166,612.00	2022	2024
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	357.12	2018	2028
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	9,642.88	2019	2028
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	276,566.02	2023	2028
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	36,960.00	2022	2027
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	141,950.00	2023	2027
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	97,100.00	2023	2025
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	333,500.00	2023	2026
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	378,464.00	2022	2025
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	50,000.00	2021	2026
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	120,760.00	2018	2037
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	100,000.00	2019	2026
Zhuhai Anxin Housing Lease Co., Ltd	100,000.00	2023	2053
Zhuhai Anyi Construction Investment Co., Ltd	25,500.00	2023	2048
Zhuhai Yitong Electrical Appliance Co., Ltd	648.70	2020	2030
Zhuhai Yitong Electrical Appliance Co., Ltd	30,787.64	2021	2030
Zhuhai Zhihua International Trading Co., Ltd	11,999.00	2023	2024
Zhuhai Wisdom New Energy Investment Co., Ltd	1,423.10	2017	2027
Guangdong Guangda Electrical Co., Ltd	1,830.64	2023	2024
Guangdong Jiahe Real Estate Investment Co., Ltd	25,849.34	2019	2039
Guangdong Jiahe Real Estate Investment Co., Ltd	4,073.62	2020	2025
Guangdong Jiahe Real Estate Investment Co., Ltd	20,004.17	2021	2026
Guangdong Jiahe Real Estate Investment Co., Ltd	8,271.94	2022	2037
Zhuhai Power Construction Engineering Co., Ltd	11,045.44	2023	2024
Zhuhai Huidafeng Power Development (Group) Co., Ltd	2,995.20	2021	2024

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Huidafeng Power Development (Group) Co., Ltd	11,069.91	2023	2026
Zhuhai Huidafeng Power Development (Group) Co., Ltd	12,482.00	2022	2025
Zhuhai Kangtaiming Power Transmission and Transformation Engineering Co., Ltd	1,330.25	2023	2024
Subsidiary of the Company *1	274,977.65	-	-
Digitone and its subsidiaries	181,599.85	2023	2024
Huafa Inc. and its subsidiaries	45,000.00	2022	2024
Huafa Inc. and its subsidiaries	151,381.25	2022	2025
Huafa Inc. and its subsidiaries	79,075.00	2023	2025
Huafa Inc. and its subsidiaries	146,305.15	2023	2026
Huafa Inc. and its subsidiaries	135,000.00	2023	2041
Huafa Inc. and its subsidiaries *2	556,700.00	2023	2024
Huafa Inc. and its subsidiaries *3	211,200.00	2019	2037
Huafa Inc. and its subsidiaries *3	148,500.00	2020	2038
Huafa Inc. and its subsidiaries *3	282,200.00	2022	2040

*1 The Company's subsidiary has concluded a guarantee bond agreement with Zhuhai Huajin Financial Guarantee Co., Ltd that Zhuhai Huajin Financial Guarantee Co., Ltd provides guarantee to the Company's subsidiaries and issue the guarantee bond to the beneficiary.

*2 In accordance with "the Proposal that Huafa Group Provides Guarantee for Supply Chain Financial Asset-backed Product and the Company Provides Counter-Guarantee & Affiliated Transaction" approved on the 9th board of director 73rd meeting of the subsidiary Huafa Inc., the Company, as the issuer, engages in shelf-type supply chain financial asset securitization (hereinafter referred to as supply chain ABS) by taking creditor's right of contractors and suppliers to the account receivable from Huafa Inc., and its subsidiaries as the underlying assets; and registers the supply chain financial asset-backed notes (hereinafter referred to as ABN) with Interbank Market Dealer Association by taking the underlying assets same with ABS. The Company provides guarantee to the payment obligations of Huafa Inc., and its subsidiaries towards the supply chain ABS and ABN. The principal of main creditor right guaranteed doesn't exceed RMB 20 billion. Meanwhile, Huafa Inc., provides counter-guarantee to the Company. This proposal has been approved by Huafa Inc., in the fifth extraordinary general meeting of shareholders in 2020. By 31st December 2023, the Company guaranteed the payment obligations towards the supply chain ABS and ABN in an amount of RMB 5.567 billion and meanwhile Huafa Inc., provides the counter guarantee.

*2. The Company, as the guarantor, provides irrevocable, joint and several guarantee for "Zhonglian Qianhai Kaiyuan-Huafa Rental House No. 1 Asset-backed Special Program" and "Huajin- Huafa Rental House No.2 Asset-backed Special Program" issued by its subsidiary Huafa Inc. Huafa Inc., provides the counter guarantee against the guarantee provided by the Company. The counter guarantee has been approved by Huafa Inc., through its 9th board of director 35th meeting and the 7th extraordinary general meeting of shareholders in 2018. By 31st December 2023, the Company guaranteed the rental house in

an amount of RMB 6.419 billion and meanwhile Huafa Inc., provides the counter guarantee.

2) By 31st December 2023, the guaranteed balance between the subsidiary Huafa Inc. and its subsidiaries and between subsidiaries of Huafa Inc. is RMB 97,890,120,200 , detailed as below:

Unit: RMB 10000

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Baotou Huafa Real Estate Co., Ltd	20.00	2023	2026
Baotou Mingliu Real Estate Co., Ltd	25,000.00	2023	2026
Changshu Huashun Technical Industrial Park Investment & Development Co., Ltd	86,970.00	2020	2024
Changshu Huashun Technical Industrial Park Investment & Development Co., Ltd	40,000.00	2023	2025
Chengdu Huajin Shenghong Industrial Co., Ltd	28,560.00	2023	2026
Dalian Huakun Real Estate Development Co., Ltd	127,000.00	2022	2025
Dalian Hualu Real Estate Development Co., Ltd	10,623.60	2020	2025
Foshan Huabiao Real Estate Development Co., Ltd	137,660.62	2021	2030
Foshan Huafeng Real Estate Development Co., Ltd	75,500.00	2022	2040
Foshan Huazhan Commercial Service Co., Ltd	140,000.00	2022	2040
Guangjie Investment Co., Ltd	24,999.89	2023	2024
Guangzhou Huajun Real Estate Development Co., Ltd	64,800.00	2022	2025
Guangzhou Huayang Real Estate Development Co., Ltd	230,009.67	2023	2025
Guangzhou Yuehong Real Estate Development Co., Ltd	44,115.00	2021	2025
Hangzhou Huahong Real Estate Co., Ltd	30,000.00	2023	2025
Hangzhou Huaxu Real Estate Co., Ltd	26,310.06	2022	2025
Hangzhou Huazhao Real Estate Co., Ltd	110,000.00	2023	2026
Hubei Guangjiazhou Investment Co., Ltd	20,490.00	2021	2025
Huafa Industry (Hong Kong) Co., Ltd	141,653.92	2018	2024
Huafa Industry (Hong Kong) Co., Ltd	3,541.35	2020	2024
Huafa Industry (Hong Kong) Co., Ltd	162,902.10	2020	2025
Huizhou Hehui Real Estate Co., Ltd	99,500.00	2023	2026
Huizhou Hehui Real Estate Co., Ltd	3,000.00	2023	2025
Jiangmen Huachang Commercial Service Co., Ltd	42,800.00	2022	2040
Jiangmen Huacheng Commercial Service Co., Ltd	54,500.00	2022	2040
Jiangmen Rongjian Real Estate Co., Ltd	9,420.00	2021	2024
Kunming Huachuangyun Real Estate Development Co., Ltd	76,300.00	2022	2027
Kunming Huachuangyun Real Estate Development Co., Ltd	30,000.00	2023	2027
Luoding Huarong Trading Co., Ltd	4,800.00	2022	2025
Luoding Huarong Trading Co., Ltd	3,552.00	2023	2026
Luoding Huasheng Trading Co., Ltd	4,800.00	2022	2025
Luoding Huasheng Trading Co., Ltd	3,552.00	2023	2026
Luoding Huatu Trading Co., Ltd	4,800.00	2022	2025

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Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Luoding Huatu Trading Co., Ltd	3,456.00	2023	2026
Nanjing Huafu Real Estate Co., Ltd *1	95,215.00	2022	2025
Nanjing Huayao Real Estate Development Co., Ltd	21,175.00	2021	2024
Nanjing Huayu Real Estate Development Co., Ltd	52,670.16	2022	2025
Qingdao Huaying Investment Co., Ltd	50,000.00	2023	2025
Shanwei Huajin Real Estate Development Co., Ltd	41,700.00	2020	2026
Shanghai Guhong Real Estate Development Co., Ltd	55,050.00	2022	2025
Shanghai Huafu Chuangsheng Real Estate Co., Ltd	80,000.00	2022	2027
Shanghai Jingcheng Real Estate Development Co., Ltd	149,000.00	2023	2028
Shanghai Tangxiao Real Estate Development Co., Ltd	55,450.00	2023	2025
Shanghai Xinpu East Bank Real Estate Co., Ltd	52,648.36	2019	2027
Shanghai Xingcheng Real Estate Development Co., Ltd	120,000.00	2023	2026
Shanghai Xujing Real Estate Development Co., Ltd	71,680.00	2023	2026
Shaoxing Huayue Real Estate Co., Ltd	34,577.00	2021	2024
Shaoxing Huayue Real Estate Co., Ltd	19,500.00	2022	2029
Shaoxing Huayue Real Estate Co., Ltd	46,800.00	2022	2030
Shaoxing Huayue Real Estate Co., Ltd	120,000.00	2023	2026
Shaoxing Huaze Real Estate Co., Ltd	70,000.00	2023	2032
Shenzhen Huafeng Enterprise Management Co., Ltd	38,800.00	2023	2026
Shenzhen Hualing Enterprise Management Co., Ltd	70,000.00	2023	2026
Shenzhen Ronghua Real Estate Investment Co., Ltd	292,700.00	2023	2028
Shenzhen Ronghua Real Estate Investment Co., Ltd	50,000.00	2023	2025
Shenzhen Ronghua Real Estate Investment Co., Ltd	150,000.00	2023	2038
Shenyang Huarang Real Estate Co., Ltd	9,500.00	2023	2025
Shenyang Huayuan Real Estate Co., Ltd	4,000.00	2023	2025
Shenyang Huaheng Real Estate Co., Ltd	69,200.00	2023	2028
Shenyang Zhong Dong Gang Commercial Property Development Co., Ltd	89,280.00	2022	2025
Suzhou Xinhua Construction & Development Co., Ltd	36,000.00	2023	2027
Weihai Huafa Zongsheng Marketing Planning Co., Ltd	59,885.00	2022	2042
Wuxi Huabo Real Estate Co., Ltd	100,660.00	2021	2024
Wuxi Huabo Real Estate Co., Ltd	10,000.00	2023	2025
Wuxi Huabo Real Estate Co., Ltd	100,000.00	2023	2026
Wuxi Huamei Real Estate Co., Ltd	42,000.00	2022	2025
Wuhan Huachuan Real Estate Development Co., Ltd	209,657.00	2021	2024
Wuhan Huachuan Real Estate Development Co., Ltd	68,000.00	2022	2025
Wuhan Huafa Ruiguang Real Estate Development Co., Ltd	319,811.60	2022	2025
Wuhan Huafa Ruiguang Real Estate Development Co., Ltd	31,496.11	2022	2024
Wuhan Huafa Ruijia Real Estate Development Co., Ltd	100.00	2023	2024
Wuhan Huafa Ruijia Real Estate Development Co., Ltd	53,933.22	2023	2025
Wuhan Huafa Changmao Real Estate Development Co., Ltd	11,550.00	2022	2030

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Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Wuhan Huafa Changsheng Real Estate Development Co., Ltd	19,800.00	2021	2024
Wuhan Huafa Changsheng Real Estate Development Co., Ltd	5,270.00	2022	2024
Wuhan Huayao Real Estate Development Co., Ltd	40,000.00	2023	2038
Yiwu Zhaoying Real Estate Co., Ltd	39,759.56	2021	2024
Changsha Tianrun Zhiyue Real Estate Development Co., Ltd	60,000.00	2023	2026
Zhongshan Huasheng Real Estate Development Co., Ltd	138,178.00	2022	2025
Zhongshan Huasheng Real Estate Development Co., Ltd	41,958.00	2023	2026
Zhongshan Huafa Commerce Town Business Operation Co., Ltd	55,785.90	2022	2034
Zhongshan Huayi Business Operation & Management Co., Ltd	3,788.19	2022	2025
Zhongshan Huayi Business Operation & Management Co., Ltd	16,500.00	2023	2025
Zhongshan Huayi Business Operation & Management Co., Ltd	62,811.00	2023	2028
Zhongshan Huayi Business Operation & Management Co., Ltd	43,490.00	2023	2026
Chongqing Huaxian Real Estate Development Co., Ltd	11,580.00	2022	2024
Chongqing Huaxian Real Estate Development Co., Ltd	12,000.00	2023	2025
Zhuhai Hengqin Huafa Real Estate Investment Co., Ltd	2,858.43	2022	2025
Zhuhai Huafa Aotemei Health Management Co., Ltd	22,994.77	2023	2026
Zhuhai Huafa Real Estate Development Co., Ltd	34,000.00	2023	2028
Zhuhai Huafa Construction Design Consultancy Co., Ltd	19,500.00	2022	2024
Zhuhai Huafa Construction Design Consultancy Co., Ltd	2,850.00	2023	2028
Zhuhai Huafa Industrial Inc.	239,900.00	2019	2037
Zhuhai Huafa Industrial Inc.	182,882.00	2020	2038
Zhuhai Huafa West Zone Commerce Co., Ltd	10,621.96	2021	2024
Zhuhai Huafa West Zone Commerce Co., Ltd	11,000.00	2022	2024
Zhuhai Huafa West Zone Commerce Co., Ltd	21,320.55	2022	2025
Zhuhai Huafa West Zone Commerce Co., Ltd	135,000.00	2023	2041
Zhuhai Huafa West Zone Commerce Co., Ltd	22,740.29	2023	2026
Zhuhai Huafa New City Real Estate Co., Ltd	83,645.79	2023	2031
Zhuhai Huafeng Real Estate Development Co., Ltd	272,770.00	2022	2027
Zhuhai Huafu Commerce & Trading Development Co., Ltd	4,431.77	2021	2024
Zhuhai Huafu Commerce & Trading Development Co., Ltd	29,630.51	2022	2025
Zhuhai Huafu Commerce & Trading Development Co., Ltd	350,000.00	2022	2040
Zhuhai Huafu Commerce & Trading Development Co., Ltd	25,329.95	2023	2026
Zhuhai Huahai Real Estate Co., Ltd	85,000.00	2023	2026
Zhuhai Huahan Investment Co., Ltd	3,849.99	2019	/
Zhuhai Huahe Construction Co., Ltd	32,792.00	2021	2036
Zhuhai Huahu Real Estate Development Co., Ltd	82,630.37	2022	2027
Zhuhai Huajian Real Estate Development Co., Ltd	135,300.00	2023	2026
Zhuhai Huajing Management Consultancy Co., Ltd	68,535.00	2019	2029
Zhuhai Huajing Management Consultancy Co., Ltd	20,621.42	2022	2025
Zhuhai Huajing Management Consultancy Co., Ltd	29,700.00	2023	2024

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Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Huajing Management Consultancy Co., Ltd	18,426.03	2023	2026
Zhuhai Huajun Real Estate Development Co., Ltd	140,356.25	2019	2024
Zhuhai Huajun Real Estate Development Co., Ltd	117,400.00	2020	2024
Zhuhai Huajun Real Estate Development Co., Ltd	80.00	2023	2026
Zhuhai Huakuo Comprehensive Service Co., Ltd	137,300.00	2023	2025
Zhuhai Huakuo Comprehensive Service Co., Ltd	3,000.00	2023	2026
Zhuhai Hualan Business Consultancy Co., Ltd	44,650.00	2023	2028
Zhuhai Huamao Tiancheng Real Estate Development Co., Ltd	188,865.00	2021	2025
Zhuhai Huaming Technical Development Co., Ltd	19,500.00	2023	2025
Zhuhai Huashang Department Store Co., Ltd	9,900.00	2022	2025
Zhuhai Huashang Department Store Co., Ltd	121,420.00	2023	2025
Zhuhai Huashang Department Store Co., Ltd	65,000.00	2023	2026
Zhuhai Huatong Real Estate Development Co., Ltd	51,000.00	2021	2025
Zhuhai Huaxin Investment & Development Co., Ltd	100.00	2023	2026
Zhuhai Huayao Real Estate Development Co., Ltd	77,400.00	2020	2024
Zhuhai Huayao Trade Development Co., Ltd	15,000.00	2023	2026
Zhuhai Huayi Construction Co., Ltd	93,750.00	2021	2036
Zhuhai Huayi Investment Co., Ltd	50,960.00	2022	2040
Zhuhai Huayi Business Operation and Management Co., Ltd	35,825.00	2019	2024
Zhuhai Huayi Business Operation and Management Co., Ltd	19,500.00	2022	2024
Zhuhai Huazhi Management Consultancy Co., Ltd	52,875.00	2020	2030
Zhuhai Huazhi Management Consultancy Co., Ltd	31,000.00	2022	2025
Zhuhai Huazhi Management Consultancy Co., Ltd	23,000.00	2023	2026
Zhuhai Huachuang Trading Development Co., Ltd	117,250.00	2021	2024
Zhuhai Huachuang Trading Development Co., Ltd	8,454.90	2023	2026
Zhuhai Huachuang Trading Development Co., Ltd	11,312.11	2023	2028
Zhuhua Huaguo Trading Co., Ltd	59,754.85	2021	2024
Zhuhua Huaguo Trading Co., Ltd	143,169.25	2022	2025
Zhuhua Huaguo Trading Co., Ltd	191,400.00	2022	2024
Zhuhua Huaguo Trading Co., Ltd	320,429.77	2023	2026
Zhuhua Huaguo Trading Co., Ltd	197,690.00	2023	2025
Zhuhua Huaguo Trading Co., Ltd	12,700.00	2023	2024
Zhuhai Hairun Real Estate Development Co., Ltd	107,043.75	2022	2025
Total	9,789,012.02		

3) By 31st Dec. 2023, the balance of guarantee between the subsidiary Digitone and its subsidiaries and between its subsidiaries is RMB 160,000,000, detailed as below:

Unit: RMB 10000

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Henan Digitone Trading Co., Ltd	10,000.00	2023	2024
Shanghai Chuanda Telecommunication Technology Co., Ltd	3,300.00	2023	2024
Shanghai Dixin South Telecommunication Technology Co., Ltd	500.00	2023	2024
Qingdao Digitone Telecommunication Technology Co., Ltd	450.00	2023	2024
Qingdao Feidi Telecommunication Technology Co., Ltd	250.00	2023	2024
Zhejiang Digitone Trading Co., Ltd	1,000.00	2023	2024
Sichuan Yijialong Telecommunication Chainstore Co., Ltd	500.00	2023	2024
Total	16,000.00		

4) By 31st December 2023, the balance of guarantee between the subsidiary Johnson Holdings and its subsidiaries, as well as between different subsidiaries is RMB 29,624,800, detailed as below:

RMB: 10000

Guaranteed	Guaranteed amount	Kickoff date of guarantee	End date of guarantee
Johnson Co., Ltd	210.96	2023	2024
Johnson Co., Ltd	2,751.52	2021	2026
Total	2,962.48		

Unit: RMB

5) By 31st December 2023, the balance of guarantee between the subsidiary Founder Technology and its subsidiaries, as well as between different subsidiaries is RMB 226,465,000 detailed as below:

Unit: RMB 10000

Guaranteed	Guaranteed amount	Kickoff date of guarantee	End date of guarantee
Zhuhai Founder Technology Gaomi Electronic Co., Lt	14,000.00	2023	2026
Zhuhai Founder Technology Gaomi Electronic Co., Lt	8,646.50	2023	2024
Total	22,646.50		

6) By 31st December 2023, the balance of guarantee between the subsidiary Weiye Inc. and its subsidiaries, as well as between different subsidiaries is RMB 600,000,000, detailed as below:

Unit: RMB 10000

Guaranteed	Guaranteed amount	Kickoff date of guarantee	End date of guarantee
Jintai Construction Co., Ltd	60,000.00	2023	2024
Total	60,000.00		

(3). Guarantee of associated parties

Refer to Note 11.4(3) about the guarantee provided by the Company and its subsidiaries to other associated parties by 31st Dec. 2023.

(4). External guarantee

A. External guarantee of the subsidiary Huafa Inc.

Guarantee companies provide guarantee for some loans of subsidiaries of the subsidiary Huafa Inc., and Huafa Inc. provides counter-guarantee to guarantee companies accordingly. As to some loans of the subsidiaries as well as joint and cooperative operation enterprises of the subsidiary Huafa Inc., the shareholders who cooperate in such projects provide full-amount guarantee, and Huafa Inc., provides the counter-guarantee to such shareholders in accordance with the share ratio. Below are details of the counter-guarantee.

Unit: RMB 10000

Guarantor	Type of guarantee	Amount	Kickoff date of guarantee	End date of guarantee
China Merchants Bureau Shekou Industrial Area Holding Co., Ltd	Provide counter-guarantee with joint and several liability as per the share ratio	27,500.00	2021	2025
China Merchants Bureau Shekou Industrial Area Holding Co., Ltd	Provide counter-guarantee with joint and several liability as per the share ratio	119.43	2023	2024
China Merchants Bureau Shekou Industrial Area Holding Co., Ltd	Provide counter-guarantee with joint and several liability as per the share ratio	171.83	2020	2026
China Merchants Bureau Shekou Industrial Area Holding Co., Ltd	Provide counter-guarantee with joint and several liability as per the share ratio	1,266.41	2021	2026
China Merchants Bureau Shekou Industrial Area Holding Co., Ltd	Provide counter-guarantee with joint and several liability as per the share ratio	14,500.00	2020	2027
Guangdong Yuecai Financial Guarantee Group Co., Ltd	Provide counter-guarantee to the guarantee company	23,000.00	2023	2026
Total		66,557.67		

B. External guarantee provided by the subsidiary Founder Technology

The subsidiary Founder Technology provides following external guarantee by 31st Dec. 2023.

RMB 10000

Guarantor	Amount	Kickoff date of guarantee	End date of guarantee	Whether the guarantee has been fulfilled
Henan Founder Wisdom Dig Data Industry Co., Ltd *1	7,200.00	2020	2027	Yes
Founder Broadband Network Service Co., Ltd *2	20,256.51	2020	2021	Yes
Total	27,456.51			

*1. On 9th Jan. 2020, Henan Founder Wisdom Big Data Industry Co., Ltd (original subsidiary of Founder Technology) issued a private directed bond investment instrument, which was subscribed by Zhongyuan Bank Inc. (Zhongyuan Bank). The total amount of finance was RMB 100,000,000.00, with a term of 84 months and interest rate of 7.30%. RMB 2,000,000.00 was repaid in 2020, RMB 10,000,000.00 was repaid in 2021, and RMB 16,000,000.00 was repaid in 2022. Founder Technology shoulders the guarantor liability of making up the balance. During reorganization of Founder Technology, Zhongyuan Bank has declared the creditor's right and will be paid off in accordance with the reorganization plan. Zhongyuan Bank applied to deposit its share to be paid off in the reorganization plan of Founder Technology to the administrator of Founder Technology on 9th Dec. 2022. By 31st Dec. 2023, Zhongyuan Bank has been paid off completely.

*2. On 14th Sept. 2018, Jiangxi Zhongtong Financial Lease Co., Ltd concluded the "Finance Lease Sale and Leaseback Contract" (No. ZT-FZKD-2018-001) with Founder Broadband Network Service Co., Ltd (a former subsidiary of Founder Technology), the total financing amount was RMB 300,000,000.00, with a term of 12 months. On 14th Sept. 2018, Jiangxi Zhongtong Financial Lease Co., Ltd concluded the Sub-Lease Contract with Gansu Gonghanglv Financial Lease Co., Ltd (Gansu GHL), and transferred rights and obligations under the above-mentioned leaseback contract to Gansu GHL; Founder Broadband Network Service Co., Ltd agreed with Gansu GHL to continue to perform its rights and obligations under the "Financial Lease and Leaseback Contract". During reorganization of Founder Technology, Gansu GHL has declared its creditor's right and would be paid off in accordance with the reorganization plan. Gansu GHL applied to deposit its shares to be paid off in the reorganization plan of Founder Technology to the administrator of Founder Technology Group Inc. on 30th Nov. 2022. By 31st Dec. 2023, the common creditor's right of Gansu GHL has been paid off completely and the part not paid off (the creditor's right in an amount of RMB 12,440,647.64) is inferior creditor's right, and will not be repaid before common creditor's right is paid off completely.

(5). Issuance of guarantee bonds

Below are guarantee bonds that the Company and its subsidiaries are ready to issue or plan to issue by 31st Dec. 2023.

Unit: RMB 10000

No.	Project	Amount	Beneficiary	Guarantor
1	Performance bond	7,590.00	client	Bank of China Zhuhai Branch
2	Performance bond	11,390.00	client	Bank of China Zhuhai Branch
3	Performance bond	7,590.00	client	Bank of China Zhuhai Branch
4	Performance bond	11,390.00	client	Postal Savings Bank Zhuhai Branch
5	Performance bond	15,180.00	client	Postal Savings Bank Zhuhai Branch
6	Performance bond	3,790.00	client	Postal Savings Bank Zhuhai Branch
7	Performance bond	3,790.00	client	Postal Savings Bank Zhuhai Branch
8	Performance bond	7,590.00	client	Postal Savings Bank Zhuhai Branch
9	Performance bond	7,631.74	client	Postal Savings Bank Zhuhai Branch
10	Performance bond	8,066.87	client	Bank of China Zhuhai Branch
11	Performance bond	16,929.43	client	Bank of China Zhuhai Branch
12	Performance bond	5,000.00	client	Bank of China Zhuhai Branch
13	Performance guarantee	5,000.00	client	Bank of China Zhuhai Branch
14	Performance guarantee	6,553.00	client	Bank of China Zhuhai Branch
15	Performance guarantee	1,120.00	client	Bank of China Zhuhai Branch
16	Performance guarantee	1,456.00	client	Bank of China Zhuhai Branch
17	Performance guarantee	1,849.00	client	Bank of China Zhuhai Branch
18	Performance guarantee	3,598.94	client	Everbright Bank
19	Advance payment guarantee	5,151.90	client	Everbright Bank
20	Guarantee for worker salary	586.07	client	Minsheng Bank
21	Performance guarantee	6,044.34	client	Minsheng Bank
22	Advance payment guarantee	3,436.20	client	Minsheng Bank
23	Performance guarantee	7,167.56	client	Bank of China
24	Bid guarantee	80.00	client	Bank of China
25	Advance payment guarantee	3,349.32	client	Bank of China
26	Performance guarantee	1,329.21	client	Bank of Communications
27	Advance payment guarantee	376.36	client	Bank of Communications
28	Performance guarantee	2,072.44	client	Shenzhen Shendan Credit Enhancement Financial Guarantee Co., Ltd
29	Performance guarantee	5,734.41	client	Sichuan Huanyuan Non-financial Guarantee Co., Ltd
30	Performance guarantee	175,327.04	client	Zhuhai Huajin Financing Guarantee Co., Ltd
31	Advance payment guarantee	75,683.29	client	Zhuhai Huajin Financing Guarantee Co., Ltd
		411,853.12		

(6). The subsidiary pledges the loan for subsidiaries of the Company by means of the account receivable of future income of property operation of Shizimen- Ruiji Hotel, the account receivable of future rental income of Sheraton and Executive Apartment, and all future rental and other income of

Haiyun Square Project and account receivable from the land development agreement and supplementary agreement of the primary land development project of Jinwan.

2. Other matters

Except for above contingencies, the Company has no other important contingencies that shall be disclosed, but not disclosed yet by 31st December 2023.

XI. Events after the balance sheet date

1. Bond issuance

Below is issuance of bonds by the Company and its subsidiaries after the balance sheet date until the reporting date:

Company	Approval Document	Securities Name	Value date	Expiry date	Currency	Scale of issuance (100 million)
The Company	ZSZX [2022]DFI25	24 Huafa Group MTN001	2024/1/4	2027/1/4	CNY	10
The Company	ZSZX [2022]DFI25	24Huafa GroupSCP001	2024/1/8	2024/9/30	CNY	10
The Company	ZSZX [2022]DFI25	24Huafa GroupSCP002	2024/1/12	2024/9/30	CNY	10
The Company	ZSZX [2022]DFI25	24 Huafa Group MTN002	2024/2/2	2029/2/2	CNY	10
The Company	ZSZX [2022]DFI25	24 Huafa Group MTN003	2024/2/23	2029/2/23	CNY	10
The Company	ZSZX [2022]DFI25	24 Huafa Group MTN004	2024/3/7	2029/3/7	CNY	10
The Company	ZSZX [2022]DFI25	24 Huafa Group MTN005	2024/3/18	2029/3/18	CNY	5
The Company	ZSZX [2022]DFI25	24 Huafa Group MTN006	2024/3/21	2029/3/21	CNY	10
The Company	ZSZX [2022]DFI25	24Huafa GroupGN001	2024/4/3	2027/4/3	CNY	3
The Company	ZSZX [2022]DFI25	24 Huafa Group MTN008	2024/4/17	2029/4/17	CNY	15
The Company	ZSZX [2022]DFI25	24 Huafa Group MTN007	2024/4/19	2027/4/19	CNY	10
The Company	ZSZX [2022]DFI25	24 Huafa Group MTN009	2024/4/26	2029/4/26	CNY	10
Zhuhai Huafa Comprehensive Development Co., Ltd	ZJXK [2022][556]	24 Huakong 01	2024/1/19	2029/1/19	CNY	10
Huafa Technology	ZSZX [2023]MTN1073	24Huafa Technology MTN001(Tech Note)	2024/4/29	2029/4/29	CNY	4.7

Company	Approval Document	Securities Name	Value date	Expiry date	Currency	Scale of issuance (100 million)
Huafa Inc.	ZSZX [2023]SCP343	24 Huafa Industry SCP001	2024/1/22	2024/10/18	CNY	8.5
Huafa Inc.	SZH [2023]1774	24 Huafa 02	2024/2/2	2029/2/2	CNY	7.5
Huafa Inc.	ZSZX [2023]MTN852	24 Huafa Industry MTN001	2024/4/3	2029/4/3	CNY	6.1

2. Distribution of profit

(1). Profit distribution plan of the subsidiary Huafa Inc.

Profit or dividend to distribute	1,018,296,282.92
Profit or dividend declared to distribute after approval	1,018,296,282.92

On its 10th board of director 38th meeting held on 26th April 2024, the subsidiary Huafa Inc., proposed 2023 Profit Distribution Plan: issue cash dividend of RMB 3.70 (tax inclusive) for every ten shares to all shareholders by taking total shares on the equity registration date for profit distribution in 2023 as the basis and the anticipated dividend to distribute is RMB 1,018,296,282.92 (tax inclusive).

Above profit distribution plan needs to be approved by the general meeting of shareholders for the year of 2023.

(2). Profit distribution plan of the subsidiary Guangku Technology

Profit or dividend to distribute	24,979,938.50
Profit or dividend declared to distribute after approval	24,979,938.50

On its 4th board of director 2nd meeting held on 2nd April 2024, the subsidiary Guangku Technology proposed 2023 Profit Distribution Plan: issue cash dividend of RMB 1 (tax inclusive) for every ten shares to all shareholders by taking latest total shares (249,799,385) of Guangku Technology as the basis and the anticipated dividend to distribute is RMB 24,979,938.50 (tax inclusive). The remaining undistributed profit will be carried forward to future years. No bonus shares are issued this time, and no capital reserve is converted to share capital. If total shares of Guangku Technology changes from the announcement date of the board resolution to the registration day of shares for implementation of profit distribution, Guangku plans to maintain the cash dividend unchanged, and adjust the total amount to distribute accordingly.

Above profit distribution plan needs to be approved by the general meeting of shareholders for the year of 2023 of Guangku Technology.

(3) Profit distribution plan of the subsidiary Weiye Inc.

Profit or dividend to distribute	2,080,567
Profit or dividend declared to distribute after examination and approval	2,080,567

On its 5th board of director 22nd meeting held on 3rd April 2024, the subsidiary Weiye Inc. proposed 2023 Profit Distribution Plan: issue cash dividend of RMB 0.1 (tax inclusive) for every ten shares to all shareholders by taking total shares on the equity registration date for profit distribution in 2023 as the basis and the anticipated dividend to distribute is RMB 2,080,567 (tax inclusive).

Above profit distribution plan needs to be approved by the general meeting of shareholders for the year of 2023 of Weiye Inc.

3. New awards of land bids

From 1st Jan. 2024 to the day of report, subsidiaries of the Company obtained land use right through public listing, and have concluded land transfer contracts, totaled to RMB 3.598 billion. They shall make payment when the other party to the contract performs its liabilities and obligations as set out in contracts.

4. Other

(1) On 26th Jan. 2024, the subsidiary Guangku Technology convened the Third Board Meeting 29th Session, which has reviewed and passed the Proposal of Acquiring 52% Equity of Shanghai Bai'an Industrial Co., Ltd” that Guangku Technology will acquire 52% equity of Shanghai Bai'an Industrial Co., Ltd held by Zhang Tao, Chen Bing, Ma Yun, Yangzhou Linxin Photo-electric Industrial Fund (Limited Partnership) and Shanghai Xinyuan Equity Investment Management Co., Ltd through its own fund of RMB 156 million.

(2) On 1st March 2024, the subsidiary Guangku Technology received the “Reply of Agreeing Zhuhai Guangku Technology Inc.’s Registration for Issuance of Shares to Special Objects” (ZJXK [2024] No. 320) (Permit Date: 21st Feb. 2024) issued by China Securities Regulatory Commission. China Securities Regulatory Commission agreed with the Company’s registration application for issuance of shares to special objects through a simplified procedure. Guangku Technology has issued 4,488,788 A-common shares to special objects and the par value was RMB 1.00, and price per share was RMB 40.10. Guangku Technology has raised totally RMB179,999,997.80. Nord Fund Management Co., Ltd has subscribed 1,975,962 shares by cash; Huijin Fund Management Co., Ltd subscribed 822,942 shares by cash, Caitong Fund Management Co., Ltd subscribed 748,129 shares by cash, Guo Weisong subscribed 748,129 shares by cash, and Guotai Fund Management Co., Ltd subscribed 194,516 shares by cash. After this issuance of shares, total shares of Guangku Technology was changed to 249,799,385 shares, and the par value is RMB 1.00, and total capital is RMB 249,799,395.

(3) In accordance with ZGZ [2024] No. 24 of Zhuhai People’s Government State Asset Supervision and Administration Commission (Zhuhai SASAC), Zhuhai SASAC has transferred its 90% equity of Zhuhai

Jiuzhou Holding Co., Ltd to the Company for free, which is managed by the Company as level 2 enterprise. By date of the report, general checkup on assets has been going on for equity transfer.

By 29th April 2023, the Company doesn't have other events after the balance sheet date that shall be disclosed.

XII. Relationship and transaction with affiliated parties

1. The Company's parent company

Name of parent company	Place of registration	Parent company's share ratio in the Company (%)	Parent company's voting right percentage in the Company (%)
Zhuhai People's Government State-owned Assets Supervision and Management Committee	Zhuhai	93.51	93.51

2. The Company's subsidiaries

Refer to Note 7.1 for subsidiaries of the Company.

3. Other affiliated parties of the Company

Name of affiliated parties	Relationship with the Company
Yangjiang Huayu Development & Construction Management Co., Ltd	Enterprises that the Company exercises significant influence
Yangjiang Huayang Merchant Consultancy Co., Ltd	Enterprises that the Company exercises significant influence
Yangjiang Huayang Investment Holding Co., Ltd	Enterprises that the Company exercises significant influence
Yangjiang Huayang Development and Construction Co., Ltd	Enterprises that the Company exercises significant influence
Yangjiang Huachuang Development & Construction Management Co., Ltd	Enterprises that the Company exercises significant influence
Luoding Huayi Development & Construction Co., Ltd	Enterprises that the Company exercises significant influence
Luoding Huafu Development & Construction Co., Ltd	Enterprises that the Company exercises significant influence
Luoding Huading Development & Construction Co., Ltd	Enterprises that the Company exercises significant influence
Zhuhai Urban Rail Underground Traffic Exchange Center Construction Co., Ltd	Enterprises that the Company exercises significant influence
Zhuhai Zhongying Urban Construction Cinema City Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Wisdom Industrial Park Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Zhenghan Real Estate Co., Ltd *3*4	The Company's cooperative and joint operation enterprise
Zhuhai Yongjing Huayue Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Xuhua International Trading Co., Ltd	The Company's cooperative and joint operation enterprise

Name of affiliated parties	Relationship with the Company
Zhuhai Xiangzhou Xingfu Town Bank Inc.	The Company's cooperative and joint operation enterprise
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Front-line Technology Research Institute Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Tax-exempt Enterprise Group Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Construction Safety Science Research Center Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Haihao Industrial Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Bihu Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Baojiasheng Trading Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Qinfa Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Rural Commercial Bank Inc.	The Company's cooperative and joint operation enterprise
Zhuhai Lihe Huajin Emerging Industry Venture Investment Fund (Limited Partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Jinghua Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huarun Bank Inc.	The Company's cooperative and joint operation enterprise
Zhuhai Hualong Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Capital Inc.	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Tongda Equity Investment Fund Partnership (Limited partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Ruicheng Education Industry Equity Investment Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No.1 Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No. 5 Equity Investment Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No. 4 Equity Investment Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No.3 Equity Investment Fund Partnership (limited partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No.6 Equity Investment Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise

Name of affiliated parties	Relationship with the Company
Zhuhai Huafang Property Operation & Management Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Yuetang Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Yinkeng Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Poshi Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Niwan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Guiyuan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Phoenix Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Hengqin Rare and Valuable Trading Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Hengqin Coal Transaction Center Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Hegang Highway Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Hangfa Space Center Operation & Management Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Hangfa Space Center Operation & Management Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai International Golf Tour Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Urban Construction Baoli Theatre Management Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Intercity Rail Industrial Co., Ltd	The Company's cooperative and joint operation enterprise
Zhongye Huafa Public Utility Tunnel Co., Ltd	The Company's cooperative and joint operation enterprise
Zhonghai Smart Equipment Manufacture (Shenzhen) Co., Ltd	The Company's cooperative and joint operation enterprise
Changsha Yongjing Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Changsha Yide Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Changsha Runyi Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Yunnan Digitone Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Xi'an Ziwei Huafa Property Management Service Co., Ltd	The Company's cooperative and joint operation enterprise
Wuhan Central Business District Investment & Development Co., Ltd	The Company's cooperative and joint operation enterprise
Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	The Company's cooperative and joint operation enterprise

Name of affiliated parties	Relationship with the Company
Wuhan Conghong Yuye Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Tongfu Commercial Factoring Co., Ltd	The Company's cooperative and joint operation enterprise
Taicang Shangsheng Business Consultancy Co., Ltd	The Company's cooperative and joint operation enterprise
Taicang Renhua Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Suzhou Shenglan Meike Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Suzhou Huaheng Commercial Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Shenzhen Runzhao Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Shenzhen Rongqi Investment Development Co., Ltd	The Company's cooperative and joint operation enterprise
Shanghai CAPPU Electronic Technology Co., Ltd	Other related party
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Shanghai Gufeng Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Shanghai Diju Information Technology Co., Ltd	The Company's cooperative and joint operation enterprise
Ningbo Zhaohai Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Zhaotong Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Yusheng Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Yufa Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Yihua Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Lianhua Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Huihe Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Huamei Decoration Engineering Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Huasong Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Huaduo Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Jinpu Landscape Inc.	The Company's cooperative and joint operation enterprise
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	The Company's cooperative and joint operation enterprise
Huizhou Rongtuo Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Hunan Dream Waterfront Bay Co., Ltd	The Company's cooperative and joint operation enterprise
Hubei Port Industry Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Hubei Lianchen Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Hengqin Life Insurance Co., Ltd	The Company's cooperative and joint operation enterprise
Hengqin Huatong Financial Lease Co., Ltd	The Company's cooperative and joint operation enterprise
Hangzhou Runxing Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Guangzhou Zhongqi Energy Technology Co., Ltd	The Company's cooperative and joint operation enterprise
Guangzhou Runzhen Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Guangzhou Runye Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise

Name of affiliated parties	Relationship with the Company
Guangzhou Huaxiao Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Guangdong United Property Right Transaction Center Co., Ltd	The Company's cooperative and joint operation enterprise
Guangdong Financial Asset Transaction Center Co., Ltd	The Company's cooperative and joint operation enterprise
Guangdong Financial Asset Transaction Center Inc.	The Company's cooperative and joint operation enterprise
Ezhou Binhu Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Dalian Wanteng Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Chengdu Runze Rongcheng Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Chengdu Huajin Minghong Industrial Co., Ltd	The Company's cooperative and joint operation enterprise
Chaozhou Urban New Energy Development Co., Ltd	The Company's cooperative and joint operation enterprise
Beijing Xingtai Tongfu Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Beijing Jingdixin Technology Co., Ltd	The Company's cooperative and joint operation enterprise
YANLORD ECO ISLAND INVESTMENTS PTE.LTD	The Company's cooperative and joint operation enterprise
YANLORD ECO ISLAND INVESTMENTS PTE.LTD	The Company's cooperative and joint operation enterprise
Hua AO Venue MGMT CO LTD	The Company's cooperative and joint operation enterprise
Hua Ao Sports Group Co., Ltd	The Company's cooperative and joint operation enterprise
Wuhan Huazhang Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Wuhan Huasheng Qianmao Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Qinfa Industrial Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Lihe Environmental Protection Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huaying Investment Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Asset Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Zhixing Investment Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Zhihui Bay Venture Investment Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Ruixin Fund Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Lingsheng Investment Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Lingsheng Fund Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Linghui Investment Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise

Name of affiliated parties	Relationship with the Company
Zhuhai Huajin Lingchuang Fund Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Hengsheng Investment Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Innovation Investment Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huaguan Capacitor Inc.	Subsidiaries of the Company's cooperative and joint operation enterprise
Yunfu Zhongqi Telecommunication Technology Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Infinity (Zhuhai) Venture Capital Investment & Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Infinity (Shanghai) Venture Capital Investment & Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Xi'an Zisheng Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Wuhan Huazhongtou Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Wuhan Huayicheng Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Wuhan Huaqi Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Tianjin Ruijun Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Shanghai Zhaosheng Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Shanghai Runzhe Xiangyun Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Shanghai Qiaopu Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Shanghai Huaxi Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Nanjing Renheng Jiangdao Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Huaao Sports Group Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Hangzhou Zhaoyue Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise

Name of affiliated parties	Relationship with the Company
Guangzhou Haihao Technical Industry Operation Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
DASA Electronic Mechanical Technology (Shanghai) Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Beijing Zhongye Mingying Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Jilin Infinity Investment Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Taicang Renfa Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Hua Ao Events MGMT Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Lingshang Equity Investment Fund Partnership (Limited Partnership)	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Kechuang Hongyuan Investment Co., Ltd	Enterprises managed on behalf of others
Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	Other related party
Tianjin Gaojing Solar Energy Technology Co., Ltd	Other related party
Guangdong Jinwan Gaojing Solar Energy Technology Co., Ltd	Other related party
Guangdong Gaojing Solar Energy Technology Co., Ltd	Other related party
Zhuhai Henghua Developemtn Co., Ltd	Other related party
Xi'an Jinmeida Commercial Property Development Co., Ltd	Other related party

4. Affiliated transaction

(1) Affiliated purchase and sales

A. Purchase of commodities and receipt of labor service

Affiliated parties	Affiliated transaction	Pricing principle	2023	2022
Joint and cooperative operation enterprise	Purchase of commodity and receipt of labor service	Market price	4,343,849,844.57	2,996,906,119.86
Joint and cooperative operation enterprise	consultancy fee	Market price	55,658,677.25	50,643,056.85
Joint and cooperative operation enterprise	Other service	Market price	25,327,404.59	7,576,654.60
Total			4,424,835,926.41	3,055,125,831.31

B. Sales of commodity and provision of labor service

Affiliated parties	Affiliated transaction	Pricing principle	2023	2022
Joint and cooperative operation enterprise	sales of commodity and provision of labor service	Market price	717,358,198.90	1,529,049,734.16
Joint and cooperative operation enterprise	Design and advertising service fee	Market price	20,304,951.25	91,620,876.19
Joint and cooperative operation enterprise	Sales commission	Market price	65,334,800.99	49,494,155.88
Joint and cooperative operation enterprise	Other service	Market price	124,509,350.25	72,832,841.58
Enterprises managed on behalf of others	Fund management		849,056.60	
Total			928,356,357.99	1,742,997,607.81

(2) Lease

The Company, as the lessor:

Affiliated parties	Type of leased property	Rental income recognized in 2023	Rental income recognized in 2022
Joint and cooperative operation enterprise	Real estate and buildings	13,124,588.18	3,480,833.68
Enterprises managed on behalf of others	Real estate and buildings	13,607.34	
Total		13,138,195.52	3,480,833.68

The Company, as the lessee

Landlord	Type of leased asset	Short-term lease subject to simplified treatment and rental of low-value asset lease		Variable lease payment not included into the measurement of lease liabilities		Rental paid		Interest expenditure of lease liabilities shouldered	
		2023	2022	2023	2022	2023	2022	2023	2022
Joint and cooperative operation enterprise	Building, equipment	3,786,573.44	1,697,696.36			22,628,321.42	9,912,942.87	2,970,498.41	620,698.08
Total		3,786,573.44	1,697,696.36			22,628,321.42	9,912,942.87	2,970,498.41	620,698.08

Continued

Affiliated parties	Type of leased property	Increase of use right asset	
		2023	2022
Cooperative and joint operation enterprises	building, equipment	76,911,684.14	12,996,625.97
Total		76,911,684.14	12,996,625.97

(3) Guarantee of affiliated parties

A. The Company (not including Huafa Inc.) as the guarantor

Guarantor	Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
Zhuhai Huafa Investment Holding Group Co., Ltd	Zhuhai Hualong Investment Co., Ltd *1	1,434,000,000.00	2021	2024	No
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	6,120,000,000.00	2022	2029	No
The Company	Zhuhai Xuhua International Trading Co., Ltd *3	130,770,000.00	2023	2024	No
The Company	Hengqin Huatong Financial Lease Co., Ltd *4	800,000,000.00	2020	2023	Yes
Zhuhai Huajin Financing Guarantee Co., Ltd	Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	24,500,000.00	2023	2024	No
Zhuhai Huajin Financing Guarantee Co., Ltd	Jinpu Landscape Inc.	3,908,799.65	2023	2023	Yes
Total		8,513,178,799.65			

*1. The subsidiary Zhuhai Huafa Investment Holding Group Co., Ltd provides joint guarantee for the loan of Zhuhai Hualong Investment Co., Ltd. Meanwhile, other two shareholders Beijing Liexiang Capital Management Co., Ltd and Zhuhai Yutian Investment Management Partnership (Limited Partnership) provides pledge counter-guarantee by means of its equity of Zhuhai Hualong Investment Co., Ltd.

*2 The Company provides guarantee for the syndicated merger and acquisition loans for Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) in accordance with the share ratio.

*3. The Company provides guarantee for the bank loan of Zhuhai Xuhua International Trading Co., Ltd in an amount of RMB 200 million in accordance with the share ratio.

*4. The Company provides guarantee for the loan of Hengqin Huatong Financial Lease Co., Ltd. Other three shareholders Jiangsu Hengtong Group Co., Ltd, Guangdong Mingzhu Group Shenzhen Investment Co., Ltd and Beijing Liexiang Capital Management Co., Ltd provide counter-guarantee for the above guarantee of the Company.

*5. The balance of guarantee provided by the Company and its subsidiaries to joint and cooperative operation enterprises was RMB 7.709 billion by 31st Dec. 2023.

B. Huafa Inc. as the guarantor:

Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
Changsha Yide Real Estate Co., Ltd	107,759,400.00	2021	2023	Yes
Changsha Yide Real Estate Co., Ltd	150,647,400.00	2022	2023	Yes
Changsha Yongjing Real Estate Co., Ltd	23,444,600.00	2021	2023	Yes
Changsha Yongjing Real Estate Co., Ltd	42,716,700.00	2022	2023	Yes
Guangzhou Haihao Technical Industry Operation Co., Ltd	220,697,300.00	2022	2023	Yes
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	8,000,000.00	2021	2023	Yes
Guangzhou Runye Real Estate Co., Ltd	40,811,000.00	2020	2023	Yes
Guangzhou Runye Real Estate Co., Ltd	25,371,300.00	2021	2023	Yes
Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	93,396,400.00	2020	2023	Yes
Shanghai Gufeng Real Estate Development Co., Ltd	457,170,000.00	2022	2023	Yes
Wuhan Conghong Yuye Real Estate Development Co., Ltd	19,494,300.00	2021	2023	Yes
Wuhan Huayicheng Real Estate Development Co., Ltd	108,528,000.00	2021	2023	Yes
Wuhan Huazhongtou Real Estate Development Co., Ltd	229,500,000.00	2020	2023	Yes
Xi'an Zihai Real Estate Co., Ltd	191,000,000.00	2021	2023	Yes
Zhuhai Huafa New City Real Estate Co., Ltd	503,034,600.00	2020	2023	Yes
Zhuhai Huafa New City Real Estate Co., Ltd	81,000,000.00	2021	2023	Yes
Zhuhai Huafa New City Real Estate Co., Ltd	99,354,900.00	2022	2023	Yes
Zhuhai Qinfu Industrial Co., Ltd	1,200,000,000.00	2020	2023	Yes
Zhuhai Qinfu Industrial Co., Ltd	28,514,900.00	2022	2023	Yes
Zhuhai Bihu Real Estate Development Co., Ltd	16,285,500.00	2022	2023	Yes

Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	92,000,000.00	2021	2023	Yes
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	59,838,300.00	2022	2023	Yes
Zhuhai Yongjing Huayue Real Estate Co., Ltd	122,400,000.00	2021	2023	Yes
Zhuhai Yongjing Huayue Real Estate Co., Ltd	19,907,900.00	2022	2023	Yes
Zhuhai Zhenghan Real Estate Co., Ltd	485,229,000.00	2020	2023	Yes
Guangzhou Huaxiao Real Estate Development Co., Ltd	369,000,000.00	2022	2023	Yes
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	6,835,000.00	2020	2023	Yes
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	127,500,000.00	2022	2023	Yes
Wuhan Huayicheng Real Estate Development Co., Ltd	637,500.00	2019	2023	Yes
Wuhan Huayicheng Real Estate Development Co., Ltd	637,500.00	2020	2023	Yes
Wuhan Central Business District Investment & Development Co., Ltd	51,000,000.00	2021	2023	Yes
Xi'an Zisheng Real Estate Co., Ltd	121,528,800.00	2022	2023	Yes
Zhuhai Jinghua Real Estate Co., Ltd	80,416,100.00	2022	2023	Yes
Zhuhai Zhenghan Real Estate Co., Ltd	98,213,800.00	2021	2023	Yes
Zhuhai Zhenghan Real Estate Co., Ltd	236,750,000.00	2022	2023	Yes
Guangzhou Haihao Technical Industry Operation Co., Ltd	343,197,300.00	2023	2037	No
Guangzhou Huaxiao Real Estate Development Co., Ltd	2,091,000,000.00	2022	2027	No
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	45,595,000.00	2020	2025	No
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	722,500,000.00	2022	2027	No
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	722,500,000.00	2023	2027	No
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	14,730,000.00	2021	2024	No
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	64,198,533.59	2023	2024	No
Nanjing Huaduo Real Estate Development Co., Ltd	1,000,000,000.00	2023	2024	No

Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
Nanjing Huasong Real Estate Development Co., Ltd	400,000,000.00	2022	2024	No
Nanjing Huasong Real Estate Development Co., Ltd	600,000,000.00	2023	2025	No
Nanjing Yufa Real Estate Development Co., Ltd	281,750,000.00	2023	2028	No
Suzhou Huaheng Commercial Real Estate Co., Ltd	185,060,000.00	2021	2025	No
Suzhou Shenglan Meike Real Estate Co., Ltd	237,016,000.00	2023	2025	No
Wuhan Huaqi Real Estate Development Co., Ltd	35,700,000.00	2022	2052	No
Wuhan Huayicheng Real Estate Development Co., Ltd	134,002,500.00	2019	2024	No
Wuhan Huayicheng Real Estate Development Co., Ltd	123,394,500.00	2020	2024	No
Wuhan Central Business District Investment & Development Co., Ltd	900,000,000.00	2019	2024	No
Wuhan Central Business District Investment & Development Co., Ltd	153,000,000.00	2021	2026	No
Wuhan Central Business District Investment & Development Co., Ltd	223,074,000.00	2023	2035	No
Xi'an Zisheng Real Estate Co., Ltd	283,351,200.00	2022	2025	No
Xi'an Zisheng Real Estate Co., Ltd	35,691,800.00	2023	2025	No
Changsha Runyi Real Estate Development Co., Ltd	85,750,000.00	2023	2026	No
Changsha Runyi Real Estate Development Co., Ltd	29,703,800.00	2023	2024	No
Zhuhai Jinghua Real Estate Co., Ltd	103,576,300.00	2022	2025	No
Zhuhai Jinghua Real Estate Co., Ltd	1,855,900.00	2022	2027	No
Zhuhai Jinghua Real Estate Co., Ltd	70,491,800.00	2023	2025	No
Zhuhai Qinfa Industrial Co., Ltd	1,200,000,000.00	2021	2026	No
Zhuhai Qinfa Industrial Co., Ltd	276,000,000.00	2023	2031	No
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	113,000,000.00	2021	2024	No
Zhuhai Zhenghan Real Estate Co., Ltd *1	60,803,600.00	2021	2027	No
Zhuhai Zhenghan Real Estate Co., Ltd *1	65,471,400.00	2021	2026	No
Zhuhai Zhenghan Real Estate Co., Ltd *1	138,150,000.00	2022	2026	No
Zhuhai Zhenghan Real Estate Co., Ltd *1	439,600,000.00	2022	2027	No
Zhuhai Zhenghan Real Estate Co., Ltd *1	77,600,000.00	2022	2024	No
	16,776,383,833.59			

*1 The subsidiary Huafa Inc. provides 100% joint and several liability guarantee for the external loan and performance bond of the joint venture Zhuhai Zhenghan Real Estate Co., Ltd. Meanwhile, other two shareholders Zhuhai Zhengda Huicheng Holding Partnership (Limited Partnership) and Zhuhai Huicheng Yinwan Holding Partnership (Limited Partnership) use their equity in Zhuhai Zhenghan Real Estate Co., Ltd to provide the counter guarantee to Huafa Inc.

*2 In accordance with “the Proposal of Guarantee Plan 2023” approved in the 10th board of directors 25th meeting and the general meeting of shareholders in 2022 of Huafa Inc., the maximum external guarantee provided by Huafa Inc. and its subsidiaries is RMB218.415 billion; the maximum guarantee to subsidiaries is RMB175.64 billion, the maximum guarantee to joint and cooperative operation enterprises is RMB42.775 billion. By 31st December 2023, the balance guarantee provided by Huafa Inc., to joint and cooperative operation enterprises is RMB 11.258 billion, which doesn't exceed the guarantee limit.

(4) Borrowing and lending between affiliated parties

A. Capital borrowed from affiliated parties

Affiliated parties	Amount borrowed	Kickoff date	Expiry date
Zhuhai Rural Commercial Bank Inc.	2,100,000,000.00	2023	2023
Zhuhai Huarun Bank Inc.	190,000,000.00	2022	2029
Zhuhai Huarun Bank Inc.	5,000,000.00	2022	2023
Zhuhai Rural Commercial Bank Inc.	200,000,000.00	2021	2023
Zhuhai Rural Commercial Bank Inc.	100,000,000.00	2022	2023
Hengqin Huatong Financial Lease Co., Ltd	323,142,857.16	2022	2025
Hengqin Huatong Financial Lease Co., Ltd	21,142,857.12	2022	return by batches
Zhuhai Huarun Bank Inc.	151,000,000.00	2021	2023
Zhuhai Huarun Bank Inc.	248,500,000.00	2021	2025
Zhuhai Rural Commercial Bank Inc.	196,000,000.00	2021	2023
Zhuhai Rural Commercial Bank Inc.	196,000,000.00	2021	decrease because of other reasons
Zhuhai Rural Commercial Bank Inc.	4,000,000.00	2022	2023
Zhuhai Rural Commercial Bank Inc.	196,000,000.00	2022	2025
Zhuhai Rural Commercial Bank Inc.	100,000,000.00	2022	decrease because of other reasons
Zhuhai Rural Commercial Bank Inc.	500,000,000.00	2023	2026
Chengdu Huajin Minghong Industrial Co., Ltd	343,619,999.29	2023	/
Guangzhou Haihao Technical Industry Operation Co., Ltd	110,993,825.62	2023	2023
Guangzhou Huaxiao Real Estate Development Co., Ltd	39,600,000.00	2022	/
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	58,904,572.50	2020	/
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	49,280,000.00	2020	2023

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Affiliated parties	Amount borrowed	Kickoff date	Expiry date
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	225,800,000.00	2021	/
Hangzhou Runxing Real Estate Co., Ltd	396,000,000.00	2023	/
Hangzhou Zhaoyue Real Estate Co., Ltd	1,312,041,741.74	2022	/
Hangzhou Zhaoyue Real Estate Co., Ltd	156,408,000.00	2023	/
Hubei Lianchen Real Estate Development Co., Ltd	2,544,304.69	2023	/
Hubei Lianchen Real Estate Development Co., Ltd	14,815,511.57	Borrow by batches	/
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	786,812,400.00	2022	/
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	335,187,600.00	2022	2023
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	412,572,600.00	2023	/
Nanjing Huaduo Real Estate Development Co., Ltd	988,733,300.00	2023	/
Nanjing Huaduo Real Estate Development Co., Ltd	41,266,700.00	2023	2023
Nanjing Huasong Real Estate Development Co., Ltd	263,679,513.42	2022	2023
Nanjing Huasong Real Estate Development Co., Ltd	880,179,513.42	2023	/
Nanjing Huasong Real Estate Development Co., Ltd	106,000,000.00	2023	2023
Nanjing Huamei Decoration Engineering Co., Ltd	20,400,000.00	2022	/
Nanjing Huamei Decoration Engineering Co., Ltd	35,700,000.00	2023	/
Nanjing Huihe Real Estate Co., Ltd	55,309,040.42	2020	/
Nanjing Huihe Real Estate Co., Ltd	28,560,000.00	2020	2023
Nanjing Huihe Real Estate Co., Ltd	28,559,937.17	2021	/
Nanjing Huihe Real Estate Co., Ltd	14,280,000.00	2022	/
Nanjing Huihe Real Estate Co., Ltd	16,091,022.41	2023	/
Nanjing Renheng Jiangdao Real Estate Co., Ltd	120,000,000.00	2022	/
Nanjing Renheng Jiangdao Real Estate Co., Ltd	120,000,000.00	2023	/
Nanjing Yufa Real Estate Development Co., Ltd	167,457,765.41	2023	/
Nanjing Yusheng Real Estate Co., Ltd	242,400,000.00	2020	/
Nanjing Yusheng Real Estate Co., Ltd	57,600,000.00	2021	/
Nantong Zhaotong Real Estate Co., Ltd	277,051,873.28	2021	/
Nantong Zhaotong Real Estate Co., Ltd	156,600,000.00	2021	2023
Nantong Zhaotong Real Estate Co., Ltd	524,368,541.16	2022	/
Ningbo Zhaohai Real Estate Co., Ltd	430,000,000.00	2020	2023
Ningbo Zhaohai Real Estate Co., Ltd	14,000,000.00	2023	2023
Shanghai Gufeng Real Estate Development Co., Ltd	856,471,000.00	2022	/
Shanghai Gufeng Real Estate Development Co., Ltd	671,300,000.00	2022	2023
Shanghai Gufeng Real Estate Development Co., Ltd	720,300,000.00	2023	/
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	9,750,327.32	2021	2023
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	4,751,327.32	2022	/
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	20,243,672.68	2022	2023
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	47,490,500.00	2023	/
Shanghai Huaxi Real Estate Development Co., Ltd	4,000,000.00	2022	/

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Affiliated parties	Amount borrowed	Kickoff date	Expiry date
Shanghai Huaxi Real Estate Development Co., Ltd	20,000,000.00	2022	2023
Shanghai Huaxi Real Estate Development Co., Ltd	189,000,000.00	2023	/
Shanghai Qiaopu Real Estate Development Co., Ltd	362,844,195.74	2022	/
Shanghai Zhaosheng Real Estate Development Co., Ltd	278,320,000.00	2021	/
Shanghai Zhaosheng Real Estate Development Co., Ltd	240,100,000.00	2021	2023
Shenzhen Rongqi Investment Development Co., Ltd	15,000,000.00	2022	2023
Shenzhen Runzhao Real Estate Co., Ltd	455,600,000.00	2021	/
Shenzhen Runzhao Real Estate Co., Ltd	64,600,000.00	2021	2023
Suzhou Huaheng Commercial Real Estate Co., Ltd	912,000,000.00	Borrow by batches	/
Suzhou Shenglan Meike Real Estate Co., Ltd	120,000,000.00	2022	2023
Taicang Renhua Real Estate Development Co., Ltd	1,298,500,000.00	2022	/
Taicang Shangsheng Business Consultancy Co., Ltd	5,747,210.00	2020	/
Taicang Shangsheng Business Consultancy Co., Ltd	17,321,500.00	2023	/
Tianjin Ruijun Real Estate Development Co., Ltd	81,683,000.00	2020	/
Wuhan Central Business District Investment & Development Co., Ltd	807,007,164.85	Borrow by batches	/
Xi'an Zisheng Real Estate Co., Ltd	117,445,439.00	2023	/
Xi'an Zisheng Real Estate Co., Ltd	60,000,000.00	2023	2023
Changsha Yide Real Estate Co., Ltd	197,960,000.00	2021	/
Changsha Yide Real Estate Co., Ltd	363,090,000.00	2021	2023
Changsha Yide Real Estate Co., Ltd	188,265,693.00	2022	/
Changsha Yongjing Real Estate Co., Ltd	53,900,000.00	2023	/
Zhuhai Huafa Phoenix Real Estate Development Co., Ltd	5,100,000.00	2022	/
Zhuhai Huajing Real Estate Development Co., Ltd	39,943,750.00	2023	/
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	22,081,333.00	2020	/
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	19,096,067.00	2022	/
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	15,047,000.00	2023	/
Zhuhai Bihu Real Estate Development Co., Ltd	132,995,532.17	2023	/
Zhuhai Bihu Real Estate Development Co., Ltd	168,393,902.08	2023	2023
Zhuhai Construction Safety Science Research Center Co., Ltd	10,000,000.00	2023	/
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	49,898,516.35	2021	/
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	5,151,483.65	2022	/
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	2,936,000.00	2023	/
Zhuhai Yongjing Huayue Real Estate Co., Ltd	32,082,960.96	2022	/
Zhuhai Zhenghan Real Estate Co., Ltd	138,082,258.15	2021	/
Zhuhai Zhenghan Real Estate Co., Ltd	35,000,000.00	2021	2023
Zhuhai Zhenghan Real Estate Co., Ltd	197,531,514.81	2022	/
Zhuhai Zhenghan Real Estate Co., Ltd	364,000,000.00	2022	2023
Zhuhai Zhenghan Real Estate Co., Ltd	87,716,578.19	2023	/
Zhuhai Zhenghan Real Estate Co., Ltd	198,800,000.00	2023	2023

Affiliated parties	Amount borrowed	Kickoff date	Expiry date
Wuhan Huazhang Real Estate Development Co., Ltd	5,000,000.00	Borrow by batches	/
Xi'an Zihai Real Estate Co., Ltd	166,000,000.00	2021	2023
Xi'an Zihai Real Estate Co., Ltd	44,000,000.00	2021	decrease because of other reasons
Xi'an Zihai Real Estate Co., Ltd	80,000,000.00	2022	decrease because of other reasons
Xi'an Zitao Real Estate Co., Ltd	39,850,681.79	2021	decrease because of other reasons
Zhuhai Huafa New City Real Estate Co., Ltd	55,000,000.00	2022	decrease because of other reasons

Remarks on fund borrowed from associated parties:

By 31st Dec. 2023, the balance of fund borrowed by the Company and its subsidiaries from other cooperative and joint operation enterprises is RMB 16,116,163,000.

B. Fund lent to affiliated parties

Affiliated parties	Amount lent	Kickoff date	Expiry date/ explanation
Yangjiang Huayu Development & Construction Management Co., Ltd	573,850,000.00	2021	2026
Yangjiang Huayu Development & Construction Management Co., Ltd	29,350,000.00	2022	2026
Yangjiang Huayu Development & Construction Management Co., Ltd	1,466,943.00	2023	2026
Yangjiang Huachuang Development & Construction Co., Ltd	330,400,000.00	2021	2027
Yangjiang Huachuang Development & Construction Co., Ltd	62,320,000.00	2022	2027
Yangjiang Huachuang Development & Construction Co., Ltd	400,000.00	2023	2027
Hengqin Huatong Financial Lease Co., Ltd	990,000,000.00	2022	2023
Hengqin Huatong Financial Lease Co., Ltd	11,990,000,000.00	2023	2023
Hengqin Huatong Financial Lease Co., Ltd	600,000,000.00	2023	2024
Zhuhai Huajin Capital Inc.	95,000,000.00	2023	2023
Zhuhai Huajin Capital Inc.	145,000,000.00	2022	2024
Zhuhai Xuhua International Trading Co., Ltd	184,770,000.00	2023	2024
Wuhan Huazhongtou Real Estate Development Co., Ltd	450,000,000.00	2020	2023
Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	268,874,681.50	2022	2027
Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	380,752,458.33	2023	2027
Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	26,515,393.47	2023	2027
YANLORD ECO ISLAND INVESTMENTS PTE.LTD	US 50 million	2017	/
YANLORD ECO ISLAND INVESTMENTS PTE.LTD	USD 10 million	2018	/
Beijing Xingtai Tongfu Real Estate Co., Ltd	116,778,422.22	2021	/
Beijing Xingtai Tongfu Real Estate Co., Ltd	12,416,250.00	2022	/
Beijing Xingtai Tongfu Real Estate Co., Ltd	10,543,300.00	2023	/

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Affiliated parties	Amount lent	Kickoff date	Expiry date/ explanation
Beijing Xingtai Tongfu Real Estate Co., Ltd	179,607,499.99	lend by batches	/
Beijing Zhongye Mingying Real Estate Development Co., Ltd	1,212,900,000.00	2022	/
Beijing Zhongye Mingying Real Estate Development Co., Ltd	75,000,000.00	2022	2023
Chengdu Huajin Minghong Industrial Co., Ltd	35,513,725.90	2022	2023
Chengdu Huajin Minghong Industrial Co., Ltd	1,000,328.45	2023	/
Chengdu Huajin Minghong Industrial Co., Ltd	261,742,860.45	2023	2023
Chengdu Runze Rongcheng Real Estate Development Co., Ltd	135,158,176.05	2023	/
Chengdu Runze Rongcheng Real Estate Development Co., Ltd	293,312,698.39	2023	2023
Dalian Wanteng Real Estate Co., Ltd	149,181,034.69	lend by batches	/
Dalian Wanteng Real Estate Co., Ltd	22,500,000.00	lend by batches	2023
Ezhou Binhu Real Estate Co., Ltd	6,000,000.00	lend by batches	/
Guangzhou Haihao Technical Industry Operation Co., Ltd	140,692,343.33	2021	/
Guangzhou Haihao Technical Industry Operation Co., Ltd	20,134,100.00	2021	2023
Guangzhou Haihao Technical Industry Operation Co., Ltd	68,600,000.00	2022	/
Guangzhou Huaxiao Real Estate Development Co., Ltd	1,115,433,000.00	2022	/
Guangzhou Runye Real Estate Co., Ltd	193,273,150.00	2019	/
Guangzhou Runye Real Estate Co., Ltd	33,500,000.00	2021	/
Guangzhou Runye Real Estate Co., Ltd	27,000,000.00	2022	/
Guangzhou Runye Real Estate Co., Ltd	72,000,000.00	2023	/
Guangzhou Runzhen Real Estate Co., Ltd	1,555,240,050.00	2023	/
Guangzhou Runzhen Real Estate Co., Ltd	480,000,000.00	2023	2023
Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	80,655,715.21	2022	/
Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	136,500,000.00	2023	/
Hangzhou Runxing Real Estate Co., Ltd	235,431,900.00	2023	2023
Hubei Lianchen Real Estate Development Co., Ltd	167,450,000.00	lend by batches	/
Hubei Port Industry Investment Co., Ltd	300,000.00	lend by batches	/
Huizhou Rongtuo Real Estate Co., Ltd	62,500,000.00	2019	2023
Huizhou Rongtuo Real Estate Co., Ltd	35,000,000.00	2023	2023
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	216,830,000.00	2020	/
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	7,500,000.00	2020	2023
Nanjing Huaduo Real Estate Development Co., Ltd	305,000,000.00	2022	2023
Nanjing Huaduo Real Estate Development Co., Ltd	291,000,000.00	2023	2023
Nanjing Huaduo Real Estate Development Co., Ltd	344,723,250.00	lend by batches	2023

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Affiliated parties	Amount lent	Kickoff date	Expiry date/ explanation
Nanjing Huasong Real Estate Development Co., Ltd	192,060,486.58	2023	2023
Nanjing Lianhua Real Estate Development Co., Ltd	19,657,838.13	2023	/
Nanjing Lianhua Real Estate Development Co., Ltd	666,400,000.00	2023	2023
Nanjing Yihuaju Real Estate Co., Ltd	234,996,661.20	2022	/
Nanjing Yihuaju Real Estate Co., Ltd	80,000,000.00	2022	2023
Nanjing Yufa Real Estate Development Co., Ltd	731,202,234.59	2023	2023
Shanghai Runzhe Xiangyun Real Estate Co., Ltd	1,337,167,500.00	2023	/
Suzhou Huaheng Commercial Real Estate Co., Ltd	481,143.36	2023	/
Suzhou Huaheng Commercial Real Estate Co., Ltd	9,200,889.83	lend by batches	/
Tianjin Ruijun Real Estate Development Co., Ltd	202,400,000.00	2021	/
Tianjin Ruijun Real Estate Development Co., Ltd	23,949,526.12	2022	/
Tianjin Ruijun Real Estate Development Co., Ltd	34,341,007.05	2023	/
Tianjin Ruijun Real Estate Development Co., Ltd	167,600.21	2023	2023
Wuhan Conghong Yuye Real Estate Development Co., Ltd	3,421,500.00	2021	/
Wuhan Conghong Yuye Real Estate Development Co., Ltd	6,000,000.00	2021	2023
Wuhan Conghong Yuye Real Estate Development Co., Ltd	64,141,500.00	2022	/
Wuhan Central Business District Investment & Development Co., Ltd	153,000,000.00	2021	/
Wuhan Central Business District Investment & Development Co., Ltd	1,051,383,075.29	2022	/
Wuhan Central Business District Investment & Development Co., Ltd	231,030,000.00	2023	/
Wuhan Central Business District Investment & Development Co., Ltd	517,852,340.22	lend by batches	/
Wuhan Central Business District Investment & Development Co., Ltd	102,000,000.00	lend by batches	2023
Xi'an Jinmeida Commercial Property Development Co., Ltd	42,824,833.13	2023	/
Xi'an Zisheng Real Estate Co., Ltd	30,399,947.16	2022	2023
Xi'an Zisheng Real Estate Co., Ltd	24,000,000.00	2023	/
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	10,200,000.00	2020	/
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	10,965,000.00	2021	/
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	7,650,000.00	2022	/
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	17,298,594.00	2023	/
Zhuhai Huafa Yuetang Real Estate Development Co., Ltd	79,827.24	2023	/
Zhuhai Jinghua Real Estate Co., Ltd	118,796,250.00	2021	2023
Zhuhai Qinfa Investment Co., Ltd	649,747,911.58	2018	/
Zhuhai Qinfa Investment Co., Ltd	300,000,000.00	2018	2023
Zhuhai Qinfa Investment Co., Ltd	200,000,000.00	2022	/
Zhuhai Qinfa Investment Co., Ltd	1,622,500,000.00	2023	/
Zhuhai Bihu Real Estate Development Co., Ltd	147,231,905.99	2020	2023
Zhuhai Bihu Real Estate Development Co., Ltd	423,022,900.00	2021	2023
Zhuhai Bihu Real Estate Development Co., Ltd	636,579,100.00	2022	2023

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Affiliated parties	Amount lent	Kickoff date	Expiry date/ explanation
Zhuhai Bihu Real Estate Development Co., Ltd	41,030,300.00	2023	2023
Zhuhai Haihao Industrial Investment Co., Ltd	186,200,000.00	2022	/
Zhuhai Haihao Industrial Investment Co., Ltd	20,134,100.00	2023	/
Zhuhai Henghua Developemtn Co., Ltd	20,000,000.00	2021	/
Zhuhai Henghua Developemtn Co., Ltd	20,560,000.00	2022	/
Zhuhai Henghua Developemtn Co., Ltd	12,000,000.00	2023	/
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	240,281,039.44	2017	2023
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	419,463,474.00	2019	2023
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	887,295,035.13	2020	2023
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	86,293,700.00	2022	2023
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	37,448,325.41	2023	/
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	294,810,227.43	2023	2023
Shanghai Xinpu East Bank Real Estate Co., Ltd	45,000,000.00	2022	2023
Shenzhen Ronghua Real Estate Investment Co., Ltd	11,235,700.00	2022	decrease because of other reasons
Suzhou Xinhuaheng Construction & Development Co., Ltd	22,500,000.00	2022	2023
Suzhou Xinhuaheng Construction & Development Co., Ltd	22,898,867.97	2022	decrease because of other reasons
Wuhan Huasheng Qianmao Real Estate Co., Ltd	28,195,138.88	lend by batches	/
Wuhan Huasheng Qianmao Real Estate Co., Ltd	90,000,000.00	lend by batches	2023
Xi'an Zihai Real Estate Co., Ltd	50,000,000.00	2023	decrease because of other reasons
Zhuhai Huafa New City Real Estate Co., Ltd	138,194,671.30	2023	decrease because of other reasons

Fund lent to affiliated parties

By 31st Dec. 2023, the balance of fund lent by Huafa Inc. and its subsidiaries to joint and cooperative operation enterprises is RMB 15,027,585,500 and USD 60 million

Current account of monetary capital with the affiliated parties

Project Name	Affiliated parties	Opening balance	Current increase	Current decrease	Closing balance
The Company and its subsidiaries	Zhuhai Huarun Bank Inc.	21,872.09	5,812,981.39	5,798,016.79	36,836.69
The Company and its subsidiaries	Zhuhai Rural Commercial Bank Inc.	13,813.97	812,190.02	799,582.60	26,421.39
The Company and its subsidiaries	Zhuhai Xiangzhou Xingfu Town Bank Inc.	10,958.51	11,246.34	11,000.24	11,204.61

Note: Since the Company and its subsidiaries have opened many accounts with above affiliated financial institutions, and there are frequent transactions, the above figure include transfers between bank accounts.

(7). Other related transactions

Type of transaction	Name of affiliated parties	2023	2022
Interest income	Joint and cooperative enterprise of Huafa Inc.	431,684,395.77	595,223,115.23
Interest expense	Joint and cooperative enterprise of Huafa Inc.	154,955,070.66	73,557,775.97
Capital deposit management interest expense	Joint and cooperative enterprise of Huafa Inc.	26,841,221.01	14,434,602.42
Participate in Zhuhai Huajin Lingyi Emerging Technology Industrial Investment Fund (Limited Partnership)	Subsidiaries of Huajin Capital *1	50,000,000.00	140,000,000.00
Participate in Zhuhai Advanced Phase 1 Integrated Circuit Equity Investment Fund (Limited Partnership)	Subsidiaries of Huajin Capital		40,000,000.00
Participate in Zhuhai Huajin Shangying No.5 Equity Investment Fund Partnership (Limited Partnership)	Subsidiaries of Huajin Capital		309,000,000.00
Participate in Zhuhai Huajin Alpha No. 6 Equity Investment Fund Partnership (Limited Partnership)	Subsidiaries of Huajin Capital *2	600,000,000.00	700,000,000.00
Participate in investment of Zhuhai Huajin Shangying No.9 Equity Investment Fund Partnership (Limited Partnership)	Subsidiaries of Huajin Capital		50,000,000.00
Participate in investment of Zhuhai Huajin Heying Equity Investment Fund Partnership (Limited Partnership)	Subsidiaries of Huajin Capital *3	3,423,000,000.00	
Participate in investment of Zhuhai Trinomab Pharmaceuticals Inc.	Subsidiaries of Huajin Capital *4	38,000,000.00	

Type of transaction	Name of affiliated parties	2023	2022
Participate in investment of Zhuhai Huafa Shuzi Technology Co., Ltd	Subsidiaries of Huajin Capital *5	21,964,220.00	
Participate in investment of Zhuhai Kechuang Hongyuan Investment Co., Ltd	Zhuhai Kechuang Haike Investment Co., Ltd	2,214,763,012.68	

*1 The Company's subsidiary Zhuhai Development & Investment Fund Phase 2 (Limited Partnership) (Fund Phase 2), Huajin Boulevard Co., Ltd (Huajin Boulevard) and Huajin Capital's subsidiary Zhuhai Huajin Lingchuang Fund Management Co., Ltd invested jointly in Zhuhai Huajin Lingyi Emerging Technology Industrial Investment Fund (Limited Partnership) with a fund scale of RMB 1.401 billion. Fund Phase 2 has subscribed a capital contribution of RMB 400 million as a limited partner; and Huajin Boulevard has subscribed a capital contribution of RMB 100 million as a limited partner. Fund Phase 2 has paid up the capital of RMB 40 million, and Huajin Boulevard has paid up the capital of RMB 10 million in 2023.

*2 The Company's subsidiary Huafa Technology and Huajin Capital's subsidiary Zhuhai Huaying Investment Co., Ltd invested jointly in Zhuhai Huajin Alpha No. 6 Equity Investment Fund Partnership (Limited Partnership), with a fund scale of RMB 3.001 billion. Huafa Technology has subscribed a capital contribution of RMB 3 billion as a limited partner. Huafa Technology has paid up the capital of RMB 600 million in 2023.

*3 The Company's subsidiary Huafa Technology and Huajin Capital's subsidiary Zhuhai Huaying Investment Co., Ltd invested jointly in Zhuhai Huajin Heying Equity Investment Fund Partnership (Limited Partnership), with a fund scale of RMB 3.5 billion. Huafa Technology has subscribed a capital contribution of RMB 3.499 billion. Huafa Technology has paid up the capital of RMB 3.423 billion in 2023.

*4 The Company's subsidiary Huajin Boulevard and Huajin Capital's subsidiary Zhuhai Huajin Lingshang Equity Investment Fund Partnership (Limited Partnership) invested jointly in Zhuhai Trinomab Pharmaceutical Inc, and subscribed a capital contribution of RMB 360 million. Huajin Boulevard has subscribed a capital contribution of RMB 38 million. Huajin Boulevard has paid up the capital of RMB 38 million in 2023.

*5 In accordance with the minute of 63rd Board Meeting of Zhuhai Huafa Group Co., Ltd in 2022, the Company's subsidiary Zhuhai Huafa Physical Industry Research Institute Co., Ltd and Zhuhai Huafa Urban Research Institute purchased respectively 10% and 10% equity of Zhuhai Huafa Shuzi Technology Co., Ltd respectively by a price of RMB 10.98211 million.

*6 In accordance with the minute of 44th Board Meeting of the Company in 2023, it was agreed that Zhuhai Technical Venture Capital Co., Ltd transferred 100% equity of Zhuhai Kechuang Hongyuan Investment Co., Ltd to Zhuhai Kechuang Haike Investment Co., Ltd by a price of RMB 2.215 billion.

5. Affiliated party receivable and payable

(1) Receivable from affiliated parties

Item	Affiliated party	Closing balance	Opening balance
account receivable	Nanjing Yusheng Real Estate Co., Ltd	11,975,072.12	11,919,461.55
account receivable	Wuhan Conghong Yuye Real Estate Development Co., Ltd	3,771,524.13	22,613,635.39
account receivable	Zhuhai Qinfa Industrial Co., Ltd	41,061,926.94	35,512,215.73
account receivable	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	1,140,557.73	16,296,612.25
account receivable	Hengqin Life Insurance Co., Ltd	23,276.95	148,102.36
account receivable	Yangjiang Huachuang Development & Construction Co., Ltd		1,959.12
account receivable	Infinity (Zhuhai) Venture Capital Investment & Management Co., Ltd		1,959.96
account receivable	Hengqin Huatong Financial Lease Co., Ltd	78,062.58	10,279.54
account receivable	Zhuhai People's Government State Asset Supervision and Administration Commission		12,339.63
account receivable	Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	6,265,039.26	7,646.00
account receivable	Nanjing Huaduo Real Estate Development Co., Ltd	8,793,709.62	11,386,074.01
account receivable	Huashi Zhongjian New Technology (Zhuhai) Co., Ltd		17,808,235.31
account receivable	Guangdong United Property Right Transaction Center Co., Ltd	20,874,473.66	19,979,913.12
account receivable	Guangdong Financial Asset Transaction Center Co., Ltd		422,674.35
account receivable	Xi'an Zihai Real Estate Co., Ltd		29,379,225.00
account receivable	Shenzhen Ronghua Real Estate Investment Co., Ltd	17,029,891.79	13,151,208.98
account receivable	Shanghai Xinpu East Bank Real Estate Co., Ltd		4,094,796.25
account receivable	Zhuhai Zhenghan Real Estate Co., Ltd	11,922,964.66	9,073,222.10
account receivable	Zhuhai Bihu Real Estate Development Co., Ltd	1,900,289.22	5,000,823.83
account receivable	Tianjin Ruijun Real Estate Development Co., Ltd	133,050.00	133,050.00
account receivable	Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	7,874,434.52	1,044,262.91
account receivable	Xi'an Zitao Real Estate Co., Ltd		20,406,932.59
account receivable	Zhuhai Henghua Developemtn Co., Ltd	1,463.71	1,922,963.71
account receivable	Zhuhai Jinghua Real Estate Co., Ltd	2,158,785.97	9,244,802.32
account receivable	Huizhou Rongtuo Real Estate Co., Ltd	260,041.62	2,319,335.76
account receivable	Wuhan Huazhongtou Real Estate Development Co., Ltd	3,005,702.58	107,308.00
account receivable	Wuhan Central Business District Investment & Development Co., Ltd	1,863,774.82	3,401,530.48
account receivable	Zhuhai Huajin Zhihui Bay Venture Investment Co., Ltd	602,516.40	13,464,582.32
account receivable	Guangzhou Zhongqi Energy Technology Co., Ltd	54,655,419.76	38,561,491.45

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Item	Affiliated party	Closing balance	Opening balance
account receivable	Shanghai Qiaopu Real Estate Development Co., Ltd	618,938.72	47,285,707.66
account receivable	Hangzhou Zhaoyue Real Estate Co., Ltd	5,855,006.17	31,281,600.00
account receivable	Hunan Dream Waterfront Bay Co., Ltd		22,174,978.17
account receivable	Suzhou Shenglan Meike Real Estate Co., Ltd	2,615,518.74	8,615,518.74
account receivable	Nanjing Yihua Real Estate Co., Ltd	11,960,278.90	4,156,659.54
account receivable	Beijing Xingtai Tongfu Real Estate Co., Ltd	2,274,068.38	2,942,597.61
account receivable	Shanghai Gufeng Real Estate Development Co., Ltd		1,590,030.00
account receivable	Chengdu Huajin Minghong Industrial Co., Ltd	76,269,840.66	24,483,660.73
account receivable	Shenzhen Runzhao Real Estate Co., Ltd	6,944,555.18	1,361,799.33
account receivable	Zhonghai Smart Equipment Manufacture (Shenzhen) Co., Ltd	550,000.00	550,000.00
account receivable	Yunfu Zhongqi Telecommunication Technology Co., Ltd	1,433,462.81	645,303.02
account receivable	Zhuhai Baojiasheng Trading Co., Ltd	3,126,290.32	3,126,290.32
account receivable	Zhuhai Hualong Investment Co., Ltd *1	3,791,685.00	493,063.00
account receivable	Zhuhai Urban Rail Industrial Co., Ltd	135,563.67	150,793.17
account receivable	Zhuhai Huajin Ruicheng Education Industry Equity Investment Partnership (limited partnership)		60,000.04
account receivable	Zhuhai Yongjing Huayue Real Estate Co., Ltd	859,983.65	756,953.23
account receivable	Jinpu Landscape Inc.	3,902.22	3,902.22
account receivable	Infinity (Shanghai) Venture Capital Investment & Management Co., Ltd	452.49	452.49
account receivable	Jilin Infinity Investment Management Co., Ltd	452.49	452.49
account receivable	Zhuhai Huajin Lingsheng Fund Management Co., Ltd		256.13
account receivable	Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	238,904.22	123,715.14
account receivable	Zhuhai Rural commercial Bank Inc.	6,051.95	6,051.95
account receivable	Beijin Zhongye Zhongying Real Estate Co., Ltd	2,535,403.69	416,808.25
account receivable	Wuhan Huayicheng Real Estate Development Co., Ltd	421,624.67	64,918.00
account receivable	Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	5,551,190.35	8,710,924.87
account receivable	Shanghai Huaxi Real Estate Development Co., Ltd	1,517,293.72	1,201,562.54
account receivable	Xi'an Ziwei Huafa Property Management Service Co., Ltd		79,882.00
account receivable	Guangzhou Haihao Technical Industry Operation Co., Ltd	2,733,916.12	30,000.00
account receivable	Shanghai Zhaosheng Real Estate Development Co., Ltd	232,941.75	232,941.75
account receivable	Zhuhai Huafang Property Operation & Management Co., Ltd		4,334.70
account receivable	Zhuhai Zhongying Urban Construction Cinema City Co., Ltd		2,178.32
account receivable	Yangjiang Huayang Development and Construction Co., Ltd	1,603,323.85	

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Item	Affiliated party	Closing balance	Opening balance
account receivable	Yangjiang Huayu Development & Construction Management Co., Ltd	18,741.76	
account receivable	Zhuhai Urban Construction Baoli Theatre Management Co., Ltd	3,000.00	
account receivable	Zhuhai Hangfa Space Center Operation & Management Co., Ltd	51,000.00	
account receivable	Zhuhai Huaguan Capacitor Inc.	1,378,142.01	
account receivable	Zhuhai Huajin Lingchuang Fund Management Co., Ltd	162.50	
account receivable	Zhuhai Huajin Capital Inc.	53,432.67	
account receivable	Zhuhai Huaying Investment Co., Ltd	3,077.00	
account receivable	Zhuhai Lihe Environmental Protection Co., Ltd	41,198.36	
account receivable	Zhuhai Xiangzhou Xingfu Town Bank Inc.	196,000.00	
account receivable	Suzhou Huaheng Commercial Real Estate Co., Ltd	900,000.00	
account receivable	Zhuhai Huajin Hengsheng Investment Co., Ltd	637,619.27	
account receivable	Zhuhai Tax-exempt Enterprise Group Co., Ltd	560,000.00	
account receivable	Zhuhai Xuhua International Trading Co., Ltd	16,100.00	
account receivable	Nanjing Yufa Real Estate Development Co., Ltd	1,872,665.30	
account receivable	Tongfu Commercial Factoring Co., Ltd	57,981.00	
account receivable	Hangzhou Runxing Real Estate Co., Ltd	6,986,239.29	
account receivable	Nanjing Lianhua Real Estate Development Co., Ltd	19,350.00	
account receivable	Guangdong Financial Asset Transaction Center Inc.	2,176.00	
account receivable	Guangzhou Huaxiao Real Estate Development Co., Ltd	27,520,502.78	
account receivable	Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	16,683,236.13	
account receivable	Nantong Zhaotong Real Estate Co., Ltd	27,000,000.00	
account receivable	Xi'an Zisheng Real Estate Co., Ltd	1,573,072.80	
account receivable	Changsha Runyi Real Estate Development Co., Ltd	236,949.26	
account receivable	Zhuhai Hangfa Space Center Operation & Management Co., Ltd	239,481.34	
account receivable	Zhuhai Huajin Capital Management Co., Ltd	552.00	
account receivable	Zhuhai Construction Safety Science Research Center Co., Ltd	100,000.00	
account receivable	Wuhan Huasheng Qianmao Real Estate Co., Ltd	2,000,000.00	
account receivable	Wuhan Huazhang Real Estate Development Co., Ltd	1,890,000.00	
other payable	Yangjiang Huayang Development and Construction Co., Ltd	153,282,752.17	162,028,000.00
other payable	Zhuhai Huafang Property Operation & Management Co., Ltd	5,131,235.77	3,556,194.08
other payable	Huashi Zhongjian New Technology (Hong Kong) Co., Ltd		5,000.00
other payable	Huizhou Rongtuo Real Estate Co., Ltd	3,218,638.40	3,218,638.40

Zhuhai Huafa Group Co., Ltd (Consolidated)
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Item	Affiliated party	Closing balance	Opening balance
other payable	Shenzhen Rongqi Investment Development Co., Ltd	10,777,167.34	10,777,167.34
other payable	Wuhan Conghong Yuye Real Estate Development Co., Ltd	2,328,000.00	2,328,000.00
other payable	Wuhan Central Business District Investment & Development Co., Ltd	2,468,149.99	2,929,472.02
other payable	Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	678,718.33	769,010.03
other payable	Nantong Zhaotong Real Estate Co., Ltd		17,000,000.00
other payable	Shenzhen Ronghua Real Estate Investment Co., Ltd		252,471.01
other payable	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	4,892,069.24	276,581.97
other payable	Beijing Jingdixin Technology Co., Ltd	100,000.00	100,000.00
other payable	Tianjin Ruijun Real Estate Development Co., Ltd	45,550,533.17	11,209,526.12
other payable	Shanghai Zhaosheng Real Estate Development Co., Ltd		3,200,000.00
other payable	Nanjing Yihuaju Real Estate Co., Ltd	2,991,265.69	2,991,265.69
other payable	Zhuhai Henghua Development Co., Ltd	27,208.44	1,204,000.45
other payable	Guangzhou Zhongqi Energy Technology Co., Ltd	6,258,576.76	16,903,791.99
other payable	Yunfu Zhongqi Telecommunication Technology Co., Ltd	2,254,026.50	2,320,468.09
other payable	Hengqin Huatong Financial Lease Co., Ltd		4,315,068.49
other payable	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	3,789,125.81	11,467,590.57
other payable	Zhuhai Huajin Zhihui Bay Venture Capital Co., Ltd	10,751,542.46	414,304.33
other payable	Zhuhai Huajin Capital Inc.	1,039,705.92	544,218.47
other payable	Zhuhai Huajin Ruicheng Education Industry Equity Investment Partnership (limited partnership)		2,000.00
other payable	Hua Ao Events MGMT Co., Ltd	42,438.12	52,528.72
other payable	Hua Ao Sports Group Co., Ltd	64,192.34	48,316.79
other payable	Hua AO Venue MGMT CO LTD	35,884.33	
other payable	Guangzhou Haihao Technical Industry Operation Co., Ltd	680,461.18	526,978.69
other payable	Guangzhou Zhengcheng District Yuehua Real Estate Development Co.. Ltd	232,788.55	222,017.25
other payable	Hengqin Life Insurance Co., Ltd	2,424.01	1,685.01
other payable	Hunan Dream Waterfront Bay Co., Ltd	759,564.21	612,536.55
other payable	Hua Ao (Macao) Sports Development Co., Ltd	19,832.59	19,549.18
other payable	Jinpu Landscape Inc.	23,534.22	12,177.36
other payable	Nanjing Huaduo Real Estate Development Co., Ltd		271,717.98
other payable	Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	29.22	14.82
other payable	Zhuhai Huafa Guiyuan Real Estate Development Co., Ltd	4.25	3.54
other payable	Zhuhai Huafa Niwan Real Estate Development Co., Ltd	5,000.00	5,000.00
other payable	Zhuhai Huafa Poshi Real Estate Development Co., Ltd	7,065.00	7,065.00
other payable	Zhuhai Huafa Yinkeng Real Estate Development Co., Ltd	4.09	3.50

Zhuhai Huafa Group Co., Ltd (Consolidated)
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Item	Affiliated party	Closing balance	Opening balance
other payable	Zhuhai Qinfa Industrial Co., Ltd	34,638.00	366,582.04
other payable	Zhuhai Bihu Real Estate Development Co., Ltd	46,399.50	46,399.50
other payable	Zhuhai Zhenghan Real Estate Co., Ltd	51.00	51.00
other payable	Hangzhou Zhaoyue Real Estate Co., Ltd	20,302.92	21,330.00
other payable	Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	16,470.00	
other payable	Beijing Xingtai Tongfu Real Estate Co., Ltd	8,187.00	
other payable	Chengdu Huajin Minghong Industrial Co., Ltd	7,452.50	
other payable	Shanghai Qiaopu Real Estate Development Co., Ltd	7,300,000.00	
other payable	Suzhou Huaheng Commercial Real Estate Co., Ltd	9,682,033.19	
other payable	Zhuhai Kechuang Haike Investment Co., Ltd	1,097,763,012.68	
other payable	Wuhan Huasheng Qianmao Real Estate Co., Ltd	28,195,138.88	
advance payment	Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	1,721,199.17	11,883,530.00
advance payment	Wuhan Central Business District Investment & Development Co., Ltd	1,152,889.44	125,370.91
advance payment	Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	392,325.36	137,185.68
advance payment	Hengqin Life Insurance Co., Ltd	175,830.04	2,097.80
advance payment	DASA Electronic Mechanical Technology (Shanghai) Co., Ltd		8,547.01
advance payment	Founder Technology Group Inc.		1,567,189,063.02
advance payment	Zhuhai Huajin Capital Inc.		10,982,110.00
advance payment	Zhuhai Huafang Property Operation & Management Co., Ltd		4,991.00
advance payment	Zhuhai Huajin Zhihui Bay Venture Investment Co., Ltd	72,981.00	
advance payment	Chengdu Huajin Minghong Industrial Co., Ltd	37,734,104.00	
advance payment	Jinpu Landscape Inc.	3,645.38	
advance payment	Shanghai Qiaopu Real Estate Development Co., Ltd	87,089,612.00	
contract asset	Zhuhai Qinfa Industrial Co., Ltd	32,131,916.47	48,919,666.82
contract asset	Zhuhai Huajin Zhihui Bay Venture Investment Co., Ltd	68,007,751.82	67,337,304.80
contract asset	Hengqin Huatong Financial Lease Co., Ltd	137,884.61	1,024,586.56
contract asset	Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	7,876,848.54	9,336,705.62
contract asset	Hunan Dream Waterfront Bay Co., Ltd	107,032.50	
contract asset	Huizhou Rongtuo Real Estate Co., Ltd	4,681,061.27	6,003,563.07
contract asset	Nanjing Huaduo Real Estate Development Co., Ltd	1,837,654.54	2,044,548.38
contract asset	Nanjing Yusheng Real Estate Co., Ltd	1,508,296.97	1,771,396.16
contract asset	Shanghai Zhaosheng Real Estate Development Co., Ltd	30,208.52	
contract asset	Shenzhen Rongqi Investment Development Co., Ltd	186,606.10	
contract asset	Shenzhen Runzhao Real Estate Co., Ltd		5,985,261.06

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Item	Affiliated party	Closing balance	Opening balance
contract asset	Shenzhen Conghong Real Estate Development Co., Ltd	13,244,286.33	16,678,300.98
contract asset	Wuhan Huaqi Real Estate Development Co., Ltd	1,198,471.15	2,722,061.21
contract asset	Wuhan Huazhongtou Real Estate Development Co., Ltd	12,554,743.26	10,221,295.06
contract asset	Wuhan Central Business District Investment & Development Co., Ltd	22,982,258.77	51,163,391.24
contract asset	Changsha Yide Real Estate Co., Ltd	1,135,850.15	4,150,192.25
contract asset	Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	1,739,974.41	1,739,974.42
contract asset	Zhuhai Huajin Lingchuang Fund Management Co., Ltd	1,407,384.41	
contract asset	Zhuhai Jinghuang Real Estate Co., Ltd	6,942,448.62	6,762,626.62
contract asset	Zhuhai Bihu Real Estate Development Co., Ltd	4,178,145.03	2,702,617.26
contract asset	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd		5,255,474.11
contract asset	Zhuhai Zhenghan Real Estate Co., Ltd	73,445,904.23	150,057,817.12
contract asset	Chengdu Huajin Minghong Industrial Co., Ltd	4,645,336.94	30,275,029.53
contract asset	Xi'an Zitao Real Estate Co., Ltd		27,946,237.10
contract asset	Shanghai Gufeng Real Estate Development Co., Ltd	2,435,088.85	7,414,952.25
contract asset	Nanjing Yihua Real Estate Co., Ltd	3,159,567.48	7,190,082.51
contract asset	Changsha Yongjing Real Estate Co., Ltd	580,577.19	4,814,782.99
contract asset	Hengqin Life Insurance Co., Ltd	4,187,738.91	3,857,592.45
contract asset	Shenzhen Ronghua Real Estate Investment Co., Ltd		3,408,392.18
contract asset	Shanghai Qiaopu Real Estate Development Co., Ltd		2,470,084.74
contract asset	Zhuhai Lihe Environmental Protection Co., Ltd	13,754.22	1,158.47
contract asset	Guangzhou Haihao Technical Industry Operation Co., Ltd	511,589.60	
contract asset	Zhuhai Huaguan Capacitor Inc.	6,532,744.07	
contract asset	Chengdu Runze Rongcheng Real Estate Development Co., Ltd	3,293,755.99	
contract asset	Suzhou Huaheng Commercial Real Estate Co., Ltd	2,174,251.53	
contract asset	Nanjing Yufa Real Estate Development Co., Ltd	1,343,526.86	
contract asset	Zhuhai Hangfa Space Center Operation & Management Co., Ltd	955,152.92	
contract asset	Zhuhai Henghua Development Co., Ltd	931,829.30	
contract asset	Zhuhai Construction Safety Science Research Institute Co., Ltd	322,368.87	
contract asset	Zhuhai Huajin Hengsheng Investment Co., Ltd	7,327.91	
dividend receivable	Ningbo Zhaohai Real Estate Co., Ltd		90,000,000.00
dividend receivable	Nanjing Huihe Real Estate Co., Ltd		28,560,000.00
factoring payment receivable	Jinpu Landscape Inc.	6,296,653.13	3,385,340.84
factoring payment receivable	Hengqin Huatong Financial Lease Co., Ltd	179,279,595.61	161,716.65

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Item	Affiliated party	Closing balance	Opening balance
other current asset	Yangjiang Huachuang Development & Construction Co., Ltd	412,633,814.44	392,720,000.00
other current asset	Yangjiang Huayu Development & Construction Management Co., Ltd	635,461,874.41	603,200,000.00
other current asset	Zhuhai Qinfa Investment Co., Ltd	2,923,036,229.41	1,518,603,314.76
other current asset	Zhuhai Bihu Real Estate Development Co., Ltd		1,206,833,905.99
other current asset	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	37,448,325.41	1,633,333,248.57
other current asset	Wuhan Conghong Yuye Real Estate Development Co., Ltd	69,778,126.00	74,497,369.00
other current asset	Shanghai Xinpu East Bank Real Estate Co., Ltd		45,000,000.00
other current asset	Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	245,776,377.66	238,892,755.83
other current asset	Huizhou Rongtuo Real Estate Co., Ltd		72,962,500.00
other current asset	Tianjin Ruijun Real Estate Development Co., Ltd	215,140,000.00	217,220,426.43
other current asset	Guangzhou Runhua Real Estate Co., Ltd	385,984,424.63	303,755,443.17
other current asset	Guangzhou Haihao Technical Industry Operation Co., Ltd	262,442,918.10	263,793,727.77
other current asset	Nanjing Huaduo Real Estate Development Co., Ltd		964,686,324.35
other current asset	Wuhan Central Business District Investment & Development Co., Ltd	1,955,427,856.63	1,820,933,748.85
other current asset	Hunan Dream Waterfront Bay Co., Ltd	121,861,327.03	121,861,327.03
other current asset	YANLORD ECO ISLAND INVESTMENTS PTE.LTD	424,961,900.58	417,876,172.35
other current asset	Zhuhai Jinghua Real Estate Co., Ltd		141,249,922.72
other current asset	Beijing Xingtai Tongfu Real Estate Co., Ltd	319,345,472.21	308,802,172.21
other current asset	Zhuhai Henghua Developemtn Co., Ltd	52,560,000.00	40,560,000.00
other current asset	Nanjing Yihujia Real Estate Co., Ltd	282,924,020.52	346,011,723.63
other current asset	Beijing Zhongye Mingying Real Estate Development Co., Ltd	1,421,990,483.34	1,431,572,400.00
other current asset	Changsha Yongjing Real Estate Co., Ltd		8,730,768.04
other current asset	Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	46,113,594.00	28,815,000.00
other current asset	Guangzhou Huaxiao Real Estate Development Co., Ltd	1,115,433,000.00	1,115,433,000.00
other current asset	Hubei Lianchen Real Estate Development Co., Ltd	167,450,000.00	167,450,000.00
other current asset	Ezhou Binhu Real Estate Co., Ltd	6,000,000.00	6,000,000.00
other current asset	Xi'an Zisheng Real Estate Co., Ltd	24,000,000.00	59,590,682.31
other current asset	Zhuhai Haihao Industrial Investment Co., Ltd	206,334,100.00	186,200,000.00
other current asset	Chengdu Huajin Minghong Industrial Co., Ltd	1,000,328.45	45,227,288.38
other current asset	Suzhou Xinhuaheng Construction & Development Co., Ltd		45,842,768.01
other current asset	Guangzhou Zhengcheng District Yuehua Real Estate Development Co.. Ltd	217,155,715.21	80,655,715.21
other current asset	Shenzhen Ronghua Real Estate Investment Co., Ltd		11,435,157.69
other current asset	Hubei Port Industry Investment Co., Ltd	300,000.00	300,000.00
other current asset	Taicang Renfa Real Estate Development Co., Ltd	5,880.00	5,880.00

Zhuhai Huafa Group Co., Ltd (Consolidated)
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Item	Affiliated party	Closing balance	Opening balance
other current asset	Chengdu Runze Rongcheng Real Estate Development Co., Ltd	141,671,141.38	
other current asset	Dalian Wanteng Real Estate Co., Ltd	149,181,034.69	
other current asset	Guangzhou Runzhen Real Estate Co., Ltd	1,556,048,558.14	
other current asset	Nanjing Lianhua Real Estate Development Co., Ltd	36,432,292.01	
other current asset	Shanghai Runzhe Xiangyun Real Estate Co., Ltd	1,337,167,500.00	
other current asset	Xi'an Jinmeida Commercial Property Development Co., Ltd	42,824,833.13	
other current asset	Zhuhai Huafa Yuetang Real Estate Development Co., Ltd	79,827.24	
other current asset	Zhuhai Qinfa Industrial Co., Ltd	157,500.00	
other current asset	Zhuhai Haichuang Haik Investment Co., Ltd	2,327,240,833.33	
fund lent	Hengqin Huatong Financial Lease Co., Ltd	600,000,000.00	990,000,000.00
Other non-current asset	Hengqin Huatong Financial Lease Co., Ltd	171,907,781.55	271,238,304.93
Other non-current asset	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	700,607,313.69	268,874,681.50
Other non-current asset	Hengqin Life Insurance Co., Ltd	1,580,783,729.70	
Loan issued and amount paid for others	Zhuhai Huajin Capital Inc.	145,000,000.00	
Loan issued and amount paid for others	Wuhan Huazhongtou Real Estate Development Co., Ltd		450,000,000.00
Loan issued and amount paid for others	Zhuhai Xuhua International Trading Co., Ltd	184,770,000.00	

(2) Payable to affiliated parties

Item	Affiliated parties	Closing balance	Opening balance
Other payable	Zhuhai People's Government State Asset Supervision and Administration Commission		7,083,100.00
Other payable	Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	284,704,572.50	333,984,572.50
Other payable	Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	76,341.22	76,341.22
Other payable	Hengqin Life Insurance Co., Ltd	694,362.32	707,083.50
Other payable	Jinpu Landscape Inc.	730,277.97	447,943.42
Other payable	Nanjing Huasong Real Estate Development Co., Ltd	883,942,828.45	263,479,928.97
Other payable	Nanjing Huihe Real Estate Co., Ltd	114,240,000.00	126,708,977.59
Other payable	Nanjing Yusheng Real Estate Co., Ltd	300,000,000.00	300,000,000.00
Other payable	Ningbo Zhaohai Real Estate Co., Ltd	44,273,930.55	470,824,972.22
Other payable	Shanghai Zhaosheng Real Estate Development Co., Ltd	278,320,000.00	518,420,000.00
Other payable	Shenzhen Ronghua Real Estate Investment Co., Ltd		72,153.77

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Item	Affiliated parties	Closing balance	Opening balance
Other payable	Shenzhen Rongqi Investment Development Co., Ltd		26,432,854.17
Other payable	Taicang Shangsheng Business Consultancy Co., Ltd	23,068,710.00	5,747,210.00
Other payable	Tianjin Ruijun Real Estate Development Co., Ltd	81,588,303.08	81,588,303.08
Other payable	Zhuhai Qinfa Industrial Co., Ltd	1,730,358.47	1,748,586.81
Other payable	Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	56,224,400.00	41,177,400.00
Other payable	Zhuhai Zhongying Urban Construction Cinema City Co., Ltd	554,700.00	554,700.00
Other payable	Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	5,000.00	5,000.00
Other payable	Infinity (Zhuhai) Venture Capital Investment & Management Co., Ltd		9,379.65
Other payable	Wuhan Central Business District Investment & Development Co., Ltd	810,862,027.51	807,349,035.83
Other payable	Changsha Yide Real Estate Co., Ltd	384,684,138.24	747,774,138.24
Other payable	Shenzhen Runzhao Real Estate Co., Ltd	455,600,000.00	520,200,000.00
Other payable	Nantong Zhaotong Real Estate Co., Ltd	801,420,414.44	958,020,414.44
Other payable	Xi'an Zihai Real Estate Co., Ltd		290,000,000.00
Other payable	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	8,412,126.90	63,462.80
Other payable	Xi'an Zitao Real Estate Co., Ltd		39,850,681.79
Other payable	Zhuhai Zhenghan Real Estate Co., Ltd	423,447,963.51	734,731,178.75
Other payable	Shanghai Huahong Jusheng Real Estate Development Co., Ltd	52,489,500.00	35,022,938.46
Other payable	Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	57,986,000.00	55,050,000.00
Other payable	Zhuhai Yongjing Huayue Real Estate Co., Ltd	32,082,960.96	32,082,960.96
Other payable	Beijing Xingtai Tongfu Real Estate Co., Ltd	4,011,546.88	3,827,044.72
Other payable	Shanghai Diju Information Technology Co., Ltd		22,789,292.57
Other payable	Shanghai Gufeng Real Estate Development Co., Ltd	1,576,771,000.00	1,525,393,038.71
Other payable	Hangzhou Zhaoyue Real Estate Co., Ltd	1,468,449,741.74	1,312,041,741.74
Other payable	Taicang Renhua Real Estate Development Co., Ltd	1,298,500,000.00	1,298,500,000.00
Other payable	Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	1,199,385,000.00	1,122,000,000.00
Other payable	Shanghai Qiaopu Real Estate Development Co., Ltd	362,844,195.74	362,844,195.74
Other payable	Suzhou Shenglan Meike Real Estate Co., Ltd	3,138,378.46	124,245,079.89
Other payable	Nanjing Renheng Jiangdao Real Estate Co., Ltd	243,994,316.67	120,264,016.67
Other payable	Zhuhai Huafa New City Co., Ltd		58,703,276.68
Other payable	Guangzhou Huaxiao Real Estate Development Co., Ltd	39,600,000.00	39,600,000.00
Other payable	Shanghai Huaxi Real Estate Development Co., Ltd	193,180,313.89	24,000,000.00
Other payable	Nanjing Huamei Decoration Engineering Co., Ltd	56,100,000.00	20,400,000.00
Other payable	Hubei Lianchen Real Estate Development Co., Ltd	17,359,816.26	14,815,511.57
Other payable	Zhuhai Huafa Phoenix Real Estate Development Co., Ltd	5,100,000.00	5,100,000.00
Other payable	Yunnan Digitone Investment Co., Ltd		300,000.00
Other payable	Shanghai CAPPU Electronic Technology Co., Ltd		13,520.00
Other payable	Zhuhai Construction Safety Science Research Center Co., Ltd	10,054,046.42	30,417.22

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Item	Affiliated parties	Closing balance	Opening balance
Other payable	Zhuhai Front-line Technology Research Institute Co., Ltd	226,000.00	226,000.00
Other payable	Guangdong Financial Asset Transaction Center Co., Ltd		15,456.42
Other payable	Hengqin Huatong Financial Lease Co., Ltd	170,450.67	169,700.67
Other payable	Zhuhai Rural Commercial Bank Inc.	1,400.00	728.00
Other payable	Hua Ao Sports Group Co., Ltd	361.22	355.19
Other payable	Chengdu Huajin Minghong Industrial Co., Ltd	343,663,608.89	37,198.24
Other payable	Guangdong United Property Right Transaction Center Co., Ltd	177,343.62	
Other payable	Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	547.03	
Other payable	Zhuhai International Golf Tour Co., Ltd	25,619,854.90	
Other payable	Zhuhai Hangfa Space Center Operation & Management Co., Ltd	4,372,500.00	
Other payable	Zhuhai Huaguan Capacitor Inc.	1,179,586.34	
Other payable	Zhuhai Huajin Lingchuang Fund Management Co., Ltd	176,400.00	
Other payable	Zhuhai Huajin Zhihui Bay Venture Investment Co., Ltd	11,147.87	
Other payable	Zhuhai Huajin Capital Inc.	25,147.17	
Other payable	Zhuhai Huaying Investment Co., Ltd	161,239.40	
Other payable	Zhuhai Smart Industrial Park Development Co., Ltd	20,000,000.00	
long-term payable	Hengqin Huatong Financial Lease Co., Ltd	147,000,000.03	
Other payable	Tongfu Commercial Factoring Co., Ltd	820.00	
Other payable	Guangzhou Haihao Technical Industry Operation Co., Ltd	26,459.00	
Other payable	Hangzhou Runxing Real Estate Co., Ltd	396,000,000.00	
Other payable	Nanjing Huaduo Real Estate Development Co., Ltd	683,313,642.32	
Other payable	Nanjing Yufa Real Estate Development Co., Ltd	167,457,765.41	
Other payable	Suzhou Huaheng Commercial Real Estate Co., Ltd	912,000,000.00	
Other payable	Wuhan Huazhongtou Real Estate Development Co., Ltd	14,380.12	
Other payable	Xi'an Zisheng Real Estate Co., Ltd	117,445,439.00	
Other payable	Changsha Yongjing Real Estate Co., Ltd	45,169,231.96	
Other payable	Zhuhai Jinghua Real Estate Co., Ltd	15,666,992.17	
Other payable	Zhuhai Bihu Real Estate Development Co., Ltd	137,290,477.27	
Other payable	Wuhan Conghong Yuye Real Estate Development Co., Ltd	194,559.71	
Other payable	Wuhan Huayicheng Real Estate Development Co., Ltd	56,650.00	
Other payable	Wuhan Huazhang Real Estate Development Co., Ltd	5,000,000.00	
account payable	Jinpu Landscape Inc.	369,883.98	2,809,117.29
account payable	Huashi Zhongjian New Technology (Zhuhai) Co., Ltd		9,520,766.10
account payable	Wuhan Central Business District Investment & Development Co., Ltd	160,908.00	2,086,795.35
account payable	Wuhan Conghong Yuye Real Estate Development Co., Ltd		96,245.80
account payable	Wuhan Huayicheng Real Estate Development Co., Ltd		19,500.00
account payable	Zhuhai Zhongying Urban Construction Cinema City Co., Ltd		24,500.00
account payable	Xi'an Ziwei Huafa Property Management Service Co., Ltd	245,324.10	
account payable	Zhuhai Hegang Highway Co., Ltd	38.32	

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Item	Affiliated parties	Closing balance	Opening balance
account payable	Zhuhai Bihu Real Estate Development Co., Ltd	393,525,760.00	
account payable	Zhuhai Construction Safety Science Research Institute Co., Ltd	475,100.00	
account payable	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	803,013,158.00	
account payable	Hengqin Huatong Financial Lease Co., Ltd	1,780,496.84	4,513,345.70
account payable	Beijing Jingdixin Technology Co., Ltd	312,251.52	23,264,582.17
account payable	Shanghai Diju Information Technology Co., Ltd		1,590,416.00
account payable	Shanghai CAPPU Electronic Technology Co., Ltd		63,056.67
account payable	Hengqin Life Insurance Co., Ltd	345,072.00	135,179.08
account payable	Zhuhai Huajin Zhihui Bay Venture Investment Co., Ltd		227,500.00
account payable	Zhuhai Hangfa Space Center Operation & Management Co., Ltd	4,372,500.00	
account payable	Zhuhai Huafang Property Operation & Management Co., Ltd	5,751,159.91	
advance receipt	Zhuhai Lihe Environmental Protection Co., Ltd		666,500.10
advance receipt	Hengqin Huatong Financial Lease Co., Ltd		4,963,010.71
advance receipt	Zhuhai Huajin Capital Inc.		23,324.91
advance receipt	Infinity (Shanghai) Venture Capital Investment & Management Co., Ltd		155,712.91
advance receipt	Zhuhai Zhenghan Real Estate Co., Ltd		158,591.27
advance receipt	Hengqin Life Insurance Co., Ltd	40,266.06	8,716.98
advance receipt	Shenzhen Ronghua Real Estate Investment Co., Ltd	312,251.52	
contract liabilities	Hengqin Huatong Financial Lease Co., Ltd	6,146,155.99	9,340.16
contract liabilities	Guangdong Financial Asset Transaction Center Co., Ltd		17,396.50
contract liabilities	Nanjing Yusheng Real Estate Co., Ltd	63,633.67	
contract liabilities	Zhuhai Qinfa Industrial Co., Ltd	129,500.13	
contract liabilities	Hengqin Life Insurance Co., Ltd	8,716.98	1,240,266.06
contract liabilities	Zhuhai People's Government State Asset Supervision and Administration Commission		218,000.00
contract liabilities	Zhuhai Rural commercial Bank Inc.	158.49	6,219.95
contract liabilities	Zhuhai Huafang Property Operation & Management Co., Ltd	1,686.92	600.00
contract liabilities	Zhuhai Lihe Environmental Protection Co., Ltd	628,773.68	
contract liabilities	Guangzhou Haihao Technical Industry Operation Co., Ltd	607,973.93	
contract liabilities	Zhuhai Huajin Zhihui Bay Venture Investment Co., Ltd	1,246,283.21	
contract liabilities	Zhuhai Hualong Investment Co., Ltd	33,887,519.97	
contract liabilities	Zhuhai Zhenghan Real Estate Co., Ltd	1,034,193.91	
contract liabilities	Shenzhen Runzhao Real Estate Co., Ltd	714,096.34	
contract liabilities	Chengdu Huajin Minghong Industrial Co., Ltd	488,180.97	
contract liabilities	Zhuhai Urban Rail Industrial Co., Ltd	5,897.00	
contract liabilities	Wuhan Central Business District Investment & Development Co., Ltd	5,011.98	
contract liabilities	Zhuhai Tax-exempt Enterprise Group Co., Ltd	528,301.89	

Zhuhai Huafa Group Co., Ltd (Consolidated)
Annotation to Financial Statements
Year 2023 (The Currency Unit is RMB unless it is otherwise designated)

Item	Affiliated parties	Closing balance	Opening balance
contract liabilities	Guangdong Financial Asset Transaction Center Inc.	422.64	
contract liabilities	Nanjing Huaduo Real Estate Development Co., Ltd	325,352.64	
contract liabilities	Suzhou Huaheng Commercial Real Estate Co., Ltd	226.42	
contract liabilities	Infinity (Shanghai) Venture Capital Investment & Management Co., Ltd	128,719.12	
contract liabilities	Zhuhai Huajin Lingchuang Fund Management Co., Ltd	103,031.79	
contract liabilities	Zhuhai Huajin Lingsheng Investment Co., Ltd	42,323.58	
contract liabilities	Zhuhai Huajin Capital Inc.	13,353.30	
contract liabilities	Zhuhai Huaying Investment Co., Ltd	137,293.40	
contract liabilities	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	854.72	
contract liabilities	Zhuhai Zhongying Urban Construction Cinema City Co., Ltd	14,786.83	
special payable	Zhuhai People's Government State Asset Supervision and Administration Commission		200,000,000.00
other current liabilities	Zhuhai Construction Safety Science Research Center Co., Ltd	200,000.00	
non-current liabilities due within one year	Zhuhai Huarun Inc.	5,248,055.56	
non-current liabilities due within one year	Hengqin Huatong Financial Lease Co., Ltd	181,285,714.18	21,142,857.12
non-current liabilities due within one year	Wuhan Central Business District Investment & Development Co., Ltd	1,288,355.28	8,108,718.61
non-current liabilities due within one year	Zhuhai Rural Commercial Bank Inc.	14,000,000.00	14,000,000.00
non-current liabilities due within one year	Zhuhai Huajin Zhihui Bay Venture Investment Co., Ltd	16,348,570.14	4,181,344.24
non-current liabilities due within one year	Zhuhai Huajin Capital Inc.	2,848,802.85	333,411.53
long-term loan	Zhuhai Rural Commercial Bank Inc.	682,000,000.00	678,000,000.00
long-term loan	Zhuhai Huarun Bank Inc.	433,500,000.00	399,500,000.00
long-term loan	Hengqin Huatong Financial Lease Co., Ltd	143,857,142.96	323,142,857.16
lease liabilities	Zhuhai Huajin Capital Inc.	6,418,677.87	18,764.55
lease liabilities	Wuhan Central Business District Investment & Development Co., Ltd	1,422,147.78	3,206,514.99
lease liabilities	Zhuhai Huajin Zhihui Bay Venture Capital Investment Co., Ltd	63,066,666.51	15,361,396.99
interbank placement	Hengqin Huatong Financial Lease Co., Ltd	3,669,332.99	990,923,960.08
deposit	Zhuhai Huajin Lingchuang Fund Management Co., Ltd	62,667,430.40	30,184,911.35
deposit	Zhuhai Huaying Investment Co., Ltd	814,731.31	970,152.07
deposit	Zhuhai Huajin Ruixin Fund Management Co., Ltd		26,912,537.46
deposit	Zhuhai Huajin Hengsheng Investment Co., Ltd		21,695.37
deposit	Zhuhai Huajin Zhihui Bay Venture Investment Co., Ltd	9,930,112.01	24,401,105.40

Zhuhai Huafa Group Co., Ltd (Consolidated)
Annotation to Financial Statements
Year 2023 (The Currency Unit is RMB unless it is otherwise designated)

Item	Affiliated parties	Closing balance	Opening balance
deposit	Zhuhai Huajin Capital Management Co., Ltd		23,593,381.63
deposit	Zhuhai Huajin Linghui Investment Management Co., Ltd	5,060,495.03	5,011,938.99
deposit	Zhuhai Huajin Lingsheng Fund Management Co., Ltd		22,158,852.30
deposit	Zhuhai Huajin Zhixing Investment Management Co., Ltd	9,427.14	9,298.23
deposit	Zhuhai Huajin Innovation Investment Co., Ltd	11,650,415.84	3,310,770.92
deposit	Zhuhai Huajin Capital Inc.	5,840,830.56	47,525,030.68
deposit	Zhuhai Urban Rail Underground Traffic Exchange Center Construction Co., Ltd		10,171,151.49
deposit	Yangjiang Huayang Investment Holding Co., Ltd	125,261,099.11	64,264,092.80
deposit	Yangjiang Huayang Merchant Consultancy Co., Ltd	484,910.62	469,506.56
deposit	Yangjiang Huayang Development and Construction Co., Ltd	53,070,319.72	80,407,500.08
deposit	Zhuhai Hualong Investment Co., Ltd	1,922,026.19	11,721,944.37
deposit	Zhuhai Hengqin Rare and Valuable Trading Co., Ltd	17,957.02	17,826.17
deposit	Zhongye Huafa Public Utility Tunnel Co., Ltd	110,412,779.82	109,662,354.08
deposit	Zhuhai Qinfu Industrial Co., Ltd	113,887,050.25	
deposit	Zhuhai Huajin Alpha No.3 Equity Investment Fund Partnership (limited partnership)	50,291,026.73	35,895.43
deposit	Zhuhai Huajin Alpha No.1 Equity Investment Fund Partnership (limited partnership)	311,871.74	333,174.91
deposit	Infinity (Zhuhai) Venture Capital Investment & Management Co., Ltd		82.85
deposit	Zhuhai Smart Industrial Park Development Co., Ltd		41,902,982.57
deposit	Zhuhai Huajin Tongda Equity Investment Fund Partnership (Limited partnership)	17,078,332.58	92,416.23
deposit	Zhuhai Lihe Huajin Emerging Industry Venture Investment Fund (Limited Partnership)	1,090,305.75	1,082,733.62
deposit	Yangjiang Huachuang Development & Construction Co., Ltd	211,733.79	213,076.85
deposit	Zhuhai Huajin Alpha 4 Equity Investment Fund Partnership (Limited Partnership)	54,335,366.21	250,628,764.46
deposit	Yangjiang Huayu Development & Construction Management Co., Ltd	986.32	14,345.11
deposit	Zhuhai Huajin Alpha 5 Equity Investment Fund Partnership (Limited Partnership)	108,836,397.14	301,161,892.98
deposit	Wuhan Central Business District Investment & Development Co., Ltd	11,893.57	11,836.43
deposit	Guangdong Gaojing Solar Energy Technology Co., Ltd		87,680.70
deposit	Wuhan Huazhongtou Real Estate Development Co., Ltd	264,160.59	1,132,244.01
deposit	Wuhan Huaqi Real Estate Development Co., Ltd	153,234.85	135,613.74
deposit	Guangdong Jinwan Gaojing Solar Energy Technology Co., Ltd		300,610,273.98
deposit	Luoding Huayi Development & Construction Co., Ltd		7,791,005.66
deposit	Luoding Huafu Development & Construction Co., Ltd	7,357,572.00	9,415,182.92

Item	Affiliated parties	Closing balance	Opening balance
deposit	Tianjin Gaojing Solar Energy Technology Co., Ltd		200,107,605.57
deposit	Zhuhai Huajin Alpha No. 6 Equity Investment Fund Partnership (Limited Partnership)	513,484,333.90	401,367,792.75
deposit	Luoding Huading Development & Construction Co., Ltd	3,376,687.73	7,086,342.81
deposit	Chaozhou Urban New Energy Development Co., Ltd	63,543.40	
deposit	Zhuhai Huajin Lingsheng Investment Co., Ltd	31,556,152.44	
deposit	Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	4,691,688.88	
deposit	Zhuhai Xuhua International Trading Co., Ltd	2,580.45	

XII. Notes on major items in the parent company's financial statements

The Company has acquired 100% equity of Zhuhai Technical Venture Capital Co., Ltd through merger of enterprises under the same control. Refer to 7.6 of the Financial Statement for merger of enterprises under the same control.

The Company restates the comparative data in 2022 when compiling the consolidated financial report in accordance with relevant provisions in "Enterprise Accounting Standard No.20- Merger of Enterprises" and "Enterprise Accounting Standard Explanation No. 16".

1. Restatement of consolidated balance sheet

Item	Closing balance after the restatement	Closing balance in 2022 after restatement
Current Assets:		
Monetary capital	68,665,152,784.29	68,558,067,470.55
Δ Settlement fund	233,091,753.94	233,091,753.94
Δ Monetary security receivables	854,924,861.42	854,924,861.42
Δ Pledge security receivable	236,403,712.00	236,403,712.00
Δ Security deposit (outward)	65,168,024.94	65,168,024.94
Δ Fund lent	989,287,200.00	989,287,200.00
Δ Fund under outward finance	2,337,420,003.10	2,337,420,003.10
Δ Interbank deposit		
Transaction financial asset	6,411,238,735.48	5,786,580,130.44
Derivative financial asset	37,746,491.20	37,746,491.20
Notes receivables	329,828,029.70	329,828,029.70
Account receivables	9,766,378,489.51	9,766,378,489.51
Receivable finance	513,629,496.82	513,629,496.82
Advance payment	7,167,916,783.01	7,167,823,386.78
Δ Premium receivable		
Δ Reinsurance account receivable		
Δ Settlement guarantee receivable	10,000,000.00	10,000,000.00
Other receivables	8,038,951,362.19	5,785,682,022.79
Incl: dividend receivable	125,560,000.00	125,560,000.00
Δ Redemptory financial asset for sale	3,927,869,255.13	3,927,869,255.13
Stock	319,495,124,526.05	319,495,124,526.05

Item	Closing balance after the restatement	Closing balance in 2022 after restatement
Contract asset	4,862,495,205.09	4,862,495,205.09
Held-for-sale asset	179,000,000.00	179,000,000.00
Non-current asset due within one year	4,821,412,434.21	4,821,412,434.21
Other current assets	52,462,075,574.56	55,489,755,070.06
Total of current assets	491,405,114,722.64	491,447,687,563.73
Non-current asset		
Δ Loan issued and advance for others	671,831,382.83	671,831,382.83
Creditor's right investment	1,404,106,320.00	1,404,106,320.00
Other creditor's right investment	2,335,364,283.00	2,335,364,283.00
Long-term receivable	100,152,330.83	100,152,330.83
Long-term equity investment	55,126,635,574.51	54,843,542,979.69
Other equity instrument investment	1,457,814,800.70	768,274,800.70
Other non-current financial asset	32,849,442,215.15	30,742,079,427.39
Investment real estate	23,262,425,014.90	23,262,425,014.90
Fixed assets	17,770,973,682.31	17,770,874,122.72
Construction in process	7,046,040,670.42	7,046,040,670.42
Productive biological asset		
Gas and oil asset		
User right asset	1,680,120,756.34	1,680,120,756.34
Intangible asset	2,674,562,143.86	2,674,470,665.38
R&D expenditure	131,151,565.40	131,151,565.40
Goodwill	4,656,103,370.48	4,656,103,370.48
Long-term amortized cost	349,804,555.16	349,776,709.44
Deferred income tax asset	5,298,923,268.41	5,300,674,429.30
Other non-current asset	5,219,757,706.11	5,219,757,706.11
Incl: special reserve material		
Total of non-current asset	162,035,209,640.41	158,956,746,534.93
Total assets	653,440,324,363.05	650,404,434,098.66
Current liabilities:		
Short-term loan	30,891,731,390.63	30,848,807,390.63
Δ Loan from central bank		
Δ Fund borrowed	150,175,000.00	150,175,000.00
Δ Security deposit (inward)		
Transaction financial liability		
Derivative financial liabilities	58,304,974.88	58,304,974.88
Notes payable	1,812,036,562.53	1,812,036,562.53
Account payable	39,120,585,110.79	39,120,585,110.79
Advance receipt	519,056,254.31	519,056,254.31
Contract liabilities	90,846,830,113.50	90,846,570,152.29
Δ Advance receipt of premium		

Item	Closing balance after the restatement	Closing balance in 2022 after restatement
Δ Financial assets sold for repurchase	2,777,297,310.06	2,777,297,310.06
Δ Deposit and interbank deposit	3,835,615,085.51	3,956,454,728.71
Δ Fund for securities transaction under agency agreement	1,620,715,353.60	1,620,715,353.60
Δ Fund for securities underwriting under agency agreement		
Δ Monetary security payable	2,401,147,797.67	2,401,147,797.67
Δ Pledge security payable	236,403,712.00	236,403,712.00
Δ Future risk reserve	12,092,038.86	12,092,038.86
Δ Future investor guarantee fund payable		
Payroll payable	1,401,844,756.95	1,396,526,785.38
Taxes and charges payable	2,939,100,282.60	2,937,512,956.58
Other payable	27,376,405,289.21	27,375,665,898.43
Incl: dividend payable	655,708.40	655,708.40
Δ Charges and commission payable		
Δ Reinsurance account payable		
Held-for-sale liability		
Non-current liabilities due within one year	45,103,627,210.34	45,103,627,210.34
Other current liabilities	19,594,058,725.85	19,594,043,128.18
Total of current liabilities	270,697,026,969.29	270,767,022,365.24
Non-current liabilities:		
Δ Insurance contract reserve		
Long-term loan	118,153,644,486.22	118,153,644,486.22
Bonds payable	73,084,546,917.47	73,084,546,917.47
Lease liabilities	1,167,540,683.55	1,167,540,683.55
Long-term payable	3,395,167,215.13	2,574,641,002.01
Long-term payroll payable	1,511,805.86	1,511,805.86
Estimated liabilities	244,204,928.23	244,204,928.23
Deferred income	437,798,301.71	435,712,147.86
Deferred income tax liability	1,464,131,841.09	1,522,980,994.63
Other non-current liabilities:	13,927,390,541.61	13,927,390,541.61
Incl: special reserve fund		
Total of non-current liabilities	211,875,936,720.87	211,112,173,507.44
Total liabilities	482,572,963,690.16	481,879,195,872.68
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	16,919,789,715.64	16,919,789,715.64
State capital	16,919,789,715.64	16,919,789,715.64
Stated-owned legal person capital		
Collective capital		
Private capital		
Foreign capital		

Item	Closing balance after the restatement	Closing balance in 2022 after restatement
# Minus: investment already returned		
Net amount of paid-up capital (or share capital)	16,919,789,715.64	16,919,789,715.64
Other equity instruments	13,565,797,307.18	13,565,797,307.18
Including: preferred stock		
Perpetual bonds	13,565,797,307.18	13,565,797,307.18
Capital reserve	23,351,726,635.52	20,837,045,325.56
Less: treasury shares		
Other comprehensive income	826,555,825.89	826,535,776.29
Special reserve	11,899,585.80	11,899,585.80
Surplus reserves	374,781,669.17	374,781,669.17
Incl: statutory surplus reserve	366,675,505.24	366,675,505.24
Optional surplus reserve	2,207,693.19	2,207,693.19
# reserve fund	3,932,313.83	3,932,313.83
# enterprise development fund	1,966,156.91	1,966,156.91
# return investment by profit		
Δ General risk reserve	318,141,892.26	318,141,892.26
Undistributed profit	3,578,554,896.25	3,753,678,034.33
Total of owner's equity (or shareholder equity) attributable to the parent company	58,947,247,527.71	56,607,669,306.23
* Minority shareholder equity	111,920,113,145.18	111,917,568,919.75
Total owners' equity (or shareholders' equity)	170,867,360,672.89	168,525,238,225.98
Total liabilities and owners' equity (or shareholders' equity)	653,440,324,363.05	650,404,434,098.66

2. Restatement of consolidated profit and loss statement

Item	2022 after restatement	2022 before restatement
I. Total operating income	157,512,397,385.17	157,635,518,326.85
Incl: Operating income	155,860,219,364.54	155,983,340,306.22
Δ Interest income	1,125,651,322.38	1,125,651,322.38
Δ Premium already earned		
Δ Charges and commission income	526,526,698.25	526,526,698.25
II. Total operating cost	150,629,927,474.97	150,614,782,854.32
Incl: Operating cost	135,112,471,424.47	135,102,953,064.87
Δ Interest expense	401,987,307.16	404,112,417.94
Δ Charges and commission expense	8,873,561.29	8,873,561.29
Δ Surrender charge		
Δ Net compensation expense		
Δ Net withdrawal of insurance liability reserve		
Δ Policy bonus expense		

Item	2022 after restatement	2022 before restatement
△ Reinsurance expenditure		
Tax and surtax	4,603,752,972.62	4,603,079,587.04
Sales expense	2,473,109,148.43	2,473,109,148.43
Overhead	4,908,031,832.14	4,900,627,528.23
R&D expense	518,459,801.79	518,459,801.79
Financial expense	2,603,241,427.07	2,603,567,744.73
Incl: Interest expense	3,385,463,866.67	3,376,825,534.34
Interest income	1,194,884,372.25	1,185,909,999.70
Translation net loss (- for net gain)		
Other		
Plus: Other gain	479,788,136.64	479,323,393.74
Investment gain (- for loss)	3,593,872,139.87	3,530,073,094.80
Incl: Investment gain on joint venture and cooperative operation enterprises	2,965,673,914.64	2,925,307,300.16
Gain recognized from termination of financial asset measured by amortized cost	-1,105,959.89	-1,105,959.89
△ Translation income (- for loss)	756,012.70	756,012.70
Net exposure hedging gain (- for loss)		
Gain from change to the fair value (- for loss)	-92,254,286.15	772,686,400.39
Credit impairment loss (-for loss)	-396,201,859.44	-396,201,859.44
Asset impairment loss (- for loss)	-1,108,527,779.72	-1,108,527,779.72
Gain from asset disposal (- for loss)	9,353,075.54	9,353,075.54
III. Operating profit (- for loss)	9,369,255,349.64	10,308,197,810.54
Plus: non-operating income	158,245,509.98	158,245,503.88
Incl: government subsidy		
Minus: Non-operating expenditure	120,599,045.51	120,599,045.51
IV. Total profit (- for total loss)	9,406,901,814.11	10,345,844,268.91
Minus: income tax expense	3,008,408,056.84	3,241,394,841.24
V. Net profit (- for net loss)	6,398,493,757.27	7,104,449,427.67
1). By ownership		
1. Net profit attributable to owner of the parent company	1,529,685,070.84	2,235,644,510.99
2. Minority shareholder equity	4,868,808,686.43	4,868,804,916.68
2) By operating continuity		
1. Net profit as a going concern (- for net loss)	6,398,493,757.27	7,104,449,427.67
2. Profit from cease of operation (- for net loss)		
VI. After-tax net amount of other comprehensive income	-511,317,284.35	-511,344,170.49
Net after-tax amount of other comprehensive income attributable to the parent company	-266,695,627.33	-266,722,513.47
1). other comprehensive income that can't be classified and included into the Profit and Loss in future.	2,743,883.05	2,743,883.05

Item	2022 after restatement	2022 before restatement
1. Change resulting from re-measuring the defined benefit plan		
2. other comprehensive income that can't be reclassified to Profit and Loss under the Equity Method.	937,071.63	937,071.63
3. Change to fair value of other equity instrument investment	1,806,811.42	1,806,811.42
4. Change to fair value of the Company's own credit risk		
5. other		
2). other comprehensive income that will be reclassified to Profit and Loss	-269,439,510.38	-269,466,396.52
1. Other comprehensive income that can be transferred to profit and loss under the equity method	-347,187,757.14	-347,187,757.14
2. Change to fair value of other creditor's right investment	-2,647,259.04	-2,647,259.04
3. Gain or loss from change to the fair value of the available-for-sale financial asset		
4. Amount that the financial asset is reclassified into other comprehensive income		
5. Cash flow hedging reserve		
6. Credit impairment reserve of other creditor's right investment	82,064.00	82,064.00
7. Change to fair value of investment real estate	-3,393,062.51	-3,393,062.51
8. Translation difference of financial statements in foreign exchange	83,706,504.31	83,679,618.17
9. Other		
☼ Net after-tax amount of other comprehensive income attributable to minority shareholder	-244,621,657.02	-244,621,657.02
VII. Total of comprehensive gain	5,887,176,472.92	6,593,105,257.18
Total comprehensive gain attributable to owner of the parent company	1,262,989,443.51	1,968,921,997.52
☼ Total comprehensive gain attributable to minority shareholder	4,624,187,029.41	4,624,183,259.66

3、Restatement of consolidated cash flow

Item	2022 after restatement	2022 before restatement
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of labor service	196,740,574,254.10	196,720,396,143.63
Δ Net increase of client deposit and interbank deposit	1,020,040,873.90	855,346,094.61
Δ Net increase from disposal of transaction financial assets	-397,616,755.05	-397,616,755.05
Δ Net increase from disposal of creditor's right investment	1,716,785,873.06	1,716,785,873.06

Item	2022 after restatement	2022 before restatement
Δ Net increase from disposal of other creditor's right investment	-912,677,367.21	-912,677,367.21
Δ Net increase from disposal of other equity instrument investment	-14,054.79	-14,054.79
Δ Net increase of the insured's deposit and investment		
Δ Net increase from disposal of derivative financial asset	11,136,635.00	11,136,635.00
Δ Cash from collection of interest, charges and commission	2,101,671,159.65	2,101,671,159.65
Δ Net increase of fund borrowed		
Δ Net increase of repurchase fund	-68,911,936.03	
Δ Net cash received from transaction of securities under agency agreement	-327,682,245.15	-327,682,245.15
Received refunds of taxes and dues	3,324,768,019.01	3,324,768,019.01
Other cash received relating to operating activities	8,417,412,230.58	8,205,023,565.89
Sub-total of cash inflows	211,625,486,687.07	211,297,137,068.65
Cash paid for goods purchased and labor services received	136,506,722,765.72	136,503,693,266.31
Δ Net increase of client loan and advance payment	-1,447,793,990.47	-1,447,793,990.47
Δ Net increase of deposit with central bank and interbank deposit	-2,188,343,736.69	-2,188,343,736.69
Δ Net increase of available-for-sale financial asset purchased		
Δ Settlement fund paid for securities		
Δ Net decrease of repurchase fund		68,911,936.03
Δ Net increase of fund subject to finance	-181,432,312.44	-181,432,312.44
Δ Cash paid for compensation under direct insurance contracts		
Δ Net increase of fund lent	-110,000,000.00	-110,000,000.00
Δ Cash paid for interest, charges and commission	193,570,009.23	193,570,009.23
Δ Cash paid for policy dividend		
Cash paid to and for staff	10,265,448,531.83	10,254,150,417.56
Tax and charges paid	11,665,545,635.44	11,660,300,712.63
Other cash paid for operating activities	10,640,733,303.42	10,279,587,036.41
Subtotal of cash outflow for operating activities	165,344,450,206.04	165,032,643,338.57
Net cash flow from operating activities	46,281,036,481.03	46,264,493,730.08
II. Cash flow from investment activities		
Cash received from return of investment	28,562,272,407.99	29,932,098,333.73
Cash received from investment gain	2,030,015,965.98	2,006,573,535.39
Net cash received from disposal of fixed asset, intangible asset and other long-term asset	28,819,761.44	28,819,761.44
Net cash received from disposal of subsidiaries and other operating units	30,850,000.00	30,850,000.00
Cash received related with other investment activities	2,372,895,018.58	2,372,895,018.58
Subtotal of cash inflow from investment activities	33,024,853,153.99	34,371,236,649.14
Cash paid for purchase and construction of fixed assets,	47,597,660,199.61	47,597,631,249.61

Item	2022 after restatement	2022 before restatement
intangible assets and other long-term assets		
Cash paid for investment	66,190,354,451.30	66,137,014,126.24
Δ Net increase of pledged loan		
Net cash paid for acquisition of subsidiaries and other operating units	353,626,047.18	353,626,047.18
Other cash paid for investment activities	1,023,208,629.31	1,012,234,152.51
Subtotal of cash outflow for investment activities	115,164,849,327.40	115,100,505,575.54
Net cash flow from investment activities	-82,139,996,173.41	-80,729,268,926.40
III. Net cash from fund-raising activities		
Cash received from attraction of investment	32,831,279,042.45	31,631,279,042.45
Incl: cash received by subsidiaries from minority shareholders	20,016,568,146.40	20,016,568,146.40
Cash received from receipt of loan	182,256,874,598.90	182,213,950,598.90
Other cash received from fund-raising activities	5,310,549,326.66	5,310,549,326.66
Subtotal of cash inflow from fund-raising activities	220,398,702,968.01	219,155,778,968.01
Cash paid for repayment of debt	148,538,351,678.81	148,538,351,678.81
Cash paid for distribution of dividend, profit or repayment of	19,304,611,858.65	19,304,221,083.65
Inc: cash paid by subsidiaries for dividend and profit to minority	2,713,606,741.02	2,713,606,741.02
Other cash paid for investment activities	23,404,950,395.56	23,404,950,395.56
Subtotal of cash outflow for investment activities	191,247,913,933.02	191,247,523,158.02
Net cash flow from fund-raising activities	29,150,789,034.99	27,908,255,809.99
IV. Influence of exchange ratio's change on cash and cash	207,390,851.76	207,363,284.09
V. Net increase of cash and cash equivalent	-6,500,779,805.63	-6,349,156,102.24
Add: opening balance of cash and cash equivalent	67,351,969,680.39	67,133,293,109.82
VI. Closing balance of cash and cash equivalent	60,851,189,874.76	60,784,137,007.58

XIII. Notes to important items in the financial statements of the parent company

1. Account receivable

(1). By age

Age	Closing	Opening
< 1 year	510,273,780.46	4,579,692.83
1-2 years	4,368,790.41	3,209,530.68
2-3 years	3,209,530.68	1,213,322.33
> 3 years	3,682,771.61	3,144,919.67
Subtotal	521,534,873.16	12,147,465.51
Minus: bad debt reserve	6,097,007.32	3,550,150.60
Total	515,437,865.84	8,597,314.91

(1). Account receivable classified by the withdrawal method of bad debt reserve

type	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items					
Bad debt reserve withdrawn by combination	521,534,873.16	100.00	6,097,007.32	1.17	515,437,865.84
Incl. combination of related parties	498,246,383.19	95.53			498,246,383.19
Combination of age	23,288,489.97	4.47	6,097,007.32	26.18	17,191,482.65
Total	521,534,873.16	100.00	6,097,007.32	1.17	515,437,865.84

Continued:

type	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items					
Bad debt reserve withdrawn by combination	12,147,465.51	100.00	3,550,150.60	29.23	8,597,314.91
Incl. combination of related parties	2,770,899.65	22.81			2,770,899.65
Combination of age	9,376,565.86	77.19	3,550,150.60	37.86	5,826,415.26
Total	12,147,465.51	100.00	3,550,150.60	29.23	8,597,314.91

Closing bad debt reserve withdrawn by single items: None

Closing bad debt reserve withdrawn by combination:

Combination withdrawal items: combination of related parties

Age	Closing balance			Opening balance		
	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)
Combination of related	498,246,383.19			2,770,899.65		

Age	Closing balance			Opening balance		
	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)
parties						
Total	498,246,383.19			2,770,899.65		

Combination withdrawal item: age combination

Age	Closing balance			Opening balance		
	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)
<1 year	13,953,009.30	948,521.85	6.80	3,998,054.67	212,368.52	5.31
1-2 years	3,967,152.25	1,063,582.95	26.81	2,223,408.75	190,753.41	8.58
2-3 years	2,223,408.75	939,982.85	42.28	10,182.77	2,109.00	20.71
> 3 years	3,144,919.67	3,144,919.67	100.00	3,144,919.67	3,144,919.67	100.00
Total	23,288,489.97	6,097,007.32	26.18	9,376,565.86	3,550,150.60	37.86

(3). Account receivables of top five debtors in terms of closing balance

Debtor	Book balance	Percentage of total receivable %	Bad debt reserve
Client 1	167,300,200.00	32.08	
Client 2	114,535,700.00	21.96	
Client 3	56,238,300.00	10.78	
Client 4	39,678,600.00	7.61	
Client 5	19,158,000.00	3.67	
Total	396,910,800.00	76.10	

(4). There is no account receivable pledged or mortgaged by 31st Dec. 2023.

(5). There is no account receivable no longer recognized due to transfer of financial assets in 2023.

(6) There is no assets and liabilities arising from continual involvement after transfer of account receivable in 2023.

2. Other receivable

Item	Closing balance	Opening balance
Interest receivable		
Dividend receivable		
Other receivable	32,839,507,277.18	33,087,579,312.89
Total	32,839,507,277.18	33,087,579,312.89

Other receivable

Item	Closing balance	Opening balance
<1 year (inclusive 1 year)	16,011,736,897.88	26,143,927,567.22

Item	Closing balance	Opening balance
1-2 years	10,392,937,202.10	5,663,957,129.60
2-3 years	5,615,980,099.39	279,763,018.87
>3 years	832,115,127.57	1,013,193,646.96
Subtotal	32,852,769,326.94	33,100,841,362.65
Minus: bad debt reserve	13,262,049.76	13,262,049.76
Total	32,839,507,277.18	33,087,579,312.89

A. Other receivable classified by withdrawal method of bad debt reserve

type	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Other receivable for which anticipated credit loss is withdrawn by single items	13,262,049.76	0.04	13,262,049.76	100.00	
Other receivable for which anticipated credit loss is withdrawn by combination	32,839,507,277.18	99.96			32,839,507,277.18
Incl. combination of related parties	32,670,134,428.04	99.44			32,670,134,428.04
Combination of age	169,372,849.14	0.52			169,372,849.14
Total	32,852,769,326.94	100.00	13,262,049.76	0.04	32,839,507,277.18

Continued:

type	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Other receivable for which anticipated credit loss is withdrawn by single items	13,262,049.76	0.04	13,262,049.76	100.00	
Other receivable for which anticipated credit loss is withdrawn by combination	33,087,579,312.89	99.96			33,087,579,312.89
Incl. combination of related parties	32,929,298,261.73	99.48			32,929,298,261.73

type	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Combination of age	158,281,051.16	0.48			158,281,051.16
Total	33,100,841,362.65	100.00	13,262,049.76	0.04	33,087,579,312.89

(1). Other receivable for which anticipated credit loss is withdrawn by single items

(2)

Debtor	Closing balance			Withdrawal reason
	Book balance	Bad debt reserve	Withdrawal ratio	
Project management fee paid for others	13,260,049.76	13,260,049.76	100.00	Can't be recovered as anticipated
Other clients	2,000.00	2,000.00	100.00	Can't be recovered as anticipated
Total	13,262,049.76	13,262,049.76		

(3) Other receivable for which bad debt reserve is withdrawn by combination of credit risk features

Combination of related parties

Age	Closing balance		Opening balance	
	Book balance	Bad debt reserve	Book balance	Bad debt reserve
Combination of related parties	32,670,134,428.04		32,929,298,261.73	
Total	32,670,134,428.04		32,929,298,261.73	

Age combination

Age	Closing balance			Opening balance		
	Book balance	Ratio (%)	Bad debt reserve	Book balance	Ratio (%)	Bad debt reserve
<1 year	34,431,943.20	20.33		84,691,827.72	53.51	
1-2 years	84,578,000.00	49.94		42,165,517.50	26.64	
2-3 years	28,939,200.00	17.09		27,401,724.14	17.31	
> 3 years	21,423,705.94	12.64		4,021,981.80	2.54	
Total	169,372,849.14	100.00		158,281,051.16	100.00	

(5). Other receivables of top five debtors in terms of closing balance

Debtor	Nature	Book balance	Age	Percentage of total of other receivable	Bad debt reserve
Client 1	current account	14,610,149,209.72	< 1 year: RMB 2,338,946,197.40 ,1-2 years: RMB 7,275,914,429.60, 2-3 years: RMB 4,995,288,582.72	44.47	
Client 2	current account	5,733,488,409.23	< 1 year: RMB 5,373,300,000.00 元, 1-2 years: RMB 360,188,409.23	17.45	
Client 3	current account	4,786,514,549.42	< 1 year: RMB 2,470,876,427.82, 1-2 years: RMB 2,315,638,121.60	14.57	
Client 4	current account	2,423,281,724.66	< 1 year	7.38	
Client 5	current account	1,962,297,784.99	< 1 year	5.97	
Total		29,515,731,678.02		89.84	

4). There is no other receivable pledged or mortgaged by 31st Dec. 2023.

(7). There is no other receivable no longer recognized due to transfer of financial assets in 2023.

(8) There is no assets and liabilities arising from continual involvement after transfer of other receivable in 2023.

3. Long-term equity investment

(1) Long-term equity investment by type

Item	Closing balance			Opening balance		
	Book balance	Impairment reserve	Net value	Book balance	Impairment reserve	Net value
Investment into subsidiaries	102,310,833,980.67		102,310,833,980.67	84,294,634,992.45		84,294,634,992.45
Investment into joint and cooperative operation enterprises	858,419,885.78		858,419,885.78	3,148,138,283.21		3,148,138,283.21
Total	103,169,253,866.45		103,169,253,866.45	87,442,773,275.66		87,442,773,275.66

(2) Investment into subsidiaries

Investee	Opening balance	Current increase	Current decrease	Closing balance	Current withdrawal impairment reserve/closing balance of impairment reserve
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	1,020,000,000.00			1,020,000,000.00	
Zhuhai Huafa Industry New Space Holding Co., Ltd	200,000,000.00			200,000,000.00	
Zhuhai Huafa Holding Co., Ltd	100,000,000.00			100,000,000.00	
Hong Kong Huafa Investment Holding Co., Ltd	60,912,720.00			60,912,720.00	
Zhuhai Huafa Group Technical Research Institute Co., Ltd	50,000,000.00			50,000,000.00	
Zhuhai Huafa Innovation Investment Holding Co., Ltd	233,164,648.25			233,164,648.25	
Zhuhai Huafa Investment Holding Co., Ltd	20,753,741,400.00			20,753,741,400.00	
Zhuhai Affordable Housing Group Co., Ltd	119,005,769.69			119,005,769.69	
Zhuhai Huafa Technical Industry Group Co., Ltd	20,000,000,000.00			20,000,000,000.00	
Zhuhai Huafa Group Financial Co., Ltd	735,446,436.00			735,446,436.00	
Zhuhai Urban Construction Group Co., Ltd	3,015,270,849.67		3,015,270,849.67		
Zhuhai Huafa Comprehensive Development Co., Ltd	32,761,826,485.31	15,391,891,207.38		48,153,717,692.69	
Zhuhai Development & Investment Fund II (Limited Partnership)	2,680,000,000.00		542,986,231.41	2,137,013,768.59	

Zhuhai Huafa Group Co., Ltd (Consolidated)
 Annotation to Financial Statements
 Year 2023 (The Currency Unit is RMB unless it is otherwise designated)

Investee	Opening balance	Current increase	Current decrease	Closing balance	Current withdrawal impairment reserve/closing balance of impairment reserve
Zhuhai Hengqin Zhuhua Yueheng Industry New Space Investment Partnership		2,174,064,791.67		2,174,064,791.67	
Zhuhai Huafa Industrial Inc.	1,948,718,977.71	1,749,270,142.03		3,697,989,119.74	
Zhuhai Technology Venture Capital Co., Ltd		2,259,229,928.22		2,259,229,928.22	
Zhuhai Huafa Cultural, Education, Tourism Industry Development Co., Ltd	616,547,705.82			616,547,705.82	
Total	84,294,634,992.45	21,574,456,069.30	3,558,257,081.08	102,310,833,980.67	

(3) Investment into joint and cooperative operation enterprises

Investee	Opening balance	Increase investment	Reduce investment	Change to profit and loss 2023	Change of other comprehensive income/other equity 2003	Declare to distribute cash dividend or profit	Other	Closing balance
Zhuhai Venture Investment Pilot Fund Co., Ltd	171,839,583.14		200,000,000.00	-3,371,585.02			31,532,001.88	
Zhuhai Hairun Real Estate Development Co., Ltd	2,079,153,857.48		1,012,700,312.46	47,275,651.60		1,216,072,539.23	102,343,342.61	
Zhuhai Huajin Huiyuan Equity Investment Fund (limited partnership)	69,624,261.51		102,900,000.00			1,171,832.55	34,447,571.04	
Zhuhai Rural Commercial Bank Inc.	827,520,581.08			39,733,862.67	4,277,589.68	13,112,147.65		858,419,885.78
Total	3,148,138,283.21		1,315,600,312.46	83,637,929.25	4,277,589.68	1,230,356,519.43	168,322,915.53	858,419,885.78

4. Operating income and operating cost

(1) By items

Item	2023	2022
Operating income	635,598,683.16	406,332,596.83
Incl: main operating income	24,164,359.91	185,192,720.35
Other operating income	611,434,323.25	221,139,876.48
Operating cost	59,225,584.50	149,229,093.95
Incl: main operating cost	12,609,210.06	147,281,173.10
Other operating cost	46,616,374.44	1,947,920.85

(2). Main operation

Item	2023		2022	
	Operating income	Operating cost	Operating income	Operating cost
Real estate industry sales			161,290,190.48	133,852,325.21
Rental income	24,164,359.91	12,609,210.06	23,902,529.87	13,428,847.89
Total	24,164,359.91	12,609,210.06	185,192,720.35	147,281,173.10

5. Investment income

Source of investment income	2023	2022
Long-term equity investment income calculated by cost method	269,499,925.34	626,437,656.78
Long-term equity investment income calculated by equity method	83,637,929.25	72,544,756.47
Investment income from disposal of long-term equity investment	3,483,970,863.40	1,904,049,213.91
Investment income while holding other non-current financial assets	19,945,403.96	9,992,846.89
Investment income from disposal of other non-current financial asset	273,693,015.13	
Total	4,130,747,137.08	2,613,024,474.05

Zhuhai Huafa Group Co., Ltd
 29th April 2024

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Business License

(Duplicate) (20-1)

Unified Social Credit Code: 91110105592343655N

Name: GrantThornton CPA Office (special general partnership)

Capital contribution: RMB 53.4 million

Type: Special general partnership

Establishment date: 22nd December 2011

Partnership term: 22nd December 2011- long term

Executive partner: Li Huiqi

Address: 5th Floor, Saite Square No. 22, Jianguomenwai Street, Chaoyang District, Beijing

Business scope: audit corporate financial statements; issue audit report; verify the corporate asset, issue the asset verification report, provide audit service in corporate merger, spin-off and liquidation; issue reports; audit the final account for construction projects, bookkeeping agency, accounting consultancy, tax consultancy, management consultancy, accounting training and other business stipulated by the law or regulations (The enterprise chooses and carries out business activities in accordance with the law. Where business should be approved by law, approval from related department shall be obtained before conducting such activities. Shall not engage in business activities under the prohibited and restricted category of the state and city's industrial policy).

Register: Beijing Chaoyang Market Supervision and Administration Bureau

8th March 2024

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CPA Office
Certificate to Practice

Name: GrantThorton CPA Office (special general partnership)
Chief CPA: Li Huiqi
Address: 5th Floor, Saite Square No. 22, Jianguomenwai Street, Chaoyang District, Beijing
Type of organization: special general partnership
CPA Office No.: 11010156
Registered Capital (capital contribution): RMB 50 million
Approval Certificate No.: JCHXK [2011] No. 0130
Approval Date of Establishment: 13th December 2011

Certificate No.: 0014469

Remarks

1. "CPA Office Certificate to Practice" is the certificate that proves the holder is allowed to practice statutory CPA service after approval by the fiscal authority in accordance with the law.
2. Please apply to the fiscal authority for re-issuance of the "CPA Office Certificate to Practice" in case of any change to recorded items.
3. "CPA Office Certificate to Practice" shall not be forged, altered, leased, lent or transferred.
4. Please hand "CPA Office Certificate to Practice" to the fiscal authority when the CPA office's operation is ended.

Issued by Beijing Fiscal Bureau
11th Nov. 2020

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Zhuhai Huafa Group Co., Ltd

2022

Auditor's Report

GrantThornton Certified Public

Accountant Firm (Special General Partnership)

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GrantThornton

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Auditor's Report

GTCNSZ (2023) No. 442A017266

Zhuhai Huafa Group Co., Ltd

I. Auditor's opinion

We have audited the financial statements of Zhuhai Huafa Group Co., Ltd (hereinafter referred to as Huafa Group), which comprise the consolidated and separate balance sheet on 31st Dec. 2022, the consolidated and separate profit and loss statement of the year 2022, the consolidated and separate cash flow statement of the year 2022, and the consolidated and separate statement of change to owner's equity of the year of 2022, and annotation to the financial statement.

In our opinion, the attached financial statements have been compiled in accordance with the enterprise accounting standards in all major respects, and fairly represent the consolidated and separate financial status of Huafa Group Co., Ltd on 31st Dec. 2022, and its operation performance and cash flow in 2022.

II. Basis for auditor's opinions

We have conducted our audit work in accordance with Auditing Standards for CPAs in China. "CPA's responsibility for financial statements" in this audit report further expounds our responsibility under these standards. In accordance with the CPA code of ethics in China, we are independent of Huafa Group Co., Ltd and have fulfilled other responsibilities in respect of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate and has provided the basis for our auditor's opinion.

III. Responsibility of the Management and Governance for the Financial Statements

The Management of Huafa Group Co., Ltd (the Management) is responsible for compilation and fair presentation of the financial statements in accordance with Enterprise Accounting Standards, as well as design, implementation, and maintenance of internal control, so that the financial statements are free from material misstatement due to fraud or error.

While preparing financial statements, the Management is responsible for evaluating the going concern capability of Huafa Group Co., Ltd, disclosing the events related to the going concern (if applicable), and applying the going concern assumption, unless the Management plans to liquidate Huafa Group Co., Ltd,

or cease the operation or has no other practical choices.

The Governance is responsible for supervising the financial reporting process of Huafa Group Co., Ltd.

IV. CPA's Responsibility for Audit of Financial Statements

We aim to obtain reasonable assurance to whether the financial statements are free from material misstatement due to fraud or error as an entirety and issue the audit report containing auditors' opinion. Reasonable assurance is a high-level assurance, but it can't guarantee that any material misstatement will always be found in the audits conducted in accordance with the auditing standards. Misstatements can be caused by fraud or error. Misstatement is generally considered to be material if it is reasonably expected that the misstatement, alone or aggregated, may affect the financial decision made by the users of the financial statements based on the financial statements.

In carrying out the audit in accordance with the auditing standards, we exercise professional judgment and maintain professional suspicion. We also:

(1) Identify and assess the risk of material misstatement in financial statements due to fraud or error; design and implement audit procedures to address these risks and obtain adequate and appropriate audit evidence as a basis for delivering the audit opinion. As fraud may involve collusion, forgery, willful omission, misrepresentation or override of internal control, the risk of not discovering a material misstatement due to fraud is higher than the risk of not discovering a material misstatement caused by mistakes.

(2) Learn about the internal controls related to audit in order to design an appropriate auditing procedure, but the aim is not to comment on the effectiveness of internal controls.

(3) Evaluate the appropriateness of accounting policies selected by the Management and the reasonableness of making accounting estimates and related disclosures.

(4) Draw conclusions on the appropriateness of the Management's going concern assumption. Meanwhile, based on the audit evidence obtained, draw a conclusion on whether a material uncertainty exists related to matters or conditions which may invite significant doubt on the ability of Huafa Group Co., Ltd to continue as a going concern. If we conclude that a material uncertainty exists, the auditing standards require us to draw the attention of the report's users to related disclosures in the financial statement or; if the disclosures are inadequate, we should issue non-unqualified opinion. Our conclusion is based on the information available up to the date of the audit report. However, future events or circumstances may make Huafa Group Co., Ltd fail to continue as a going concern.

(5) Assess the overall presentation, structure and content of the financial statements as well as whether the transactions and events are fairly reflected in the financial statements.

(6) Obtain sufficient and suitable evidence for the audit with regards to financial information in physical or business activities of Huafa Group Co., Ltd, and issue opinion on the financial statement. We are responsible for giving instructions to, supervising and implementing the audit on Huafa Group and shoulder all responsibilities for the auditor's opinion.

We communicate with the Governance with regards to the planned scope and timing of the audit and significant audit findings, including noteworthy deficiencies in internal control that we identify during our audit.

GrantThornton Certified Public Accountant Firm (Special General Partnership)

Beijing, China

Chinese Certified Public Accountant:

Chinese Certified Public Accountant

28th April 2023



Consolidated and Separate Balance Sheet

Prepared by: Zhuhai Huafa Group Co., Ltd

31st Dec. 2022

Unit: RMB

Item	Note	Closing Balance		Opening balance	
		Consolidated	Separate	Consolidated	Separate
Current Assets:					
Monetary capital	8.1	68,558,067,470.55	5,278,023,436.09	73,011,108,604.70	19,661,443,392.05
Δ Settlement fund	8.2	233,091,753.94		343,594,365.98	
Δ Monetary security receivables	8.3	854,924,861.42		1,135,339,689.94	
Δ Pledge security receivable	8.4	236,403,712.00		51,875,580.00	
Δ Security deposit (outward)	8.5	65,168,024.94		88,084,129.06	
Δ Fund lent	8.6	989,287,200.00		1,099,208,000.00	
Δ Fund under outward finance	8.7	2,337,420,003.10		2,518,498,935.46	
Transaction financial asset	8.8	5,786,580,130.44		5,348,302,328.72	
Derivative financial asset	8.9	37,746,491.20		19,006,375.52	
Notes receivables	8.10	329,828,029.70		486,483,627.33	100,000,000.00
Account receivables	8.11	9,766,378,489.51	8,597,314.91	10,491,847,081.82	4,075,821.65
Receivable finance	8.12	513,629,496.82		810,214,816.05	
Advance payment	8.13	7,167,823,386.78	8,902,543.54	7,569,981,581.67	27,328,957.18
Δ Premium receivable					
Δ Reinsurance account receivable					
Δ Settlement guarantee receivable		10,000,000.00		10,000,000.00	
Other receivables	8.14	5,785,682,022.79	33,087,579,312.89	5,076,093,651.64	15,171,509,975.45
Incl: dividend receivable		125,560,000.00		277,768,490.96	
Δ Redemptory financial asset for sale	8.15	3,927,869,255.13		2,775,518,192.58	
Stock	8.16	319,495,124,526.05	15,320,445.41	283,837,960,024.34	130,149,200.58
Contract asset	8.17	4,862,495,205.09		3,679,268,827.35	
Held-for-sale asset		179,000,000.00			
Non-current asset due within one year	8.18	4,821,412,434.21		3,001,143,322.40	
Other current assets	8.19	55,489,755,070.06	4,023,918,899.49	47,600,127,898.06	4,450,184,414.64
Total of current assets		491,447,687,563.73	42,422,341,952.33	448,953,657,032.62	39,544,691,761.55
Non-current asset					
Δ Loan issued and advance for others	8.2	671,831,382.83		2,121,415,704.31	
Creditor's right investment	8.21	1,404,106,320.00		5,952,620,748.08	
Other creditor's right investment	8.22	2,335,364,283.00		2,195,914,270.00	
Long-term receivable	8.23	100,152,330.83		106,093,991.64	

Item	Note	Closing Balance		Opening balance	
		Consolidated	Separate	Consolidated	Separate
Long-term equity investment	8.24	54,843,542,979.69	87,442,773,275.66	44,203,592,567.11	84,799,015,012.37
Other equity instrument investment	8.25	768,274,800.70		714,251,634.20	
Other non-current financial asset	8.26	30,742,079,427.39	7,892,631,160.21	18,944,312,069.15	4,045,325,489.43
Investment real estate	8.27	23,262,425,014.90	9,442,413.88	17,383,404,079.03	10,033,711.66
Fixed assets	8.28	17,770,874,122.72	292,519,122.79	15,784,273,803.41	312,570,592.43
Construction in process	8.29	7,046,040,670.42		4,493,615,940.21	
Productive biological asset					
Gas and oil asset					
User right asset	8.3	1,680,120,756.34	8,673,174.46	1,959,258,253.79	14,372,714.30
Intangible asset	8.31	2,674,470,665.38	63,774,315.49	2,871,505,008.52	70,701,541.74
R&D expenditure	8.32	131,151,565.40		162,513,193.75	
Goodwill	8.33	4,656,103,370.48		4,641,687,909.61	
Long-term amortized cost	8.34	349,776,709.44	22,830,160.16	334,858,164.77	21,509,692.97
Deferred income tax asset	8.35	5,300,674,429.30		4,590,259,204.00	
Other non-current asset	8.36	5,219,757,706.11		2,010,101,160.60	
Incl: special reserve material					
Total of non-current asset		158,956,746,534.93	95,732,643,622.65	128,469,677,702.18	89,273,528,754.90
Total assets		650,404,434,098.66	138,154,985,574.98	577,423,334,734.80	128,818,220,516.45
Current liabilities:					
Short-term loan	8.37	30,848,807,390.63	23,808,402,939.15	26,565,369,346.98	34,535,000,000.00
Δ Loan from central bank				10,623,000.00	
Δ Fund borrowed	8.38	150,175,000.00		150,256,666.67	
Δ Security deposit (inward)					
Transaction financial liability	8.39			63,258,784.88	
Derivative financial liabilities	8.4	58,304,974.88		154,321,121.00	
Notes payable	8.41	1,812,036,562.53		3,577,881,553.96	
Account payable	8.42	39,120,585,110.79	69,613,980.46	40,695,993,563.12	49,701,528.43
Advance receipt	8.43	519,056,254.31		490,671,430.39	
Contract liabilities	8.44	90,846,570,152.29	33,412,824.00	76,507,506,855.10	194,703,014.48
Δ Advance receipt of premium					
Δ Financial assets sold for repurchase	8.45	2,777,297,310.06		1,515,233,169.31	
Δ Deposit and interbank deposit	8.46	3,956,454,728.71		3,100,327,401.36	
Δ Fund for securities transaction under agency agreement	8.47	1,620,715,353.60		1,853,331,320.07	
Δ Fund for securities underwriting					

Item	Note	Closing Balance		Opening balance	
		Consolidated	Separate	Consolidated	Separate
under agency agreement					
Δ Monetary security payable	8.48	2,401,147,797.67		2,177,655,654.36	
Δ Pledge security payable	8.49	236,403,712.00		51,875,580.00	
Δ Future risk reserve	8.5	12,092,038.86		9,553,252.91	
Δ Future investor guarantee fund payable					
Payroll payable	8.51	1,396,526,785.38	37,661,983.76	1,547,357,352.51	58,951,324.21
Taxes and charges payable	8.52	2,937,512,956.58	11,978,474.72	2,736,023,429.04	7,801,766.12
Other payable	8.53	27,375,665,898.43	9,326,329,177.61	25,659,639,487.35	7,480,839,779.67
Incl: dividend payable		655,708.40		550,545,708.40	
Δ Charges and commission payable					
Δ Reinsurance account payable					
Held-for-sale liability					
Non-current liabilities due within one year	8.54	45,103,627,210.34	8,649,162,127.73	36,126,353,673.65	3,695,985,461.00
Other current liabilities	8.55	19,594,043,128.18	8,568,571,523.97	21,230,541,244.30	9,316,448,016.38
Total of current liabilities		270,767,022,365.24	50,505,133,031.40	244,223,773,886.96	55,339,430,890.29
Non-current liabilities:					
Δ Insurance contract reserve					
Long-term loan	8.56	118,153,644,486.22	24,105,500,000.00	107,987,419,202.42	8,034,200,000.00
Bonds payable	8.57	73,084,546,917.47	32,600,000,000.00	64,984,860,815.41	24,800,000,000.00
Lease liabilities	8.58	1,167,540,683.55	2,127,919.92	1,384,014,324.41	7,225,743.68
Long-term payable	8.59	2,574,641,002.01	389,662,430.74	1,727,935,067.57	
Long-term payroll payable		1,511,805.86		786,475.78	
Estimated liabilities		244,204,928.23		336,573,291.49	
Deferred income	8.6	435,712,147.86	56,856,373.42	481,541,428.65	60,313,261.54
Deferred income tax liability	8.35	1,522,980,994.63		1,035,564,361.66	
Other non-current liabilities:	8.61	13,927,390,541.61		4,942,659,594.27	4,692,000,000.00
Incl: special reserve fund					
Total of non-current liabilities		211,112,173,507.44	57,154,146,724.08	182,881,354,561.66	37,593,739,005.22
Total liabilities		481,879,195,872.68	107,659,279,755.48	427,105,128,448.62	92,933,169,895.51
Owners' equity (or shareholders' equity)					
Paid-up capital (or share capital)	8.62	16,919,789,715.64	16,919,789,715.64	1,422,018,654.06	1,422,018,654.06
State capital		16,919,789,715.64	16,919,789,715.64	1,422,018,654.06	1,422,018,654.06
Stated-owned legal person capital					
Collective capital					

Item	Note	Closing Balance		Opening balance	
		Consolidated	Separate	Consolidated	Separate
Private capital					
Foreign capital					
# Minus: investment already returned					
Net amount of paid-up capital (or share capital)		16,919,789,715.64	16,919,789,715.64	1,422,018,654.06	1,422,018,654.06
Other equity instruments	8.63	13,565,797,307.18	13,985,880,000.00	24,338,023,970.00	24,585,350,000.00
Including:preferred stock					
Perpetual bonds		13,565,797,307.18	13,985,880,000.00	24,338,023,970.00	24,585,350,000.00
Capital reserve	8.64	20,837,045,325.56	6,900,446,206.62	28,808,615,250.24	14,571,917,357.77
Less: treasury shares					
Other comprehensive income	8.65	826,535,776.29	-2,945,279.92	1,065,619,340.88	1,785,022.48
Special reserve		11,899,585.80		11,754,897.15	
Surplus reserves	8.66	374,781,669.17	266,555,224.57	374,781,669.17	266,555,224.57
Incl: statutory reserve		366,675,505.24	266,555,224.57	366,675,505.24	266,555,224.57
Discretionary reserve		2,207,693.19		2,207,693.19	
# reserve fund		3,932,313.83		3,932,313.83	
# corporate development fund		1,966,156.91		1,966,156.91	
# Investment returned with profit					
Δ General risk reserve		318,141,892.26		318,141,892.26	
Undistributed profit	8.67	3,753,678,034.33	-7,574,020,047.41	4,453,958,323.04	-4,962,575,637.94
Total of owner's equity (or shareholder equity) attributable to the parent company		56,607,669,306.23	30,495,705,819.50	60,792,913,996.80	35,885,050,620.94
* Minority shareholder equity		111,917,568,919.75		89,525,292,289.38	
Total owners' equity (or shareholders' equity)		168,525,238,225.98	30,495,705,819.50	150,318,206,286.18	35,885,050,620.94
Total liabilities and owners' equity (or shareholders' equity)		650,404,434,098.66	138,154,985,574.98	577,423,334,734.80	128,818,220,516.45

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director:Yan Jun

Consolidated and Separate Profit and Loss Statement

Prepared by: Zhuhai Huafa Group Co., Ltd

2022

Unit: RMB

Item	Note	2022		2021	
		Consolidated	Separate	Consolidated	Separate
I. Total operating income	8.68	157,635,518,326.85	406,332,596.83	141,942,539,906.30	277,862,772.24
Incl: Operating income	8.68	155,983,340,306.22	406,332,596.83	140,277,773,494.95	277,862,772.24
△ Interest income	8.68	1,125,651,322.38		1,222,841,785.99	
△ Premium already earned					
△ Charges and commission income	8.68	526,526,698.25		441,924,625.36	
II. Total operating cost		150,614,782,854.32	2,705,462,692.49	134,543,648,361.37	2,305,731,563.08
Incl: Operating cost	8.68	135,102,953,064.87	149,229,093.95	119,933,271,776.75	19,739,303.12
△ Interest expense	8.68	404,112,417.94		263,273,892.45	
△ Charges and commission expense	8.68	8,873,561.29		13,732,386.86	
△ Surrender charge					
△ Net compensation expense					
△ Net withdrawal of insurance liability reserve					
△ Policy bonus expense					
△ Reinsurance expenditure					
Tax and surtax	8.69	4,603,079,587.04	44,978,184.58	4,725,999,310.02	78,512,180.68
Sales expense		2,473,109,148.43		2,193,709,058.54	
Overhead		4,900,627,528.23	247,907,132.22	4,515,817,957.88	335,351,760.39
R&D expense		518,459,801.79		359,145,364.84	
Financial expense	8..70	2,603,567,744.73	2,263,348,281.74	2,538,698,614.03	1,872,128,318.89
Incl: Interest expense		3,376,825,534.34	3,572,047,986.30	3,800,295,264.96	2,220,658,814.11
Interest income		1,185,909,999.70	1,389,820,586.02	1,545,103,281.87	413,903,490.25
Other					
Plus: Other gain	8.71	479,323,393.74	3,688,554.27	538,745,784.50	3,559,993.46
Investment gain (- for loss)	8.72	3,530,073,094.80	2,613,024,474.05	1,625,515,094.99	2,576,843,157.45
Incl: Investment gain on joint venture and cooperative operation enterprises		2,925,307,300.16	72,544,756.47	998,144,468.53	376,603,591.09
Gain recognized from termination of financial asset measured by amortized cost		-1,105,959.89			
△ Translation income (- for loss)		756,012.70		-196,096.03	
Net exposure hedging gain (- for loss)					
Gain from change to the fair value (- for loss)	8.73	772,686,400.39	-1,138,029.27	849,478,868.13	-7,842,105.45

Item	Note	2022		2021	
		Consolidated	Separate	Consolidated	Separate
Credit impairment loss (-for loss)	8.74	-396,201,859.44	525,352.83	-261,672,794.52	-3,220,758.37
Asset impairment loss (- for loss)	8.75	-1,108,527,779.72		-50,576,648.33	
Gain from asset disposal (- for loss)	8.76	9,353,075.54		47,415,850.67	704.85
III. Operating profit (- for loss)		10,308,197,810.54	316,970,256.22	10,147,601,604.34	541,472,201.10
Plus: non-operating income	8.77	158,245,503.88	20,000.00	115,291,181.95	15.40
Minus: Non-operating expenditure	8.78	120,599,045.51	12,243,979.56	232,010,625.47	9,782,380.74
IV. Total profit (- for total loss)		10,345,844,268.91	304,746,276.66	10,030,882,160.82	531,689,835.76
Minus: income tax	8.79	3,241,394,841.24		3,233,587,693.65	
V. Net profit (- for net loss)		7,104,449,427.67	304,746,276.66	6,797,294,467.17	531,689,835.76
1). By ownership					
1. Net profit attributable to owner of the parent company		2,235,644,510.99	304,746,276.66	2,122,859,067.57	531,689,835.76
2. Minority shareholder equity		4,868,804,916.68		4,674,435,399.60	
2) By operating continuity					
1. Net profit as a going concern (- for net loss)		7,104,449,427.67	304,746,276.66	6,797,294,467.17	531,689,835.76
2. Profit from cease of operation (- for net loss)					
VI. After-tax net amount of other comprehensive income		-511,344,170.49	-4,730,302.40	-62,752,042.42	1,490,915.04
Net after-tax amount of other comprehensive income attributable to the parent company		-266,722,513.47	-4,730,302.40	-59,297,349.22	1,490,915.04
1). other comprehensive income that can't be classified and included into the Profit and Loss in future.		2,743,883.05	-22,746.17	-7,420,447.56	-1,349,303.58
1. Change resulting from re-measuring the defined benefit plan					
2. other comprehensive income that can't be reclassified to Profit and Loss under the Equity Method.		937,071.63	-22,746.17	-205,769.86	-1,349,303.58
3. Change to fair value of other equity instrument investment		1,806,811.42		-7,214,677.70	
4. Change to fair value of the Company's own credit risk					
5. other					
2). other comprehensive income that will be reclassified to Profit and Loss		-269,466,396.52	-4,707,556.23	-51,876,901.66	2,840,218.62

Item	Note	2022		2021	
		Consolidated	Separate	Consolidated	Separate
1. Other comprehensive income that can be transferred to profit and loss under the equity method		-347,187,757.14	-4,707,556.23	74,825,446.63	2,840,218.62
2. Change to fair value of other creditor's right investment		-2,647,259.04		24,123,852.15	
3. Gain or loss from change to the fair value of the available-for-sale financial asset					
4. Amount that the financial asset is reclassified into other comprehensive income					
5. Gain or loss from reclassifying held-to-maturity investment into available-for-sale financial asset					
6. Credit impairment reserve of other creditor's right investment		82,064.00		37,849.42	
7. Change to fair value of investment real estate		-3,393,062.51		-87,174,850.69	
8. Translation difference of financial statements in foreign exchange		83,679,618.17		-63,689,199.17	
9. Other					
☼ Net after-tax amount of other comprehensive income attributable to minority shareholder		-244,621,657.02		-3,454,693.20	
VII. Total of comprehensive gain		6,593,105,257.18	300,015,974.26	6,734,542,424.75	533,180,750.80
Total comprehensive gain attributable to owner of the parent company		1,968,921,997.52		2,063,561,718.35	
* total comprehensive income attributable to minority shareholders		4,624,183,259.66		4,670,980,706.40	

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Consolidated and Separate Cash Flow

Prepared by: Zhuhai Huafa Group Co., Ltd

Year 2022

Unit: RMB

Item	Note	2022		2021	
		Consolidated	Separate	Consolidated	Separate
I. Cash flow from operating activities:					
Cash received from sales of goods and provision of labor service		196,720,396,143.63	172,013,467.45	177,447,166,021.33	350,111,477.73
Δ Net increase of client deposit and interbank deposit		855,346,094.61		-474,706,813.08	
Δ Net increase from disposal of transaction financial assets		-397,616,755.05		2,281,323,146.44	
Δ Net increase from disposal of creditor's right investment		1,716,785,873.06		51,982,995.88	
Δ Net increase from disposal of other creditor's right investment		-912,677,367.21		245,093,417.20	
Δ Net increase from disposal of other equity instrument investment		-14,054.79		363,466,735.05	
Δ Net increase of the insured's deposit and investment					
Δ Net decrease of client loan and payment made for others					
Δ Net increase from disposal of derivative financial asset		11,136,635.00		6,865,566.68	
Δ Cash from collection of interest, charges and commission		2,101,671,159.65		1,855,240,940.97	
Δ Net increase of fund borrowed				150,000,000.00	
Δ Net increase of repurchase fund				-2,901,885,612.31	
Δ Net cash received from transaction of securities under agency agreement		-327,682,245.15		480,336,803.53	
Received refunds of taxes and dues		3,324,768,019.01		1,045,140,222.32	
Other cash received relating to operating activities	8、80	8,205,023,565.89	718,458,850.91	12,252,052,352.24	1,742,682,009.43
Sub-total of cash inflows		211,297,137,068.65	890,472,318.36	192,802,075,776.25	2,092,793,487.16
Cash paid for goods purchased and labor services received		136,503,693,266.31		111,888,792,242.83	11,367.00
Δ Net increase of client loan and advance payment		-1,447,793,990.47		1,876,260,719.14	
Δ Net increase of deposit with central bank and interbank deposit		-2,188,343,736.69		7,201,819,736.64	

Item	Note	2022		2021	
		Consolidated	Separate	Consolidated	Separate
Δ Net increase of available-for-sale financial asset purchased					
Δ Settlement fund paid for securities					
Δ Net decrease of repurchase fund		68,911,936.03			
Δ Net increase of fund subject to finance		-181,432,312.44		550,001,533.42	
Δ Cash paid for compensation under direct insurance contracts					
Δ Net increase of fund lent		-110,000,000.00		100,000,000.00	
Δ Cash paid for interest, charges and commission		193,570,009.23		135,447,731.64	
Δ Cash paid for policy dividend					
Cash paid to and for staff		10,254,150,417.56	88,063,260.07	9,060,710,966.61	87,752,044.57
Tax and charges paid		11,660,300,712.63	51,281,978.76	12,977,687,227.99	78,784,090.52
Other cash paid for operating activities	8、80	10,279,587,036.41	413,509,660.74	6,465,932,636.29	324,655,549.44
Subtotal of cash outflow for operating activities		165,032,643,338.57	552,854,899.57	150,256,652,794.56	491,203,051.53
Net cash flow from operating activities		46,264,493,730.08	337,617,418.79	42,545,422,981.69	1,601,590,435.63
II. Cash flow from investment activities					
Cash received from return of investment		29,932,098,333.73	6,962,589,000.00	16,149,226,889.42	714,796,796.48
Cash received from investment gain		2,006,573,535.39	657,990,684.23	460,101,077.19	2,387,913,324.08
Net cash received from disposal of fixed asset, intangible asset and other long-term asset		28,819,761.44		69,666,002.80	
Net cash received from disposal of subsidiaries and other operating units		30,850,000.00		19,209,346.62	
Cash received related with other investment activities		2,372,895,018.58	806,112,098.35	187,916,534.05	133,400,000.00
Subtotal of cash inflow from investment activities		34,371,236,649.14	8,426,691,782.58	16,886,119,850.08	3,236,110,120.56
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		47,597,631,249.61	23,323,945.51	45,520,265,765.92	38,651,641.33
Cash paid for investment		66,137,014,126.24	10,907,634,166.67	48,192,536,921.94	38,387,543,762.00
Δ Net increase of pledged loan					
Net cash paid for acquisition of subsidiaries and other operating units		353,626,047.18		2,590,945,715.68	
Other cash paid for investment activities		1,012,234,152.51	377,032,893.40	2,457,034,097.60	729,000,000.00

Item	Note	2022		2021	
		Consolidated	Separate	Consolidated	Separate
Subtotal of cash outflow for investment activities		115,100,505,575.54	11,307,991,005.58	98,760,782,501.14	39,155,195,403.33
Net cash flow from investment activities		-80,729,268,926.40	-2,881,299,223.00	-81,874,662,651.06	-35,919,085,282.77
III. Net cash from fund-raising activities					
Cash received from attraction of investment		31,631,279,042.45	11,791,680,000.00	23,358,235,833.08	12,841,000,000.00
Incl: cash received by subsidiaries from minority shareholders		20,016,568,146.40		10,764,561,863.08	
Cash received from receipt of loan		182,213,950,598.90	75,623,427,317.36	169,583,039,570.23	68,925,231,270.93
Other cash received from fund-raising activities		5,310,549,326.66	81,380,767,095.86	5,451,471,654.56	92,719,666,215.33
Subtotal of cash inflow from fund-raising activities		219,155,778,968.01	168,795,874,413.22	198,392,747,057.87	174,485,897,486.26
Cash paid for repayment of debt		148,538,351,678.81	58,702,560,000.70	129,881,342,408.40	30,060,400,000.00
Cash paid for distribution of dividend, profit or repayment of interest		19,304,221,083.65	6,105,861,812.23	17,280,668,879.94	4,055,508,135.96
Incl: cash paid by subsidiaries for dividend and profit to minority shareholders		2,713,606,741.02		3,000,641,645.76	
Other cash paid for investment activities		23,404,950,395.56	115,827,204,112.04	16,517,859,401.27	91,471,062,729.86
Subtotal of cash outflow for investment activities		191,247,523,158.02	180,635,625,924.97	163,679,870,689.61	125,586,970,865.82
Net cash flow from fund-raising activities		27,908,255,809.99	-11,839,751,511.75	34,712,876,368.26	48,898,926,620.44
IV. Influence of exchange ratio's change on cash and cash equivalent		207,363,284.09	13,360.00	-64,179,802.87	
V. Net increase of cash and cash equivalent		-6,349,156,102.24	-14,383,419,955.96	-4,680,543,103.98	14,581,431,773.30
Add: opening balance of cash and cash equivalent		67,133,293,109.82	19,661,443,392.05	71,813,836,213.80	5,080,011,618.75
VI. Closing balance of cash and cash equivalent		60,784,137,007.58	5,278,023,436.09	67,133,293,109.82	19,661,443,392.05

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Consolidated Change to Owner's Equity

Prepared by Zhuhai Huafa Group Co., Ltd

Year 2022

Currency: RMB

Item	Line	Current year											Minority shareholder's equity	Total owner's equity	
		Owner's equity attributable to the parent company													
		Other equity instrument				Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			Subtotal
		Paid-up capital (or share)	Preferred stock	Perpetual bond	Other										
Column	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
I. Closing balance of previous year	1	1,422,018,654.06		24,338,023,970.00		28,808,615,250.24		1,065,619,340.88	11,754,897.15	374,781,669.17	318,141,892.26	4,453,958,323.04	60,792,913,996.80	89,525,292,289.38	150,318,206,286.18
Add: Change of the accounting policy	2														
Correction of error of the previous period	3														
Other	4														
II. Opening balance of the current year	5	1,422,018,654.06		24,338,023,970.00		28,808,615,250.24		1,065,619,340.88	11,754,897.15	374,781,669.17	318,141,892.26	4,453,958,323.04	60,792,913,996.80	89,525,292,289.38	150,318,206,286.18
III. Change of the current year (- for reduction)	6	15,497,771,061.58		-10,772,226,662.82		-7,971,569,924.68		-239,083,564.59	144,688.65			-700,280,288.71	-4,185,244,690.57	22,392,276,630.37	18,207,031,939.80
1. Total comprehensive gain	7							-266,722,513.47				2,235,644,510.99	1,968,921,997.52	4,624,183,259.66	6,593,105,257.18
2. Shareholder's investment and reduction of capital	8	304,212,168.49		-10,772,226,662.82		7,221,988,968.41							-3,246,025,525.92	19,931,563,037.15	16,685,537,511.23
1). Owner's investment on common shares	9	304,212,168.49				7,495,787,831.51							7,800,000,000.00	26,188,679,905.25	33,988,679,905.25
2). Investment from holders of other equity instrument	10			-10,772,226,662.82									-10,772,226,662.82	-1,723,074,499.28	-12,495,301,162.10
3). Share-based payment included into the owner's equity	11														
4). Other	12					-273,798,863.10							-273,798,863.10	-4,534,042,368.82	-4,807,841,231.92

Item	Line	Current year											Minority shareholder's equity	Total owner's equity	
		Owner's equity attributable to the parent company													
		Other equity instrument				Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			Subtotal
		Paid-up capital (or share)	Preferred stock	Perpetual bond	Other										
Column	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
3. Withdrawal and use of special reserve	13							144,688.65				144,688.65	247,074.58	391,763.23	
1). Withdrawal of special reserve	14							67,130,061.35				67,130,061.35	157,123,340.93	224,253,402.28	
2). Use of special reserve	15							-66,985,372.70				-66,985,372.70	-156,876,266.35	-223,861,639.05	
4. Profit distribution	16										-2,908,285,850.82	-2,908,285,850.82	-2,163,716,741.02	-5,072,002,591.84	
1). Withdrawal of surplus reserve	17														
Incl: statutory reserve	18														
Discretionary reserve	19														
# reserve fund	20														
# corporate development fund	21														
# Investment returned with profit	22														
2). Withdrawal of general risk reserve	23														
3). Distribution to owners (or shareholders)	24										-1,812,581,301.63	-1,812,581,301.63	-1,348,996,683.61	-3,161,577,985.24	
4) Other	25										-1,095,704,549.19	-1,095,704,549.19	-814,720,057.41	-1,910,424,606.60	
5. Internal carry-forward of the owner's equity	26	15,193,558,893.09				-15,193,558,893.09		27,638,948.88			-27,638,948.88				
1). Convert capital reserve to capital (or share)	27	15,193,558,893.09				-15,193,558,893.09									
2). Convert surplus reserve to	28														

Item	Line	Current year											Minority shareholder's equity	Total owner's equity	
		Owner's equity attributable to the parent company													
		Other equity instrument				Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			Subtotal
		Paid-up capital (or share)	Preferred stock	Perpetual bond	Other										
Column	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
capital (or share)															
3). Cover loss with surplus reserve	29														
4). Convert change from defined benefit plan to retained earning	30														
5). Carry-forward retained earning from change to defined benefit plan	31						27,638,948.88				-27,638,948.88				
6. Other	32														
IV. Closing balance of the current year	33	16,919,789,715.64		13,565,797,307.18		20,837,045,325.56	826,535,776.29	11,899,585.80	374,781,669.17	318,141,892.26	3,753,678,034.33	56,607,669,306.23	111,917,568,919.75	168,525,238,225.98	

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Consolidated Change to Owner's Equity

Prepared by Zhuhai Huafa Group Co., Ltd

Year 2022

Currency: RMB

Item	Line	Previous Year											Minority shareholder's equity	Total owner's equity	
		Owner's equity attributable to the parent company													
		Other equity instrument				Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Subtotal	Minority shareholder's equity	Total owner's equity
		Paid-up capital (or share)	Preferred stock	Perpetual bond	Other										
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance of previous year	1	1,119,789,715.64		23,029,500,000.00		22,120,883,367.90		1,271,702,956.98	11,408,682.73	374,781,669.17	318,141,892.26	4,427,055,916.02	52,673,264,200.70	81,599,967,896.98	134,273,232,097.68
Add: Change of the accounting policy	2							-150,815,358.47				78,121,137.15	-72,694,221.32	2,859,978.03	-69,834,243.29
Correction of error of the previous period	3														
Other	4														
II. Opening balance of the current year	5	1,119,789,715.64		23,029,500,000.00		22,120,883,367.90		1,120,887,598.51	11,408,682.73	374,781,669.17	318,141,892.26	4,505,177,053.17	52,600,569,979.38	81,602,827,875.01	134,203,397,854.39
III. Change of the current year (- for reduction)	6	302,228,938.42		1,308,523,970.00		6,687,731,882.34		-55,268,257.63	346,214.42			-51,218,730.13	8,192,344,017.42	7,922,464,414.37	16,114,808,431.79
1. Total comprehensive gain	7							-59,297,349.22				2,122,859,067.57	2,063,561,718.35	4,670,980,706.40	6,734,542,424.75
2. Shareholder's investment and reduction of capital	8	302,228,938.42		1,308,523,970.00		6,687,731,882.34			64,558.99				8,298,549,349.75	6,492,139,176.09	14,790,688,525.84
1). Owner's investment on common shares	9	302,228,938.42				7,697,771,061.58							8,000,000,000.00	12,239,024,916.20	20,239,024,916.20
2). Investment from holders of other equity instrument	10			1,308,523,970.00									1,308,523,970.00	-8,305,670,945.73	-6,997,146,975.73
3). Share-based payment included into the owner's equity	11														
4). Other	12					-1,010,039,179.24			64,558.99				-1,009,974,620.25	2,558,785,205.62	1,548,810,585.37

Item	Line	Previous Year													
		Owner's equity attributable to the parent company													
		Other equity instrument													
		Paid-up capital (or share)	Preferred stock	Perpetual bond	Other	Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Subtotal	Minority shareholder's equity	Total owner's equity
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
3. Withdrawal and use of special reserve	13								281,655.43				281,655.43	2,354,319.78	2,635,975.21
1). Withdrawal of special reserve	14								37,119,902.63				37,119,902.63	142,966,452.22	180,086,354.85
2). Use of special reserve	15								-36,838,247.20				-36,838,247.20	-140,612,132.44	-177,450,379.64
4. Profit distribution	16											-2,169,050,272.11	-2,169,050,272.11	-3,244,008,221.90	-5,413,058,494.01
1). Withdrawal of surplus reserve	17														
Incl: statutory reserve	18														
Discretionary reserve	19														
# reserve fund	20														
# corporate development fund	21														
# Investment returned with profit	22														
2). Withdrawal of general risk reserve	23														
3). Distribution to owners (or shareholders)	24											-847,500,764.59	-847,500,764.59	-2,344,437,062.50	-3,191,937,827.09
4) Other	25											-1,321,549,507.52	-1,321,549,507.52	-899,571,159.40	-2,221,120,666.92
5. Internal carry-forward of the owner's equity	26							4,029,091.59				-5,027,525.59	-998,434.00	998,434.00	
1). Convert capital reserve to capital (or share)	27														
2). Convert surplus reserve to	28														

Item	Line	Previous Year														
		Owner's equity attributable to the parent company														
		Other equity instrument														
		Paid-up capital (or share)	Preferred stock	Perpetual bond	Other	Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Subtotal	Minority shareholder's equity	Total owner's equity	
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28	
capital (or share)																
3). Cover loss with surplus reserve	29															
4). Convert change from defined benefit plan to retained earning	30															
5). Carry-forward retained earning from change to defined benefit plan	31							4,029,091.59				-5,027,525.59	-998,434.00	998,434.00		
6. Other	32															
IV. Closing balance of the current year	33	1,422,018,654.06		24,338,023,970.00		28,808,615,250.24		1,065,619,340.88	11,754,897.15	374,781,669.17	318,141,892.26	4,453,958,323.04	60,792,913,996.80	89,525,292,289.38	150,318,206,286.18	

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Zhuhai Huafa Group- Change to Owner's Equity

Prepared by Zhuhai Huafa Group Co., Ltd

Year 2022

Currency: RMB

Item	Line	Current Year											
		Owner's equity attributable to the parent company											
		Paid-up capital (or share)	Preferred stock	Perpetual bond	Other	Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
Column		1	2	3	4	5	6	7	8	9	10	11	12
I. Closing balance of previous year	1	1,422,018,654.06		24,585,350,000.00		14,571,917,357.77		1,785,022.48		266,555,224.57		-4,962,575,637.94	35,885,050,620.94
Add: Change of the accounting policy	2												
Correction of error of the previous period	3												
Other	4												
II. Opening balance of the current year	5	1,422,018,654.06		24,585,350,000.00		14,571,917,357.77		1,785,022.48		266,555,224.57		-4,962,575,637.94	35,885,050,620.94
III. Change of the current year (- for reduction)	6	15,497,771,061.58		-10,599,470,000.00		-7,671,471,151.15		-4,730,302.40				-2,611,444,409.47	-5,389,344,801.44
1. Total comprehensive gain	7							-4,730,302.40				304,746,276.66	300,015,974.26
2. Shareholder's investment and reduction of capital	8	304,212,168.49		-10,599,470,000.00		7,522,087,741.94							-2,773,170,089.57
1). Owner's investment on common shares	9	304,212,168.49				7,495,787,831.51							7,800,000,000.00
2). Investment from holders of other equity instrument	10			-10,599,470,000.00									-10,599,470,000.00

Item	Line	Current Year											
		Owner's equity attributable to the parent company											
		Other equity instrument											
		Paid-up capital (or share)	Preferr ed stock	Perpetual bond	Other	Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
Column		1	2	3	4	5	6	7	8	9	10	11	12
3). Share-based payment included into the owner's equity	11												
4). Other	12					26,299,910.43							26,299,910.43
3. Withdrawal and use of special reserve	13												
1). Withdrawal of special reserve	14												
2). Use of special reserve	15												
4. Profit distribution	16											-2,916,190,686.13	-2,916,190,686.13
1). Withdrawal of surplus reserve	17												
Incl: statutory reserve	18												
Discretionary reserve	19												
# reserve fund	20												
# corporate development fund	21												
# Investment returned with profit	22												
2). Withdrawal of general risk reserve	23												
3). Distribution to owners (or	24											-1,812,581,301.63	-1,812,581,301.63

Item	Line	Current Year											
		Owner's equity attributable to the parent company											
		Other equity instrument											
		Paid-up capital (or share)	Preferr ed stock	Perpetual bond	Other	Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
Column		1	2	3	4	5	6	7	8	9	10	11	12
shareholders)													
4) Other	25											-1,103,609,384.50	-1,103,609,384.50
5. Internal carry-forward of the owner's equity	26	15,193,558,893.09				-15,193,558,893.09							
1). Convert capital reserve to capital (or share)	27	15,193,558,893.09				-15,193,558,893.09							
2). Convert surplus reserve to capital (or share)	28												
3). Cover loss with surplus reserve	29												
4). Convert change from defined benefit plan to retained earning	30												
5). Carry-forward retained earning from change to defined benefit plan	31												
6. Other	32												
IV. Closing balance of the current year	33	16,919,789,715.64		13,985,880,000.00		6,900,446,206.62		-2,945,279.92		266,555,224.57		-7,574,020,047.41	30,495,705,819.50

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Zhuhai Huafa Group-Change to Owner's Equity

Prepared by Zhuhai Huafa Group Co., Ltd

Year 2022

Currency: RMB

Item	Line	Previous Year											
		Owner's equity attributable to the parent company											
		Other equity instrument				Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
		Paid-up capital (or share)	Preferred stock	Perpetual bond	Other								
Column		13	14	15	16	17	18	19	20	21	22	23	24
I. Closing balance of previous year	1	1,119,789,715.64		23,029,500,000.00		7,155,749,185.97		-13,616,398.48		266,555,224.57		-3,027,031,102.09	28,530,946,625.61
Add: Change of the accounting policy	2							13,910,505.92				-282,164,445.90	-268,253,939.98
Correction of error of the previous period	3												
Other	4												
II. Opening balance of the current year	5	1,119,789,715.64		23,029,500,000.00		7,155,749,185.97		294,107.44		266,555,224.57		-3,309,195,547.99	28,262,692,685.63
III. Change of the current year (- for reduction)	6	302,228,938.42		1,555,850,000.00		7,416,168,171.80		1,490,915.04				-1,653,380,089.95	7,622,357,935.31
1. Total comprehensive gain	7							1,490,915.04				531,689,835.76	533,180,750.80
2. Shareholder's investment and reduction of capital	8	302,228,938.42		1,555,850,000.00		7,416,168,171.80							9,274,247,110.22
1). Owner's investment on common shares	9	302,228,938.42				7,697,771,061.58							8,000,000,000.00
2). Investment from holders of other equity instrument	10			1,555,850,000.00									1,555,850,000.00
3). Share-based payment included into the owner's	11												

Item	Line	Previous Year											
		Owner's equity attributable to the parent company											
		Other equity instrument				Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
Column		13	14	15	16	17	18	19	20	21	22	23	24
equity													
4). Other	12					-281,602,889.78							-281,602,889.78
3. Withdrawal and use of special reserve	13												
1). Withdrawal of special reserve	14												
2). Use of special reserve	15												
4. Profit distribution	16											-2,185,069,925.71	-2,185,069,925.71
1). Withdrawal of surplus reserve	17												
Incl: statutory reserve	18												
Discretionary reserve	19												
# reserve fund	20												
# corporate development fund	21												
# Investment returned with profit	22												
2). Withdrawal of general risk reserve	23												
3). Distribution to owners (or shareholders)	24											-847,500,764.59	-847,500,764.59
4) Other	25											-1,337,569,161.12	-1,337,569,161.12
5. Internal carry-forward of the owner's equity	26												

Item	Line	Previous Year											
		Owner's equity attributable to the parent company											
		Other equity instrument				Capital reserve	Minus:treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total of owner's equity
		Paid-up capital (or share)	Preferred stock	Perpetual bond	Other								
Column		13	14	15	16	17	18	19	20	21	22	23	24
1). Convert capital reserve to capital (or share)	27												
2). Convert surplus reserve to capital (or share)	28												
3). Cover loss with surplus reserve	29												
4). Convert change from defined benefit plan to retained earning	30												
5). Carry-forward retained earning from change to defined benefit plan	31												
6. Other	32												
IV. Closing balance of the current year	33	1,422,018,654.06		24,585,350,000.00		14,571,917,357.77		1,785,022.48		266,555,224.57		-4,962,575,637.94	35,885,050,620.94

Enterprise responsible individual: Li Guangning

Accounting supervisor: Yan Jun

Accounting department director: Yan Jun

Annotations to Financial Report

I. Company profile

The predecessor of Zhuhai Huafa Group Co., Ltd (hereinafter referred to as "Huafa") is Huafa Tourist Shopping Mall of Zhuhai Special Economic Zone Development Co., Ltd, which was renamed as "Zhuhai Special Economic Zone Huafa Company" on 25th April 1987 by Guangdong Province Zhuhai Special Economic Zone Administrative Committee through Notice ZTH [1987] No. 99, and then renamed as "Zhuhai Special Economic Zone Development Company" on 7th Jan. 1989 by Guangdong Province Zhuhai Special Economic Zone Administrative Committee through Document ZTH [1989] No. 2, and then renamed as "Zhuhai Special Economic Zone Huafa Group Co., Ltd" on 12th November 1991 by Zhuhai People's Government through Notice ZFBF [1991] No. 233. The registered capital is RMB 400 million (all of it is state-owned capital).

On 26th Dec. 2008, Zhuhai Special Economic Zone Huafa Group has carried out a corporate system reform in accordance with its 26th (Year of 2008) Board Meeting Minute ZTH [2008] No. 26, "Reply on Corporate System Reform of Zhuhai Special Economic Zone Huafa Group" ZGZ [2008] No. 304 issued by Zhuhai People's Government State-owned Asset Supervision and Administration Committee as well as Huafa's Articles of Association after the reform. After the reform, the registered capital of Huafa was RMB 400 million. Zhuhai People's Government State-owned Asset Supervision and Administration Committee invested a portion of net assets it owned in Zhuhai Special Economic Zone Huafa Group, and renamed it into Zhuhai Huafa Group Co., Ltd. The Company changed from "owned by whole people" to a wholly-state owned company with limited liability. Above matters have been verified by Reanda Xinlong CPA Firm through its Capital Verification Report LADYZ [2008] No. B-1044 and the Company has obtained a Corporate Entity Business License No. 440400000137047.

In accordance with "Advice for Approval of Increasing the Registered Capital of Huafa Group Co., Ltd" ZGZ [2010] No. 184 issued by Zhuhai People's Government State-owned Asset Supervision and Administration Committee and the revised Articles of Association, Huafa has increased its registered capital by RMB 600 million by transferring capital reserve into capital. The benchmark date for such transfer was 1st July 2010. After such change, the registered capital was RMB 1 billion. Above matter has been verified by Reanda CPA Co., Ltd Zhuhai Office through its Capital Verification Report LADYZ [2010] No. B-1049. On 6th September 2016, Huafa has obtained the Corporate Entity Business License with a Unified Social Credit Code No. 91440400190363258N.

In accordance with the "Reply on Change of Articles of Association of Huafa Group" ZGZ [2016] No. 256, which approved the change of Huafa's Articles of Association, Huafa's registered capital changed from RMB1,000,000,000 to RMB 1,119,789,715.64, resulting from transfer of capital reserve to capital. Above matters have been verified by Reanda CPA Firm (Special General Partnership) through its Capital Verification Report LADYZ [2016] Jing No. A2042

In accordance with the "Notice of Guangdong People's Government on Distributing the Implementation Plan that Guangdong Province Transfers Some State Capital to Replenish the Social Insurance Fund" (YF [2020] No.10) issued by Guangdong People's Government on 7th Feb.

2020 and the “Reply to Revision on Articles of Association of Zhuhai Huafa Group Co., Ltd” (GZ [2021] No. 230) issued by Zhuhai State Asset Supervision and Administration Commission on 29th July 2021, the State Asset Supervision and Administration Commission of Zhuhai People's Government transferred its 10% state-owned equity in Huafa to Guangdong Finance Bureau at one time.

In accordance with the “Reply on Revision of Articles of Association of Zhuhai Huafa Group Co., Ltd” ZGZ [2021] No. 342 issued by Zhuhai People's Government State Asset Supervision and Management Committee and revised Articles of Association, the Company's registered capital changed from RMB1,119,789,715.64 to 1,422,018,654.06. Above matters have been verified by GrantThornton CPA Firm (Special General Partnership) through its capital verification report ZTYZ (2021) No. 442C000811.

In accordance with the shareholder's resolution on 3rd Nov. 2021, the shareholder's conference in 2022 and revised Articles of Association, the shareholder Zhuhai People's Government State Asset Supervision and Administration Commission increased the capital fund of RMB 15.8 billion to Huafa. The amount included into the paid-up capital was RMB304,212,168.49 and was paid up by cash. The Company's capital reserve RMB 15,193,558,893.09 (resulting from increase of investment from Zhuhai State Asset Supervision and Administration Commission) was totally transferred to increase of registered capital, and was distributed based on the share ratio of shareholders. While, Zhuhai State Asset Supervision and Administration Commission enjoys RMB 14,207,496,920.93, and Guangdong Province Fiscal Bureau enjoys RMB 986,061,972.16. The benchmark date for transfer to increase registered capital was 7th June 2022. After the change, the registered capital is RMB 16,919,789,715.64. The above matter has been verified by the Capital Verification Report ZTYZ (2022) 442C000365 issued by GrantThornton Certified Public Accountant Firm (Special General Partnership).

Legal representative: Li Guangning

Registered capital: RMB 16,919,789,715.64

Huafa is a comprehensive enterprise group and engages mainly in: urban operation, real estate development, financial investment, commerce, trading, logistics, cultural, education, tourist and modern service, including but not limited to land consolidation, infrastructure construction, development & operation of complementary facilities, construction and operation of terminal and complementary facilities, industrial investment, public infrastructure and asset operation & management, investment, construction and operation of elderly service facilities; real estate development and operation; financial service including securities, futures and equity investment, fund and asset management, financing guarantee, micro-loan, financial asset transaction, property right transaction, intellectual property transaction, financial lease and other financial service; sales of construction materials; landscaping and greening; concrete production and sales; automobile sales, maintenance, lease, exhibition, wholesale and retail; transportation and warehousing; cultural, sports, entertainment and education; lease and commercial service; business conference & exhibition; hotel management; public facility management; property management, trading brokerage and agency; printing and recording media reproduction; corporate management consultancy; advertising and etc.

Scope of business: real estate development and operation (with qualification certificates); house lease; export of light industry products, ferrous metal and other commodities, import of light industry products, apparatus, instrument and other commodities (in accordance with YJMJZ [1993] No. 254); bonded warehousing service (in accordance with the customs' approval), transit trade (in accordance with YJMJZ [1995] No. 256), wholesale and retail of construction materials, hardware, arts and crafts, fashion and textile; project investment & investment management.

II. Basis for compilation of the financial statement.

This financial statements is compiled in accordance with the enterprise accounting standards, application guideline, explanation and other relevant rules (collectively termed as "Enterprise Accounting Standards) promulgated by the Ministry of Finance.

This financial statement is presented on the basis of ongoing concern.

III. Statement for compliance with corporate accounting standards

The financial statement compiled by Huafa complies with the requirements of enterprise accounting standards and reflects truthfully and completely the consolidated and separate financial position of Huafa on 31st December 2022 as well as the consolidated and separate operating result and cash flow of Huafa in 2022.

IV. Important accounting policy and accounting estimation

1. Accounting period

The Company adopts the solar calendar accounting year, i.e. from 1st Jan to 31st December.

2. Accounting currency

The Company's accounting currency is Renminbi.

3. Bookkeeping base and pricing principle

The Company adopts the accrual system as the bookkeeping base. Except for investment real estate and some financial instruments, this financial statement takes the historical cost as the basis for measuring. In case of asset impairment, the reserve is withdrawn in accordance with applicable rules.

4. Corporate merger

(1) Merger of enterprises under the same control

As to merger of enterprises under the same control, the asset and liabilities of the Acquired obtained by the acquirer during the merger are measured by the original book value in the consolidated financial report of the final controller on the day of merger except for the adjustment due to different accounting policy. The capital reserve is adjusted against the difference between the book value of the merger consideration and book value of net asset obtained through the merger. If the capital reserve is insufficient for such offset, the retained earnings shall be adjusted.

Direct expense incurred relating to merger of enterprises shall be included into current profit & loss when such expense is incurred.

(2) Merger of enterprises not under the same control

As to merger of enterprises not under the same control, the cost of merger is the fair value of the asset surrendered, liabilities incurred or shouldered and equity securities issued by Huafa to obtain the control right of the acquired on the day of purchase. The asset, liability and contingent liability obtained by Huafa from the acquired is recognized in accordance with the fair value on the day of purchase.

Intermediary expense for merger of enterprises including audit, legal, appraisal and consultancy and other overhead shall be included into the current profit and loss when they are incurred. The transaction expense for equity securities or debt securities issued as merger consideration are included into the initial recognized amount of equity securities or debt securities.

The difference by which the merger cost is greater than the share of the fair value of the identifiable net asset of the acquired obtained during the merger is recognized as goodwill and is subsequently measured by deducting the accumulated impairment reserve from the cost. The difference by which that the merger cost is less than the share of the fair value of the identifiable net asset obtained during the merger is included into the current profit and loss after re-verification.

When the merger of enterprises not under the same control is achieved by steps through several transactions, the sum of the book value of the equity investment of the purchased held before the day of purchase and the new increase of investment cost on the day of purchase is taken as the initial investment cost of the investment. Other comprehensive income recognized because the equity investment held before the day of purchase is accounted by equity method is not treated on the day of purchase. This investment is treated by adopting the same accounting basis of the investee for direct disposal of relevant asset or liabilities. As to owner's equity recognized resulting from change of other owner's equity other than net profit and loss, other comprehensive income and profit distribution of the investee, it is converted to current profit and loss in the disposal period upon disposal of such investment. If the equity investment held before the day of purchase is measured by fair value, accumulated change of fair value originally included into other comprehensive income is transferred to retained income when it is accounted by the cost method. The cost of merger in the consolidated financial statement is the sum of consideration paid on the day of purchase and the fair value of the equity of the Acquired (already held before the day of purchase) on the day of purchase. The equity of the Acquired already held before the day of purchase is re-measured by its fair value on the day of purchase, and the difference between its fair value and book value is included into the current investment gain. If the equity of the Acquired already held before the day of purchase involves other comprehensive income, other change of the owner's equity shall be transferred to the current income on the day of purchase, except for other comprehensive income resulting from that the investee re-measures the change to net liability or net asset of the defined benefit plan.

Method to determine the day of purchase or day of sales for merger of enterprises not under the same control: the day of purchase or day of sales is determined based on when the Company

obtains or loses the right of control on the Acquired.

Method to determine the fair value of relevant transactions on the day of merger: The Company determines the fair value of relevant transactions on the day of merger mainly based on the asset appraisal result. Refer to Note 4.35 for the specific method.

5. Method to compile consolidated financial report

The scope of consolidation in the consolidated financial report includes Huafa and all of its subsidiaries.

The scope of consolidation in the consolidated financial report is determined based on "control".

Huafa has compiled its consolidated financial report based on the financial report of Huafa and its subsidiaries as well as other relevant data. When the consolidated financial report is compiled, Huafa and its subsidiaries have been required to adopt consistent accounting policy and accounting period. Any major transaction and current account balance between these companies are offset.

The increase of any subsidiary and its business resulting from merger of enterprises under the same control during the reporting period shall be included into Huafa's scope of consolidation since the day when such subsidiary and its business are controlled by the final controller, and its operating result and cash flow shall be included into the consolidated balance sheet and cash flow statement from the day when they are both controlled by the final controller.

The part of shareholder's equity in the subsidiary that Huafa doesn't own is separately presented under the Shareholder Equity as minority shareholder's equity in the consolidated balance sheet. The share of the current net profit or loss of the subsidiary that belongs to minority shareholder's equity is presented as "minority shareholder's equity" under the Net Profit in the consolidated profit and loss statement. If the share of loss of the subsidiary shouldered by minority shareholders exceeds their shares in the opening owner's equity of the subsidiary, its balance still offsets the minority shareholder's equity.

Any transaction under which the control right of a subsidiary isn't lost after purchase of the minority equity of the subsidiary or disposal of some equity investment shall be accounted as an equity transaction. Meanwhile, it will adjust the book value of owner's equity attributable to the parent company and minority shareholder's equity to reflect the change of its equity in the subsidiary. The capital reserve is adjusted against the difference between the adjustment of minority shareholder's equity and fair value of consideration paid/received. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

If it lost the right of control on a former subsidiary due to disposal of some equity investment or other reasons, the remaining equity shall be re-measured in accordance with its fair value on the day when it lost the right of control. The difference between the sum of consideration obtained from disposal of equity and fair value of remaining equity, and its share of the net asset that it should have in accordance with the original share ratio (starting to calculate continuously since the

day of purchase) is included into the investment gain for the period when it loses the control right and meanwhile offset the goodwill. Other comprehensive income related with the equity investment of original subsidiaries is transferred to investment gain for that period when it lost the right of control.

Other comprehensive income related with equity investment of the original subsidiary is transferred to the current profit or loss when it lost the control right, except for other comprehensive income resulting from that the investee re-measures the change of net liability or net asset of the Defined Benefit Plan.

If all transactions from disposal of equity investment in subsidiaries to loss of right of control belong to a package deal, the difference between every payment from disposal before it loses the control right and its share of net asset of the subsidiary that the investment disposal corresponds to is recognized as other comprehensive income in the consolidated financial statement and transferred to the current profit and loss when it lost the right of control.

6. Classification of joint operation arrangement and accounting method of cooperative operation

Joint operation arrangement refers to an arrangement that the joint control is exercised by two or more participants. Huafa's joint operation arrangement is divided to "cooperative operation" and "joint operation" enterprises.

(1). Cooperative operation

Cooperative operation refers to the joint operation arrangement that Huafa owns relevant asset of this arrangement and shoulders relevant liabilities of this arrangement.

Huafa recognizes following items related with the share of interests in such cooperative operation and conducts the accounting in accordance with relevant enterprise accounting standards.

- A. Recognize assets that Huafa owns separately, and recognize jointly-held assets by its shares
- B. Recognize liabilities that Huafa shoulders separately, and recognize jointly-shouldered liabilities by its shares.
- C. Recognize income arising from sales of its shares of yields from the cooperative operation;
- D. Recognize income arising from sales of yields from cooperative operation by its shares.
- E. Recognize expenses incurred separately, and recognize expenses incurred for cooperative operation by its shares

(2). Joint operation enterprise

Joint operation enterprise refers to the joint operation arrangement that Huafa is only entitled to the net assets of such arrangement.

Huafa conducts accounting on its investment into joint operation enterprises based on the equity method for long-term equity investment.

7. Cash and cash equivalent

Cash refers to cash in hand and the deposit readily available for payment. Cash equivalent refers to any investment held by the Company, with high liquidity, easy to convert a known amount of cash, and with slight risk of value change.

8. Foreign exchange transaction and translation of financial statements in foreign currency

(1) Foreign exchange transaction

For the purpose of foreign exchange transaction, the spot exchange rate on the date of transaction is used as the conversion rate for converting the foreign exchange amount into Renminbi.

In the balance sheet, the balance of monetary item in foreign exchange is converted in accordance with the spot exchange rate on the day of the balance sheet. The translation difference arising from any difference between the spot exchange rate on the day of balance sheet and the day of initial recognition or the previous day of balance sheet is included into the current profit and loss. As to non-monetary item in foreign exchange measured by its historical cost, it is converted by the spot exchange rate on the day of transaction. As to non-monetary item in foreign exchange measured by its fair value, it is converted by the spot exchange rate on the day when its fair value is determined. Any difference between the amount in accounting currency after the translation and that in original accounting currency is included into the current profit and loss.

(2) Translation of the financial statement in foreign currency

For the purpose of translating financial statements of overseas subsidiaries in foreign currency, the asset and liability items in the Balance Sheet are translated by the spot exchange rate on the day of the Balance Sheet. Except for "undistributed profit" in the Owner's Equity, other items are translated by the spot exchange rate on the day of occurrence.

The revenue and expense items in the Profit Statement are translated by the spot exchange rate on the day of occurrence for such cash flow.

All items in the cash flow statement are translated by the spot exchange rate on the day when cash flow takes place. The influence of the change of the exchange rate on cash is reflected as an adjustment by being presented separately as "influence of exchange rate change on cash and cash equivalent" in the cash flow statement.

Any difference arising from translation of financial statement is reflected under "other comprehensive income" under Shareholder's Equity in the balance sheet.

9. Financial instrument

Financial instrument refers to contracts that constitute the financial asset of one party and financial liability or equity instrument of other parties.

(1) Recognize and terminate the recognition of financial instrument

The Company recognizes a financial asset or financial liability when the Company becomes one party to the financial instrument contract.

When the financial asset meets one of following conditions, stop the recognition:

- a. the contractual right of collecting cash flow from such financial asset is ended;
- b. this financial asset has been transferred and conforms to the condition to stop its recognition for transfer of financial assets.

When the current obligations arising from the financial liability has been released completely or partially, the recognition of such financial liability or a part of it shall be ended. When the Company (debtor) signs an agreement with the creditor and replaces the outstanding financial liability by shouldering new financial liability and the contractual articles of new and outstanding financial liabilities are essentially different, it shall stop recognition of outstanding financial liability and meanwhile recognize the new financial liability.

If the financial asset is sold and bought in a conventional way, the accounting recognition and end of recognition shall be conducted on the day of transaction.

(2). Classification and measuring of financial asset

Based on the Company's business model for management of financial assets and contractual cash flow features of financial assets, financial assets are classified into three types: financial assets measured by amortized cost, financial asset measured by fair value and with its change being included into other comprehensive income and financial assets measured by fair value and with its change being included into the current profit and loss, upon initial recognition.

Financial asset measured by amortized cost

The Company classifies the financial asset that conforms to following conditions but are not classified as "financial assets measured by fair value and with its change being included into current profit and loss" into "financial assets measured by amortized cost".

- the Company's business model for management of financial assets targets at "collecting contractual cash flow".
- The contract of such financial asset stipulates that the cash flow at a particular date only repays the principal and the interest based on the unpaid principal.

After the initial recognition, the Company measures the financial measures by the amortized cost through the actual interest rate method. The Company includes any gain or loss arising from the financial asset measured by the amortized cost but not belonging to any hedging relationship into current profit and loss when it ends the recognition, amortizes in accordance with the actual interest rate or recognizes the impairment.

Financial asset measured by fair value and with its change being included into other comprehensive income

The Company includes the financial assets that conform to following conditions, but is not designated as the financial assets measured by fair value and with its change being included into current profit and loss into “financial asset measured by fair value and with its change being included into other comprehensive income”.

- The Company’s business model for management of financial assets targets at “collecting contractual cash flow and selling this financial asset”.
- The contract of financial assets stipulates that the cash flow at a particular date is only for payment of principal and interest based on unpaid principal.

After initial recognition, the Company measures subsequently such financial assets by fair value. The Company includes the interest calculated by the actual interest rate method, impairment or exchange gain or loss into the current profit and loss, and other income or gain into other comprehensive income. Upon end of recognition, the Company transfers the accumulated gain or loss (that were previously included into other comprehensive income) from other comprehensive income, and includes it into the current profit and loss.

Financial asset measured by fair value and with its change being included into current profit and loss

Except for above financial assets measured by amortized cost and fair value and with its change being included into other comprehensive income, the Company classifies all other financial assets into financial assets measured by fair value and with its change being included into current profit and loss. In order to eliminate or reduce significantly accounting mismatch upon initial recognition, the Company designates irrevocably some financial assets that should have been measured by amortized cost or fair value and with its change being included into other comprehensive income into financial assets measured by fair value and with its change being included into the current profit and loss.

After initial recognition, the Company measures subsequently such financial assets by its fair value and includes any gain or loss (including interest and dividend income) into current profit and loss, unless such financial assets belong to a part of the hedging relationship.

However, as to non-transaction equity instrument, the Company designates irrevocably them as financial assets measured by fair value and with its change being included into other comprehensive income, upon the initial recognition. Such designation is made based on a single investment, and relevant investment conforms to the definition of equity instrument from the issuer’s perspective.

After the initial recognition, the Company measures such financial assets subsequently by its fair value. The Company includes qualifying dividend income into profit and loss and other profit or

loss and change of fair value into other comprehensive income. Upon end of recognition, the Company transfers the accumulated gain or loss (that were previously included into other comprehensive income) from other comprehensive income and includes them into retained earnings.

The business model for managing the financial asset refers to how does the Company manage its financial assets to produce cash flow. The business model decides whether the origin of cash flow of financial assets managed by the Company is “collecting the contractual cash flow, selling the financial assets or both”. The Company determines the business model for managing the financial assets by taking the objective facts as the foundation and by taking the special business target decided by key managers on management of financial assets as the basis.

The Company evaluates the feature of contractual cash flow of financial assets in order to determine whether the contractual cash flow of a relevant financial asset at a particular date only repays the principal and interest of unpaid principal. While, the principal refers to the fair value of the financial assets upon the initial recognition. The interest includes the consideration for the money’s time value, credit risk related with the unpaid principal at a particular period, other basic loan risk, cost and profit. Moreover, the Company evaluates the contractual provisions that might result in change of time distribution or amount of the contractual cash flow from the financial asset in order to determine whether it meets above requirements with regards to the contractual cash flow.

Only when the Company changes the business model for managing the financial assets, all financial assets affected are reclassified on the first day of the first reporting period after the business model has been changed. Otherwise, the financial assets shall not be reclassified after initial recognition.

Financial assets are measured by fair value upon initial recognition. As to financial assets measured by fair value and with its change being included into current profit and loss, relevant transaction cost is directly included into current profit and loss. As to other types of financial assets, relevant transaction cost is included into the initial recognized amount. As to receivable arising from sales of products or provision of labor, excluding or taking no account of major financing components, the Company takes the consideration that it is entitled to collect as expected as the initial recognized amount.

(3) Classification and measurement of financial liabilities

Upon initial recognition, Huafa classifies its financial liabilities into financial liabilities measured by fair value and with its change being included into current profit and loss, and financial liabilities measured by amortized cost. As to financial liabilities not classed as “measured by fair value and with its change being included into current profit and loss”, relevant transaction cost is included into the initial recognized amount.

Financial liabilities measured by fair value and with its change being included into current profit and loss

The financial liabilities measured by fair value and with its change being included into current profit and loss include the transaction financial liabilities and financial liabilities that are designated as the “measured by fair value and with its change being included into current profit and loss upon initial recognition”. As to such financial liabilities, the Company measures them subsequently by fair value and includes “any gain or loss resulting from change of the fair value and dividend and interest expense related with such financial liabilities” into current profit and loss.

Financial liabilities measured by amortized cost

The Company adopts the actual interest rate method for other financial liabilities and measures them subsequently by amortized cost. Any gain or loss arising from end of recognition or amortization is included into current profit and loss.

Difference between financial liabilities and equity instrument

Financial liabilities refer to liabilities that conform to one of following conditions:

- (1) Contractual obligations of delivering cash or other financial assets to the other party
- (2) Contractual obligations of exchanging financial assets or financial liabilities with the other party under potential unfavorable conditions
- (3) Non-derivative instrument contract that must or could be settled by its own equity instrument in future, and the enterprise will deliver a variable quantity of its own equity instrument based on the contract.
- (4) Derivative instrument contract that must or could be settled by its own equity instrument in future, except for the derivative instrument contract under which a fixed quantity of its own equity instrument is exchanged for a fixed amount of cash or other financial asset.

Equity instrument refers to a contract that can prove the ownership on the remaining equity of an enterprise in the asset after deduction of all liabilities.

If the Company can't avoid unconditionally to perform one contractual obligation by delivering cash or other financial asset, such contractual obligation conforms to the definition of financial liability.

If a financial instrument must or could be settled by its own equity instrument, it needs to consider whether the Company's own equity instrument used to settle this financial instrument is used as substitute of cash or other financial asset, or used for the purpose that the instrument holder enjoys the residual equity of the issuer's asset after deduction of all liabilities. If the former case stands, this instrument is the Company's financial liabilities. If the latter case stands, this instrument is the Company's equity instrument.

- (4). Derivative financial instrument and embedded derivative instrument

The Company's derivative financial instruments include long-term foreign exchange contract, currency exchange rate swap contract, interest rate swap contract and foreign exchange option

contracts and etc. They are measured by the fair value on the day when the derivative transaction contract is signed and subsequently measured by its fair value. The derivative financial instrument with a positive fair value is recognized as an asset, and that with a negative fair value is recognized as a liability. Any gain or loss arising from change of fair value but not conforming to provisions for hedging accounting shall be included directly into the current profit and loss.

As to a mixed instrument that includes an embedded derivative instrument, it applies the rules about classification of financial assets as an entirety if the main contract is financial assets. If the main contract is not a financial asset, it is not measured by its fair value and with its change being included into the current profit and loss, and this embedded derivative instrument has not close relationship with the main contract in terms of economic features and risks, and it has the same condition with the embedded derivative instrument, and the instrument that exists separately conforms to the definition of derivative instrument, the embedded derivative instrument is split from the mixed instrument and handled as an independent derivative financial instrument. If it is impossible to measure separately the embedded derivative instrument upon acquisition or on subsequent day of balance sheet, the mixed instrument shall be designated entirely as the financial asset or financial liability measured by its fair value and with its change being included into the current profit and loss.

(5) Fair value of financial instrument

Refer to Note 4.36 for the method to determine the fair value of financial assets and financial liabilities.

(6) Impairment of financial assets

The Company accounts the impairment of following items and recognizes the impairment reserve based on the anticipated credit loss.

- Financial assets measured by amortized cost
- Receivable and creditor right's investment measured by fair value and with its change being included into other comprehensive income
- Contractual assets defined in Enterprise Accounting Rules No.14- Revenue
- Lease receivable
- Financial guarantee contract (measured by fair value and with its change being included into current profit and loss, except for financial assets whose transfer doesn't conform to the condition to end recognition or arising from its continual involvement in the transferred financial assets).
-
- **Measure the anticipated credit loss**

Anticipated credit loss refers to the weighted average of credit loss of the financial instrument, by taking the default risk as the weight. Credit loss refers to the present value of the difference between all contractual cash flow that the Company shall receive under the Contract and the anticipated receipt of all cash flow (i.e. all cash shortage) discounted in accordance with the actual interest rate.

The Company calculates the probability weighted amount for the present value of the difference between the cash flow that the Company shall receive under the Contract and the anticipated receipt of cash flow by considering reasonable and well-founded information about past events, current situation and future economic forecast, and by considering the default risk as the weight.

The Company measures the anticipated credit loss of financial instruments in different stages. If the credit risk of the financial instrument doesn't increase significantly since its initial recognition, it is in the first stage, and the Company calculates the loss reserve, based on the anticipated credit loss within 12 months in future for this financial instrument. If the credit risk of this financial instrument has increased significantly since its initial recognition but has no credit impairment yet, it is in the second stage, and the Company calculates the loss reserve based on the anticipated credit loss during the entire lifespan for this financial instrument. If this financial instrument has already credit impairment since its initial recognition, it is in the third stage, and the Company calculates the loss reserve, based on the anticipated credit loss during the entire lifespan for this financial instrument.

As to financial instruments with low credit risks on the day of balance sheet, the Company assumes that its credit risk doesn't increase significantly since its initial recognition, and measures the loss reserve based on the anticipated credit loss within 12 months in future.

The anticipated credit loss during the entire lifespan refers to that the anticipated credit loss of the financial instrument resulting from all possible default events during the entire lifespan. The anticipated credit loss within 12 months in future refers to the anticipated credit loss resulting from possible default events of the financial instruments within 12 months after the date of balance sheet (which is the anticipated lifespan if the anticipated lifespan of the financial instrument is less than 12 months) and is a part of the anticipated credit loss during the entire lifespan.

When measuring the anticipated credit loss, the longest period that the Company needs to consider is the longest contract period that the Company is exposed to the credit risk (also taking into account the option to renew the contract).

As to financial instruments that are in the first and second stages and have low credit risks, the Company calculates the interest income based on the book amount (not deducted with the impairment reserve) and the actual interest rate. As to financial instruments in the third stage, the Company calculates the interest income based on the amortized cost of the book balance (deducted with the impairment reserve already withdrawn) and the actual interest rate.

As to notes receivable and account receivable whether they have major financing components or not, the Company calculates the loss reserve in accordance with the anticipated credit loss during the entire lifespan.

When features of credit risks are significantly different and it could evaluate reasonably the info of the anticipated credit loss with reasonable cost, the Company evaluates whether the credit risk of the financial instrument (a single financial instrument) has increased significantly or not and

measures the anticipated credit loss. The Company withdraws the impairment reserve for notes or account that involve litigation or worsened financial situation by single items.

When it is impossible to evaluate the anticipated credit loss for a single instrument with reasonable cost, the Company divides notes receivable, account receivable and contract assets into several combinations based on their credit risk features and calculates the anticipated credit loss for such combinations. Below is the basis to determine these combinations:

A. Notes receivable	
● Note receivable combination 1	Bank acceptance bill
● Note receivable combination 2	Commercial acceptance bill
B. Account receivable	
● Account receivable combination 1	combination of companies, cooperative and joint operation enterprises and associated parties within the scope of consolidation
● Account receivable combination 2	combination of those that are both clients and suppliers within the same Group
● Account receivable combination 3	Combination of land bid bond
● Account receivable combination 4	Receivable from government
● Account receivable combination 5	Combination of Internal staff receivable, provision and land bid bond
● Account receivable combination 6	Receivable other than combinations 1, 2, 3, 4 and 5 (age combination)
C. Contract asset	
● Contract asset combination 1	Infrastructure construction projects
● Contract asset combination 2	Land primary development projects
D. Other receivable	
The Company classifies other receivable into several combinations based on credit risk features and calculates the anticipated credit loss based on such combinations, as below:	
● Other receivable combination 1	combination of companies, cooperative and joint operation enterprises and other associated parties within the scope of consolidation
● Other receivable combination 2	Combination of land bid bond
● Other receivable combination 3	Receivable from government
● Other receivable combination 4	Combination of Internal staff receivable, provision and land bid
● Other receivable combination 5	Receivable other than combinations 1, 2, 3, 4 (age combination)
Combination of receivable based on credit risk features and method to determine the anticipated credit loss	
When it is impossible to evaluate sufficient evidence of anticipated credit loss with reasonable cost, the Company classifies receivable (account receivable and other receivable) into several combinations based on similar credit risk feature, and calculates the anticipated credit loss based on such combinations, as below:	

Name of combinations	Basis to determine combinations	Method to determine the anticipated credit loss
Combination 1: combination of companies, cooperative and joint operation enterprises and other associated parties within the scope of consolidation	The risk that the receivable from companies, cooperative and joint operation enterprises included into the scope of consolidation can't be recovered is extremely low.	Anticipated credit loss is 0.
Combination 2: combination of those that are both clients and suppliers within the same Group	The same client has both receivable and payable in the Group, and the risk that it can't be recovered is extremely low.	Anticipated credit loss is 0.
Combination 3: Combination of land bid bond	The risk that the receivable of government land bid bond can't be recovered is extremely low.	Anticipated credit loss is 0.
Combination 4: Receivable from government	Receivable from the government, except for the land bid bond	Calculate in accordance with the comparison table of the anticipated credit loss rate during the entire lifespan
Combination 5: Combination of Internal staff receivable, provision and land bid bond	Combination of internal staff receivable, provision and land bid bond	Calculate in accordance with the comparison table of the anticipated credit loss rate during the entire lifespan
Combination 6: Receivable other than combinations 1, 2, 3, 4 and 5 (age combination)	Receivables of the same age have similar credit risk features.	Calculate in accordance with the comparison table of the anticipated credit loss rate based on the age of receivable and within 12 months in future

Creditor right investment, other creditor's right investment

As to creditor right investment and other creditor's right investment, the Company calculates the anticipated credit loss rate in accordance with the nature of the investment, types of counter-party and risk exposure, and the default risk exposure or the anticipated credit loss rate within 12 months in future or the entire lifespan.

Credit risks increase significantly

The Company determines any change on the default risk of the financial instruments during its

anticipated lifespan by comparing the default risk of the financial instrument on the day of balance sheet and that on the day of initial recognition, and evaluates whether the credit risk of the financial instrument has increased significantly or not since the initial recognition.

When deciding whether the credit risk of financial instruments has increased significantly or not since its initial recognition, the Company considers reasonable and well-founded information, including prospective information, without the need of paying unnecessary extra cost. The information that the Company will consider include:

- The debtor fails to pay the principal and interest in accordance with the contractual dates;
- The external or internal credit rating (if any) on the financial instrument has seriously worsened or is expected to worsen
- The debtor's operating result has seriously worsened or is expected to worsen.
- The existing or anticipated change on technology, market, economy or legal environment will cause significant unfavorable influence on the debtor's ability to repay the Company.

The Company evaluates whether the credit risk of a single financial instrument or combination of financial instruments has increased significantly based on the nature of financial instruments. When making such evaluation on the combination of financial instruments, the Company could classify financial instruments based on the common feature of credit risks, like overdue information and credit risk rating.

If it has been overdue for more than 30 days, the Company determines that the credit risk of the financial instruments have increased significantly.

Financial assets for which credit impairment has occurred.

- The Company evaluates whether credit impairment has taken place on financial assets measured by amortized cost and creditor right investment measured by fair value and with its change being included into other comprehensive income on the day of balance sheet. When it is expected that one or several events that affect the anticipated future cash flow of a financial asset have occurred, it becomes the financial asset for which credit impairment has occurred. The evidence showing that the credit impairment has occurred for a financial asset includes the following observable information:
 - The issuer or debtor has fallen into serious financial difficulty;
 - The debtor breaches the contract, like failing or delaying to repay the interest or principal;
 - Huafa makes the concession which is impossible in any other situation to the debtor out of its consideration of the debtor's financial difficulty from the economic or contractual aspect.
 - The debtor might go to bankruptcy or undergo financial restructuring;
 - The issuer or debtor has financial difficulty, which causes that the active market for this financial asset disappears.

Presentation of anticipated credit loss reserve

To reflect any change on credit risk for a financial instrument since its initial recognition, the Company remeasures the anticipated credit loss on each day of balance sheet. Any increase or reversed amount on the loss reserve arising thereof shall be included into current profit and loss as the impairment loss or gain. As to financial asset measured by amortized cost, the loss reserve offsets the book value of this financial asset presented in the balance sheet. As to creditor right investment measured by fair value and with its change being included into other comprehensive income, the Company recognizes the loss reserve in other comprehensive income, and doesn't offset the book value of the financial asset.

Offset

If the Company can't anticipate reasonably that the contractual cash flow of the financial assets could be recovered completely or partially, it will reduce directly the book value of the financial assets. Such reduction constitutes the end of recognition on relevant financial assets. This generally occurs when the Company decides that the debtor has no asset or source of income to generate sufficient cash flow to repay the amount reduced. However, the reduced financial asset might also be affected by execution activities in accordance with the Company's procedure of recovering the due payment.

If the reduced financial asset is recovered later, the reverse of impairment loss is included into current profit and loss.

(7) Transfer of financial assets

Transfer of financial asset refers to assignment or delivery of the financial asset to a party (receiving party) other than issuer of such financial asset.

When the Company has transferred almost all risks and rewards on ownership of the financial assets to the transferee, the Company will stop recognition of this financial asset. If the Company has kept almost all risks and rewards on ownership of the financial assets, the Company will not stop recognition of this financial asset.

When the Company neither transfers nor keeps almost all risks and rewards on ownership of the financial asset, it shall be handled differently based on following scenarios:

- If the Company gives up the right of control on such financial asset, stop recognition of such financial asset and recognize the asset and liabilities arising thereof,
- If the Company doesn't give up the right of control on such financial asset, recognize relevant financial asset based on the extent that the Company continues to involve in the financial asset transferred, and recognize relevant liabilities.

(8) Offset of financial asset and financial liability

When the Company has the statutory right to offset financial asset and financial liability already recognized and could now exercise such statutory right and meanwhile the Company plans to settle by the net amount or meanwhile liquidate such financial asset and repay the financial liability, the financial asset and financial liability shall be presented in the Balance Sheet by the offset

amount. In other scenarios, the financial asset and financial liabilities shall be presented separately in the balance sheet and can't be offset.

10. Hedging accounting

Upon initial designation of the hedging relationship, the Company designates formally the hedging instrument and hedged item, and maintains official documents to record the hedging relationship, risk management strategy and target, including the hedging instrument, hedged item, nature of risk to hedge, and the method to appraise the effectiveness of the hedging instrument.

The Company appraises the hedging effectiveness continuously and judges whether this hedging could meet the effectiveness requirements in the accounting period when this hedging relationship has been designated. If it doesn't meet such requirements, the Company will end this hedging relationship. When applying the hedging accounting, it shall meet the following requirements on hedging relationship:

- 1). The hedged item has an economic relationship with the hedging instrument.
- 2). Among the value change resulting from the economic relationship between the hedged item and hedging instrument, the credit risk doesn't have dominant influence.
- 3). The hedging ratio of the hedging relationship shall equal to the ratio between the volume of hedged item that the Company actually hedges and the actual volume of hedging instruments, but can't reflect the unbalance of relevant weights between hedged items and hedging instruments. This unbalance will cause ineffective hedging and might cause an accounting result inconsistent with the accounting target of hedging.

The Company stops the use of hedging accounting under any one of following situations:

- 1). Due to change of risk management target, the hedging relationship doesn't meet the risk management target anymore.
- 2). The hedging instrument has expired, was sold, the contract is terminated or exercised.
- 3). There is no more economic relationship between the hedged item and hedging instrument; or among the value change resulting from the economic relationship between the hedged item and hedging instrument, the credit risk begins to have dominant influence.
- 4). The hedging relationship doesn't meet other conditions for application of hedging accounting.

Hedging of fair value

Hedging of fair value refers to hedging on the risk exposure of change of fair value for recognized asset or liabilities, non-recognized definitive commitment or certain parts of these items. The change of fair value belongs to a specific category of risk and could affect the current profit and loss or other comprehensive income.

As to fair value hedging, the gain or loss resulting from the hedging instrument is included into the current profit and loss. The gain or loss resulting from risk exposure of the hedged item is included into the current profit and loss. Meanwhile, the book value of hedged item already recognized but not measured by its fair value is adjusted.

If the hedged item is the financial instrument (or its component) measured by its amortized cost, the adjustment on the book value of hedged item is amortized in accordance with the actual interest rate which is recalculated on the kick-off day of amortization and is then included into current profit and loss.

When the hedged item is an unrecognized definitive commitment (or its component), the accumulative change of fair value resulting from hedged risk after the hedging relationship is designated is recognized as an asset or liability and relevant gain or loss is included into the profit and loss of each relevant period. When the Company obtains an asset or shoulders a liability while fulfilling a definitive commitment, the Company adjusts the initially recognized amount of this asset or liability to include the accumulative change of the fair value of the hedged item already recognized.

Cash flow hedging

Cash flow hedging refers to hedging on the risk of cash flow change. This cash flow change originates from certain type of special risks related with recognized asset or liability, highly likely anticipated transaction or components of above items and will affect the Company's profit and loss.

The part of gain or loss from the hedging instrument attributable to effective hedging is included into other comprehensive income as the cash flow hedging reserve. The part attributable to ineffective hedging (after deduction of other gain or loss included into other comprehensive income) is included into the current profit and loss.

As to cash flow hedging, when the hedged item is anticipated transaction which makes the Company to recognize afterwards a non-financial asset or non-financial liability, or the anticipated transaction of the non-financial asset or non-financial liability result in a definitive commitment suitable for fair value hedging accounting, the Company will transfer out the cash flow hedging reserve originally recognized in other comprehensive income and include it into the initially recognized amount of such asset or liability.

As to the cash flow hedging other than above situations, the Company transfers out the cash flow hedging reserve originally recognized in other comprehensive income during the same period when the hedged anticipated cash flow affects the profit and loss, and includes it into current profit and loss.

If the cash flow hedging reserve recognized in other comprehensive income is a loss and it is expected that this loss can't be not recovered completely or partially within the future accounting periods, the Company will transfer out the part that can't be recovered from other comprehensive income and include it into the current profit and loss when the Company anticipates that it can't be recovered.

When the Company ends the hedging accounting on the cash flow hedging, and if it is expected that the hedged future cash flow will still take place, the Company will retain the accumulative cash

flow hedging reserve recognized in other comprehensive income until the anticipated transaction actually takes place and then handle it in accordance with above accounting policy for the cash flow hedging. If it is expected that the hedged future cash flow will no longer take place, the Company transfers out the accumulative cash flow hedging reserve recognized under other comprehensive income and includes it into the current profit and loss. If it is expected that the hedged future cash flow will “no longer happen extremely likely”, but may still happen, the Company will retain the accumulative cash flow hedging reserve when it is expected that it may still happen until it really happens and then handles it in accordance with above accounting policy for the cash flow hedging.

11. Stock

(1) Classification of stock

Huafa's stock is classified into raw material, circulation material, inventory commodities, product in process, self-manufactured semi-finished products, entrusted-to-process materials, R&D cost, development product, leased product, delivered commodity, materials in transit, project construction, contractual performance cost, and etc.

(2) Pricing and amortization for delivery of stock

Huafa adopts a perpetual stock system for its stock verification. The stock is priced by its actual cost upon acquisition. Raw material and inventory commodity are priced by the weighted mean method when they are dispatched. Low-value consumables, and package materials used for circulation are amortized by one-time amortization method when they are collected for use.

Stock of real estate includes mainly inventory materials, development products under construction, finished development products and development products intended for sale but under temporary lease. The stock is initially measured by the actual cost. The actual cost of development products includes the land transfer fee, expenditure for infrastructure facilities, expense for construction and installation, loan expense incurred before completion of the development project, and other relevant expense during the development. When development products are delivered, the Company decides the actual cost by individual pricing method.

(3) Withdrawal method for falling price reserve of stock

If the stock cost is higher than the net realizable value on the day of balance sheet, falling price reserve of stock is withdrawn. Huafa withdraws the falling price reserve of stock for each single item of stock. If factors that result in reduction of value of stock disappeared on the day of balance sheet, the falling price reserve of stock is reversed within the amount withdrawn.

(4) Method to recognize net realizable value of stock

Net realizable value of stock is the amount resulting from the estimated selling price of the stock minus estimated cost, estimated sales expense and relevant tax until the work is finished. The net realizable value of stock is determined based on solid evidence obtained, purpose of holding the stock and events after the day of balance sheet.

12. Contract asset

The Company's right of collecting consideration from the client after transfer of commodity, which depends on factors other than the passing of time, is recognized as contract asset. The Company's unconditional right of collecting consideration from the client (i.e. depending only on the passing of time) from the client is presented separately as the receivable.

Refer to 4.9(6) Impairment of financial instrument for the method to determine the anticipated credit loss of contract assets and accounting method.

13. Long-term equity investment

The Company's long-term equity investment includes equity investment where the Company exercises control and significant influence on the investee and equity investment on joint ventures. Those investees that Huafa could exercise significant influence on are cooperative operation enterprises.

(1). To determine the investment cost

Long-term equity investment resulting from merger of enterprises: As to long-term equity investment resulting from merger of enterprises under the same control, the share of the owner's equity of the merged on the day of merger in the book value in the final controller's consolidated financial statement is the investment cost. As to long-term equity investment resulting from merger of enterprises not under the same control, the merger cost is taken as the investment cost for the long-term equity investment. As to merger of enterprises not under the same control achieved by steps through several transactions, the cost of long-term equity investment is the sum of book value of equity investment of the acquired held before the day of purchase and incremental investment cost on the day of purchase.

As to long-term equity investment obtained through methods other than merger of enterprises:

- As to long-term equity investment obtained through cash payment, the purchase price actually paid is taken as the initial investment cost; As to long-term equity investment obtained through issuance of equity securities, the fair value of equity securities issued is taken as the initial investment cost.

(2) Subsequent measuring and method to recognize profit and loss

Huafa adopts the cost method for long-term equity investment that Huafa could exercise control on the investee; and adopts the equity method for investment on cooperative operation and joint operation enterprises.

As to long-term equity investment subject to cost accounting, the cash dividend or profit that the investee declares to distribute (except for cash dividend or profit already declared but not yet issued but already included in the payment or consideration actually paid upon acquisition of the investment) is recognized as the investment gain and is included into the current profit and loss.

When Huafa's long-term equity investment is subject to equity accounting, and the investment cost for the long-term equity investment is higher than its share of fair value of identifiable net

asset of the investee, the investment cost of the long-term equity investment is not adjusted. If the investment cost of the long-term equity investment is lower than its share of the fair value of the identifiable net asset of the investee, the book value of the long-term equity investment is adjusted and the difference is included into the current profit and loss.

When it is subject to equity accounting, the shares it is entitled to or shall shoulder in the net profit and loss and other comprehensive income realized by the investee are recognized separately as investment gain and other comprehensive income, and the book value of the long-term equity investment is adjusted. The book value of the long-term equity investment shall be reduced by its share in the profit or cash dividend declared by the investee to distribute. As to other change to the owner's equity of the investee (except for net profit and loss, other comprehensive income and profit distribution), the book value of the long-term equity investment shall be adjusted and it is included into the owner's equity. When it recognizes its share in the net profit and loss of the investee, it shall adjust and recognize the net profit of the investee based on the fair value of identifiable assets of the investee upon acquisition of the investment and in accordance with Huafa's accounting policy and accounting period.

If the Company could exercise significant influence or joint control on the investee resulting from the increase of investment but it doesn't constitute "control", the sum of the fair value of the equity investment originally held and the cost of increased investment is taken as the initial investment cost when it is changed to equity accounting. As to the equity that is originally classified as "investment on non-transaction equity instrument measured by fair value and with its change being included into other comprehensive income", the accumulated change of fair value originally included into other comprehensive income is included into the current profit and loss when it is changed to equity accounting.

The part of unrealized gain or loss from internal transaction between the Company and cooperative operation and joint operation enterprises attributable to the Company is calculated in accordance with the share ratio and the investment gain or loss is recognized after offset. If the unrealized internal transaction loss between the Company and the investee belongs to the impairment loss of transferred asset, it will not be offset.

(3). Basis to determine "having control, joint control and significant influence" on the investee

Control refers to that the Company holds the power on the investee, and could enjoy variable return through participating in relevant activities of the investee, and is capable of exercising its power on the investee to influence the amount of return. A subsidiary refers to an entity (including a divisible part of an enterprise or investee, and structuralized entity controlled by an enterprise) controlled by the Company.

Joint control refers to common control on an arrangement through an agreement, and relevant activities of such arrangement could be decided only after all participants that share the right of control have agreed unanimously. Before finding out whether there is joint control, one must firstly make a judgment whether all participants or groups of participants control such an arrangement

collectively. If all participants or a group of participants must act in concert in order to decide relevant activities of an arrangement, it is regarded as that all participants or a group of participants control this arrangement collectively. Secondly, one must make a judgment whether the decision on relevant activities of an arrangement must be agreed unanimously by participants that exercise collective control on this arrangement. If two or more groups of participants could control an arrangement collectively, it doesn't constitute joint control. When finding out whether there is joint control, one doesn't need to consider any entitlement to protective rights.

Significant influence refers to that the investor has the power to participate in the decision-making of the financial and operation policy of the investee, but can't control or control together with other parties the decision on such policy. For the purpose of determining whether the investor could exercise significant influence on the investee, one shall consider the influence of voting share of the investee held by the investor directly or indirectly, and potential voting right held by the investor or other parties that can be executed in the current period, if it is converted to equity of the investee, including current convertible warrant, stock option, convertible corporate bond and etc issued by the investee.

When the Company owns directly or indirectly through subsidiaries more than 20% (including 20%) but lower than 50% of voting share, it shall be recognized that the Company has significant influence on the investee unless there is definitive evidence showing that the Company can't participate in decision-making on operation of the investee and can't exercise significant influence under this situation. If the Company has less than 20% (not including 20%) of the voting share of the investee, it is generally not recognized as that the Company has significant influence on the investee unless there is definitive evidence showing that the Company can participate in decision-making on operation of the investee, and can exercise significant influence.

(4) Disposal of long-term equity investment

As to disposal of long-term equity investment, the difference between its book value and actual payment received shall be included into the profit and loss. As to long-term equity investment subject to equity accounting and if other change to the owner's equity of the investee (except for net profit and loss) is included into the owner's equity, the part originally included into the owner's equity is transferred into current profit and loss upon disposal of such investment.

When the Company has lost joint control or significant influence on the investee due to disposal of a part of the equity investment or other reasons, the difference between the fair value and book value of the remaining equity after such disposal on the day when the Company lost joint control or significant influence is included into the current profit and loss. Other comprehensive income recognized on the original equity investment due to adoption of equity accounting shall be accounted on the same basis adopted by the investee for its direct disposal of relevant assets or liabilities when it stops the application of equity accounting. Other changes of the owner's equity related with the original equity investment is transferred to current profit and loss.

When the Company has lost its control on the investee due to disposal of a part of equity investment, but could still exercise joint control or significant influence on the investee with the

remaining equity after disposal, it is changed to equity accounting and the remaining equity shall be adjusted as if it has adopted equity accounting upon its acquisition. If the Company could not exercise joint control or significant influence on the investee with the remaining equity after disposal, it is changed to the accounting method in accordance with applicable rules in "Enterprise Accounting Standard No. 22- Recognition and Measuring of Financial Instrument", and any difference between its fair value and book value on the day when it lost its control shall be included into current profit and loss.

When the Company has lost its control on the investee but could exercise joint control or significant influence on the investee when other investors increase their investment, which results in that the Company has a lower share ratio, it shall determine the Company's share on the net asset of the investee due to increase of capital and expansion of shares in accordance with the new share ratio and include the difference with the original book value of the long-term equity investment that the reduction of the carry-forward share ratio corresponds to into the current profit and loss. Then, the Company makes the adjustment under the equity method based on the new share ratio from the time when it has obtained the investment.

(5). Impairment testing method and withdrawal method of impairment reserve

Refer to Note 4.24 for the Company's withdrawal method of impairment for investment into subsidiaries, cooperative operation enterprises and joint ventures.

14. Investment real estate

Investment real estate refers to the real estate held for earning rental or capital appreciation or held for both purposes. The Company's investment real estate includes the land use right already leased, land use right held to transfer after appreciation, and buildings leased.

The Company's investment real estate are located in areas with an active market for transaction of real estate. The Company could obtain the market price and other relevant information of same or similar real estate from the real estate transaction market and could estimate reasonably the fair value of its investment real estate. Thus, the Company adopts a fair value model for subsequent measuring of the investment real estate and any change to the fair value is included into the current profit and loss.

When deciding the fair value of an investment real estate, the Company refers to current market price of same or similar real estate in an active market. If it is impossible to obtain the current market price of same or similar real estate, the Company refers to the latest transaction price of same or similar real estate in an active market and takes also into account the transaction situation, transaction date, area and other factors in order to estimate reasonably the fair value of the investment real estate. Alternately, the Company could determine its fair value based on the estimated future rental and present value of relevant cash flow.

The balance of the disposal income from the sales, transfer, write-off or destruction of the investment real estate after deduction of its book value, tax and charges is included into the current profit and loss.

15. Fixed assets

(1). Recognition conditions

Fixed assets are tangible assets held for producing goods, providing labor, leasing or operation and management and whose lifespan exceeds one accounting year.

Fixed assets are only recognized when related economic benefits might flow into the Company and its cost could be reliably measured.

The Company's fixed assets are initially measured by the actual cost upon acquisition.

(2). Classification and depreciation policy of fixed assets

The Company adopts a straight-line method to withdraw the depreciation. The Company starts to withdraw depreciation when the fixed asset reaches the "predefined usable state" and stops withdrawal when its recognition is ended or it is reclassified as held-for-sale non-current asset. If impairment reserve is not considered, the Company determines the annual depreciation rate for each type of fixed assets in accordance with the type of fixed asset, anticipated lifespan and anticipated residual value, detailed as below.

Type of fixed asset	Lifespan	Residual ratio %	Annual depreciation rate %
House, buildings	30-50 years	0-10	3.33-1.8
Equipment	5-10 years	0-10	20-9
Vehicles	5-10 years	0-10	20-9
Electronic equipment and other	3-10 years	0-10	33.33-9

As to fixed asset for which impairment reserve is already withdrawn, the depreciation rate shall be determined by deducting the accumulated impairment reserve of fixed assets already withdrawn.

(3). Refer to Note 4.24 for the impairment testing method and withdrawal method of impairment reserve of fixed assets

(4). At the end of each year, the Company checks again the lifespan, anticipated net residual value and depreciation method on fixed assets.

If the expected lifespan is different from the original estimation, the lifespan of fixed asset shall be adjusted. If the anticipated net residual value is different from the original estimation, the anticipated net residual value shall be adjusted.

(5). Overhaul expense

As to the overhaul expense arising from regular inspection on fixed assets, the part for which there is solid evidence showing that they conform to recognition conditions of fixed assets is included into the cost of fixed assets; and the part that don't conform to recognition conditions of fixed

assets is included into the current profit and loss. Depreciation is still withdrawn in periods between regular overhaul of fixed assets.

16. Construction in process

The Company decides the cost of construction in process in accordance with the actual project expenditure, including necessary project expenditure, loan expense that shall be capitalized before the project reaches the preset usable state and other relevant expense incurred during the construction period.

Construction in process is transferred to fixed asset when it reaches the preset usable state.

Refer to Note 4.24 for the withdrawal method of asset impairment for construction in process.

17. Loan expense

(1) Recognition principle for capitalization of loan expense

The loan expense incurred by the Company and directly attributable to purchase, construction or production of assets that conform to the condition of capitalization is capitalized and included into relevant asset cost. Other loan expense is recognized as expense when incurred based on the amount incurred, and included into current profit and loss. The Company starts to capitalize the loan expense when it conforms to all of following conditions:

- A. The capital expenditure has been spent, and it includes any payment incurred by ways of paying cash, transfer of non-cash asset or assumption of interest-bearing debt and etc. for purchase, construction or production of assets that conform to the condition of capitalization;
- B. Loan expense has been spent;
- C. Purchase, construction or production activities necessary for bringing the asset to preset usable state or marketable state have already started.

(2) Capitalization period of the loan expense

The Company will stop capitalization of the loan expense when the asset purchased, constructed or produced by the Company and also conforming to the condition of capitalization has reached the preset usable or marketable state. The loan expense incurred after the asset that conforms to the condition of capitalization has reached the preset usable or marketable state is recognized as expense when incurred based on the amount incurred and is included into the current profit and loss.

If the asset that meets the condition of capitalization has been suspended abnormally during the purchase, construction or production and the suspension has exceeded three months continuously, the Company will stop temporarily the capitalization of loan expense. Otherwise, the Company will continue to capitalize loan expense during the normal suspension period.

18. Use right assets

(1). Recognition condition of use right assets

The Company's use right assets refers to the Company's right of using the leased assets as the lessee during the lease period.

The Company measures the use right asset initially by the cost on the kickoff day of the lease. The cost includes the initial amount of the lease liability; the lease payment paid on or before the kickoff date of the lease period; deducted by the amount of lease stimulant (if any) already enjoyed, initial direct expense incurred by the Company as the lessee; the cost that the Company is anticipated to incur for tearing down or removing the leased assets, restoring the leased asset or venue of the leased asset to the state agreed under the lease. The Company recognizes and measures the cost for tearing down, restoration and etc, as the lessee, in accordance with "Enterprise Accounting Rules No. 13- Contingency", and adjusts subsequently again any re-measurement of the lease liabilities.

(2). Depreciation method of the use right asset

The Company adopts the linear method to withdraw the depreciation. When the Company could determine reasonably that it will get the ownership of the leased assets upon expiry of the lease period, the Company withdraws the depreciation during the residual lifespan of the leased asset. When the Company couldn't determine reasonably that it will get the ownership of the leased assets upon expiry of the lease period, the Company withdraws the depreciation within the residual period of the lease or residual lifespan of the leased assets, whichever is shorter.

(3). Refer to Note 4.24 for the method of impairment testing of use right assets and the withdrawal method of the impairment reserve.

19. Intangible assets

The Company's intangible assets include software, land use right, patent and etc.

The Company measures initially the intangible asset based on the cost, and makes a judgment on its lifespan upon its acquisition. If the lifespan is limited, the Company amortizes the intangible asset within the anticipated lifespan by a method that reflects the anticipated realization method of economic benefits related with such asset since such intangible asset is available for use. If it is impossible to determine reliably the expected realization method, the Company will amortize it with a straight-line method. Intangible assets with an uncertain lifespan will not be amortized. Intangible assets with a limited lifespan is amortized as below:

Type	Lifespan	Amortization method	Remarks
Land use right	50	Straight line method	
Software	10	Straight line method	
Patent	10	Straight line method	
Other	10	Straight line method	

The Company will revisit the lifespan and amortization method on intangible assets with a limited lifespan at the end of each year. If there is any change, it will adjust the original estimation and be

handled as changes in accounting estimates.

If it is anticipated that certain intangible asset can't bring future economic benefits to the Company on the day of balance sheet, the book value of such intangible assets will be transferred entirely into current profit and loss.

Refer to Note 4.24 for the withdrawal method for impairment of intangible assets.

20. R&D expense

The Company divides the expense for its internal R&D project into "research-stage expense" and "development-stage expense".

The research-stage expense is included into the current profit and loss when it is incurred.

The development-stage expense is capitalized only when it meets all of following conditions: namely, complete this intangible asset and render it technically feasible for use or sales; has the intention to complete this intangible asset and use or sell it; the ways by which intangible asset could produce economic benefits include that "the product produced by application of such intangible asset has a market or the intangible asset itself has a market, could prove the usefulness of the intangible asset if it is used internally; has sufficient technical and financial resource and other support to complete development of the intangible asset, has the ability to use or sell this intangible asset; the development-stage expense attributable to this intangible asset could be measured reliably. The development expense not meeting above conditions is included into the current profit and loss.

When a project meets above conditions and has passed the technical and economic feasibility study and is approved, it then enters into the development stage.

The development-stage expense already capitalized is presented as development expense on the balance sheet, and is transferred to intangible asset when the project reaches the preset usage.

21. Long-term deferred expense

The Company's long-term deferred expense includes: long-term prepaid rental, improvement expense on fixed assets leased through an operating lease.

The Company's long-term deferred expense is priced based on the actual cost and is amortized by a straight-line method over the anticipated beneficial period. As to long-term deferred expense that can't benefit future accounting periods, the amortized value of the item when determined is included into the current profit and loss.

22. Maintenance fund

The Company doesn't withdraw reserve for maintenance fund. The maintenance expense is accounted when it is actually spent. If the development project that needs maintenance hasn't

been sold out, it is included into the "development cost" of the project. If the development project that needs maintenance has been sold out, it is included into the "overhead expense".

23. Quality warranty deposit

When the settlement payment is made for construction and installation works, the quality warranty deposit shall be deducted in accordance with the percentage as agreed in the contract and accounted for different units under the entry of "other payable". After the works has passed acceptance inspection and is free from quality issues during the quality warranty period, the quality warranty deposit will be refunded.

24. Asset impairment

The Company makes a judgment on whether impairment is possible for an asset on the day of balance sheet. If there is any sign of impairment, the Company will estimate the recoverable amount and test the impairment. The Company will test every year the impairment for goodwill resulting from merger of enterprises, intangible assets with an uncertain lifespan, and intangible assets that haven't reached the usable state.

Recoverable amount is the difference between the fair value of an asset and its disposal expense, or the present value of the anticipated future cash flow from the asset, whichever is higher. The Company estimates the recoverable amount based on each single asset. If it is difficult to estimate the recoverable amount of a single asset, the Company will determine the recoverable amount of a group of assets that such asset belongs to. For the purpose of identifying a group of assets, the Company takes into account whether the main cash inflow from a group of assets is independent from cash inflow of other assets or other groups of assets.

When the recoverable amount of an asset or a group of assets is lower than its book value, the Company will reduce its book value to the recoverable amount. The amount reduced is included into current profit and loss. Meanwhile, an equivalent amount of impairment reserve is withdrawn.

As to impairment testing of goodwill, the book value of goodwill resulting from merger of enterprises is amortized into relevant groups of assets by a reasonable method since the day of purchase. If it is difficult to amortize to relevant groups of assets, it is amortized to relevant portfolios of asset groups. Relevant asset groups or portfolios of asset groups refer to those asset groups or portfolios of assets groups that can benefit from the synergistic effect of merger, and is not greater than the reported division determined by the Company.

If it shows signs of impairment for asset groups or portfolios of asset groups related with goodwill during the impairment testing, one shall test the impairment on asset groups or portfolios of asset groups that don't include goodwill, calculate the recoverable amount and recognize relevant impairment loss. Then, one shall test the impairment on asset groups or portfolios of asset groups that include goodwill, compare their book value and recoverable amount and then recognize the impairment loss of goodwill if the recoverable amount is lower than the book value.

The impairment loss, once recognized, will not be reversed in future accounting periods.

25. Staff payroll

(1). Scope of staff payroll

Staff payroll refers to various types of remuneration or compensation paid by the enterprise to obtain the service provided by staff or for termination of labor relationship. Staff payroll includes short-term payroll, benefit after severance, benefit after dismissal, and other long-term benefit to staff. Benefits provided by the enterprise to spouses, children, dependent of staff and family members and other beneficiaries of the deceased staff belong also to staff payroll.

(2). Short-term payroll

The Company recognizes the staff salary, bonus, social insurance premium (including medical premium, work-related injury premium and birth premium paid in accordance with stipulated benchmark and percentage) and housing fund as liabilities and includes them into current profit and loss or relevant asset cost. If it is anticipated that this liability can't be fully paid within twelve months after the reporting period for the year when staff provides service is ended and it causes significant financial influence, the liability shall be measured by a discounted amount.

(3). Benefits after severance (BAS)

Benefits after severance plan includes defined contribution plans and defined benefit plans. The defined contribution plans refer to that the enterprise is not liable for further payment after having submitted a fixed amount of fee to an independent fund. Defined benefit plans refer to post-severance benefit plans other than the defined contribution plans.

BAS defined contribution plan is mainly for basic social life insurance, unemployment insurance and etc organized and implemented by local labor and social security institutions; The enterprise will recognize the amount of payable calculated in accordance with the defined contribution plan as liabilities and include it into the current profit and loss or relevant asset cost during the accounting period when the staff works for the Company.

The Company has no other payment obligations after having made above regular payment in accordance with national standards and the pension plan.

(4) Dismissal benefit

Dismissal benefit refers to the compensation offered by the Company when the Company dissolves the labor relationship with the staff before the labor contract expires or encourages staff to accept lay-off voluntarily. The Company recognizes the compensation given by the Company due to termination of labor relationship as liabilities and includes it into the current profit and loss on the day when the Company can't withdraw the plan to terminate the labor relationship or lay-off advice unilaterally or the day to recognize the cost related with reorganization that involves payment of dismissal benefit, whichever is earlier.

The Company provides internal retirement benefit to employees who accept the internal retirement arrangement. Internal retirement benefit refers to the salary paid to and social premium

paid for employees who haven't reached the national retirement age but volunteer to exit the job position as approved by the Management. The Company pays the internal retirement benefits to internal retired employees from the kick-off day of internal retirement arrangement to the day when employees reach the normal retirement age. The Company will account the internal retirement benefits with reference to dismissal benefits. When it meets the condition to recognize dismissal benefits, the Company will recognize the payroll payable to internally retired employees and social premium payable from the day when these employees stop provision of service until their normal retirement as liabilities and include it into the current profit and loss once for all. Any difference arising from change of actuarial assumption and adjustment of internal retirement benefit standard will be included into the current profit and loss when they occur.

(5) Other long-term benefit

If other long-term staff benefits provided by the Company meets the condition of "defined contribution plan", they shall be handled in accordance with rules for defined contribution plans. If they meets the condition of defined benefit plan, they shall be handled in accordance with rules for defined benefit plans. Any change arising from re-measuring net liability or net asset of the defined benefit plan in the staff payroll cost shall be included into current profit and loss or relevant asset cost.

26. Dividend payment

(1) Types of dividend payment

The Company's dividend payment is made by "equity settlement" or "cash settlement".

(2) Method to determine the fair value of equity instrument

The Company determines the fair value of granted option and other equity instruments that have an active market in accordance with the quotation in the active market. As to granted option and other equity instruments that don't have an active market, it adopts the option pricing model to determine its fair value. The Company shall take into account the following factors when choosing the pricing model for options: A. exercise price of options. B. effective period of options, C. current price of target share, D. anticipated fluctuation rate of stock price. E. anticipated dividend of stock, F. no-risk interest rate within the effective period of option.

(3) Basis to determine the best estimation of exercisable equity instrument

On each day of balance sheet in the vesting period, the Company makes the best estimation in accordance with available latest information, including the change to the number of employees with exercisable options, and revises the quantity of anticipated exercisable equity instrument. On the vesting date, the final quantity of estimated exercisable equity instrument shall be consistent with the actual exercisable quantity.

(4) Accounting for implementation, revision and termination of stock payment plan

The stock payment settled by equity is measured by fair value of equity instrument granted to employees. If it can be exercised immediately after grant, it is included into relevant cost or expense in accordance with the fair value of the equity instrument on the grant date, and capital

reserve is increased accordingly. If it could be exercised only after one has finished the service or achieved the required performance within the vesting period, the Company will include the service acquired at that period into relevant cost or expense and capital reserve in accordance with the fair value of the equity instrument on the grant date based on the best estimate on the quantity of exercisable equity instrument on each day of the balance sheet during the vesting period. The Company will no longer adjust relevant cost or expense and total owner's equity after the vesting date.

The stock payment settled by cash is measured by fair value of liabilities shouldered by the Company and calculated based on stock or other equity instrument. If it is immediately exercisable after grant, the Company includes the fair value of liabilities shouldered on the grant date into relevant cost or expense, and increases the liabilities accordingly. If it could be exercised only after one has finished the service or achieved the required performance within the vesting period, the Company will include the service acquired at that period into relevant cost or expense and relevant liabilities based on the best estimate of exercisable rights on each day of the balance sheet during the vesting period. On each day of balance sheet and settlement day before settlement of relevant liabilities, the Company remeasures the fair value of liabilities and includes its change into current profit and loss.

If the equity instrument granted is revoked during the vesting period, the Company will handle the granted equity instrument that is revoked as accelerated exercise, include the amount that shall be recognized during the balance vesting period into current profit and loss and meanwhile recognize the capital reserve. If the employees or other parties could choose to meet non-exercisable conditions, but doesn't meet such condition in the vesting period, the Company will handle it as the cancellation of granted equity instrument.

27. Bond payable

The Company measures initially external issuance of bonds in accordance with the fair value minus the transaction cost, and measures it subsequently in accordance with the amortized cost during the bond's duration under the actual interest rate method.

The interest expense is directly included into current profit and loss except for being capitalized when it meets the condition for capitalization of loan expense.

28. Anticipated liability

If an obligation related with a contingent event conforms to all of following conditions, the Company will recognize it as an anticipated liability:

- (1) This obligation is the current obligation that the Company shoulders;
- (2) Fulfillment of this obligation will likely result in that economic benefit flow out of the Company;
- (3) The amount of this obligation could be measured reliably.

The Company measures initially the anticipated liability in accordance with the best estimate on expense necessary for fulfillment of relevant current obligations, and also takes into account risks, uncertainties, time value of money and etc related with the contingent event. If the time value of

currency has significant influence, the Company determines the best estimate by discounting the future cash outflow. The Company will check again the book value of the anticipated liabilities on the day of balance sheet, and adjust the book value to reflect the current best estimate.

If it is expected that all or a part of expenses necessary for repayment of anticipated liabilities will be compensated by a third party or another party, the amount of compensation could only be recognized separately when it is basically certain that it can be recovered. The recognized amount of compensation doesn't exceed the book value of recognized liabilities.

29. Preferred stock, perpetual bond and other financial instrument

Financial instruments issued by the Company are initially recognized and measured in accordance with financial instrument standards. Then, interest is withdrawn or dividend is distributed on each day of balance sheet in accordance with relevant accounting standards. Namely, the Company will decide the accounting method for interest expense or dividend distribution for this instrument based on the classification of equity instrument issued. As to financial instrument classified as equity instrument, its interest expense or dividend distribution is regarded as the Company's profit distribution, and its repurchase, cancellation and etc are regarded as the change of equity. As to financial instrument classified as financial liabilities, the interest expense or dividend distribution is handled as loan expense in principle, and any gain or loss arising from its repurchase or redemption is included into the current profit and loss.

When the Company issues financial instruments, the charges, commission and other transaction fees are included into the initial measured amount of the instrument issued if they are classified as debt instrument and measured by amortized cost.; or deducted from the equity if they are classified as equity instrument.

30. Principle for income recognition

(1) General principle for income recognition

Income is recognized when the Company has fulfilled its contractual obligations as set out in the Contract, i.e. when the client has obtained the right of control to relevant commodity or service.

When the Contract includes two or several contractual obligations, the Company divides the transaction price into each single contractual obligation in accordance with the relative percentage of the separate price of the commodity or service promised by each contractual obligation and calculates the income in accordance with the transaction price allocated to each single contractual obligation.

The transaction price is the consideration that the Company expects to collect from transfer of commodity or service to the client, not including the amount collected on behalf of any third party. The transaction price recognized by the Company doesn't exceed the amount of the accumulated recognized income that has the extreme possibility of no reversal after the relevant uncertainty is eliminated. When the consideration that the Company is entitled to collect is non-cash, the Company recognizes the transaction price in accordance with the fair value of the non-cash

consideration. The amount that is expected to return to the client is not included into the transaction price. When the Contract has a significant financial factor, the Company determines the transaction price as per the amount payable by the client when obtaining the right of control to the commodity or service. Any difference between the transaction price and contractual consideration is amortized in accordance with the actual interest rate within the contractual period.

When it meets one of following conditions, the Company fulfills the contractual obligation within a certain period. Otherwise, the Company fulfills the contractual obligation at a certain time point.

- (1). The client has obtained and consumed the economic benefit resulting from the Company's fulfillment of its contractual obligations when the Company fulfills its contractual obligation.
- (2). The client could control the construction in process while the Company fulfills its contractual obligation.
- (3). The commodity produced by the Company while fulfilling its contractual obligations has an irreplaceable usage, and the Company is entitled to collect payment from the partial fulfillment of contractual obligations that has been accumulated until now during the entire contract period.

As to the contractual obligation that shall be fulfilled within a certain period, the Company recognizes the income in accordance with the progress of fulfillment of contractual obligations within this period. When the progress of fulfillment of contractual obligations can't be reasonably determined, and it is anticipated that the cost incurred by the Company could be compensated, the Company recognizes the income in accordance with the cost incurred until the progress of fulfillment of contractual obligations could be reasonably determined.

As to the contractual obligation that shall be fulfilled at a certain point of time, the Company recognizes the income when the client has obtained the right of control to relevant commodity or service. When judging whether the client has obtained the right of control to the commodity or service, the Company shall consider following signs:

- (1). The Company has the right to collect payment for the commodity or service;
- (2). The Company has transferred the physical commodity to the client.
- (3). The Company has transferred the statutory ownership of this commodity or major risks and rewards on the ownership to the client.
- (4). The client has accepted this commodity or service.

The Company's right of collecting the consideration for commodity or service already transferred to the client (and the right depends on factors other than passing of time) is presented as the contractual asset. Impairment reserve is withdrawn based on the anticipated credit loss of the contractual asset. The Company's right of unconditionally (only depending on the passing of time) collecting consideration from the client is presented as the receivable. The Company recognizes the liabilities of transferring the commodity for the consideration that the Company has collected or will collect as the contractual liabilities.

- (2). Income treatment for special transactions

A. Contracts with the clause of sales return

When the client has obtained the right of control to relevant commodities, the Company shall recognize the income based on consideration that the Company has the anticipated right to collect for transfer of the commodity and shall recognize the liabilities based on the anticipated amount to return for sales return.

The balance between the book value of the commodity that is anticipated to return upon the sales and the anticipated cost for recovery of such commodity (including the value impairment of the commodity returned) shall be accounted under “receivable return cost”.

B. Contracts with the clause of quality warranty

The Company shall find out whether it will provide an independent service other than the warranty to the client that the commodity sold conforms to a predefined standard. If the Company provides extra service, it shall be regarded a single contractual obligation and the accounting shall be carried out in accordance with the income criteria. Otherwise, the quality warranty liability shall be accounted as per the accounting principle for contingencies.

C. Sales contracts with the client's option of additional purchase

The Company shall find out whether such an option has provided a significant right to the client. If it provides a significant right, it shall be regarded as a single contractual obligation and the transaction price will be allocated to this contractual obligation. Income is recognized when the client has obtained the right of control to the commodity when the client exercises the right of option to purchase in future or when this option become invalid. If the separate price for the client's option of additional purchase can't be directly observed, the Company shall estimate reasonably by considering the difference of the discount that the client will get by exercising or not exercising this option, the possibility that the client will exercise the right of option and all other relevant information.

(3). Specific method for income recognition

A. Real estate sales

As to sales of real estate for which the contractual obligation shall be fulfilled in accordance with the sales contract, regional laws and regulatory requirements within a certain period, the Company recognizes the income in accordance with the progress of fulfillment of the contractual obligations within this period. As to other sales of real estate, the Company recognizes the realization of sales income when the real estate has been completed and passed the acceptance inspection, the sales contract has been signed, the buyer's payment certificate has been obtained, it has reached the delivery conditions as agreed in the sales contract and the client has obtained the right of control on the commodity.

B. Construction contract

The Company recognizes the income in accordance with the progress of fulfillment of the contractual obligation, and determines the progress of fulfillment of the contractual obligation based on the percentage of the contractual workload already completed against the total

anticipated workload as set out in the contract.

C. Provision of labor

If the result of labor transaction could be reliably estimated on the date of balance sheet, the Company recognizes the income within a certain period based on the progress of labor already provided. The progress of labor already completed is decided based on the percentage of the cost incurred against the total anticipated cost.

4. Commodity sales

Generally, the commodity sales contract between the Company and its clients include only the contractual obligation for transfer of commodities. Generally, the Company recognizes the income when the control right on goods is transferred to the buyer by considering following factors: having obtained the current right of collecting payment for the commodity, major risks and rewards on the commodity's ownership has been transferred, the statutory ownership of the commodity has been transferred, the physical asset of the commodity has been transferred and the client accepts the commodity.

Recognition of income from domestic sales of commodity shall meet the following conditions: the Company has delivered and the client has accepted the product as agreed in the Contract, has obtained the payment or the proof to collect the payment and relevant economic benefits will likely flow in, major risks and rewards on the commodity's ownership has been transferred and the statutory ownership of the commodity has been transferred.

Recognition of income from export sales of commodity: The Company has finished the customs declaration formalities in accordance with the Contract, has obtained the payment or the proof to collect the payment and relevant economic benefits will likely flow in, major risks and rewards on the commodity's ownership has been transferred and the statutory ownership of the commodity has been transferred.

31. Contract cost

The contract cost includes the incremental cost incurred for obtaining the contract and the cost for fulfilling the contractual obligation.

The incremental cost incurred for obtaining the contract refers to the cost that the Company will not incur if the contract has not been contained (like sales commission and etc). If it is anticipated that the cost can be recovered, the Company shall recognize the cost for obtaining the contract as an asset. Expense incurred by the Company for obtaining the contract other than the incremental cost that is anticipated to recover is included into the current profit and loss.

If the cost incurred for performance of the contract doesn't belong to the scope of enterprise accounting criteria like the stock but meets the following condition, the Company shall recognize the cost of contractual performance as an asset.

A. The cost is directly related with an existing contract or a contract that is anticipated to get,

including the direct labor, direct material, manufacture expense (or similar expense), cost that is shouldered definitely by the client and other cost incurred only for obtaining the contract.

B. The cost has increased the Company's resource for fulfilling the contractual obligation in future.

C. It is anticipated that the cost could be recovered.

The asset recognized from the cost for obtaining the contract and the asset recognized from the cost of contract performance (hereinafter referred to the asset related with the contract cost) is amortized on the same basis for recognition of income from the commodity or service related with the asset and is included into the current profit and loss.

When the book value of the asset related with the contract cost is higher than the difference between following two items, the Company shall withdraw the impairment reserve for the excess and recognize it as the impairment loss of asset.

1). The balance consideration that the Company is anticipated to obtain for transfer of the commodity or service related with this asset.

2). Cost that is estimated to incur for transfer of the relevant commodity or service.

As to the contract performance cost recognized as the asset, it shall be presented under "stock" if the amortization period doesn't exceed one year or one normal operating cycle upon initial recognition; or presented under "other non-current asset" if the amortization period exceeds one year or one normal operating cycle upon initial recognition.

As to the cost for obtaining the contract recognized as asset, it shall be presented under "other current asset" if the amortization period doesn't exceed one year or one normal operating cycle upon initial recognition; or presented under "other non-current asset" if the amortization period exceeds one year or one normal operating cycle upon initial recognition.

32. Government subsidy

Government subsidy is recognized when it meets the attached conditions for the government subsidy and can be obtained.

The government subsidy that belongs to monetary assets shall be measured by the amount that the Company has received or shall receive. The government subsidy that are non-monetary assets shall be measured by fair value. If the fair value can't be obtained reliably, it shall be measured by the nominal amount of RMB 1.

Asset-related government subsidy refers to the government subsidy that the Company has obtained and used for purchase, construction or formation of long-term assets in other forms. Except for that, they are benefit-related government subsidy.

If the government document hasn't specified the object of subsidy and it could constitute long-term assets, the part of government subsidy that corresponds to the asset value is taken as the

asset-related government subsidy. The remaining part is taken as the benefit-related government subsidy. If it is difficult to distinguish, the entire government subsidy is taken as the benefit-related government subsidy.

Asset-related government subsidy is recognized as deferred benefits and included into the profit and loss by a reasonable and systematic method within the lifespan of relevant asset. As to the benefit-related government subsidy, if it is used to compensate relevant cost, expense or loss that already incurred, it is directly included into the current profit and loss or offsets relevant cost; if it is used to compensate cost, expense or loss that will incur during the later periods, it is recognized as deferred income and is included into the current profit and loss or offsets relevant cost in the period that the cost, expense or loss is recognized; the government subsidy measured by the nominal amount is directly included into current profit and loss. The Company adopts the consistent method to handle same or similar government subsidy.

Government subsidy related with daily activities is included into other income or offsets relevant cost and expense in accordance with the nature of economic transactions. Government subsidy not related with daily activities is included into non-operating income.

When the government subsidy already recognized shall be returned and if there is deferred income, the Company offsets the book value of relevant deferred income, and includes the exceeding part into the current profit and loss. If it belongs to other situations, it is directly included into the current profit and loss.

33. Deferred income tax asset and deferred income liabilities

Income tax includes the current income tax and deferred income tax. The deferred income tax related with adjustment of goodwill resulting from merger of enterprises, or transactions or matters directly included into the owner's equity shall be included into the current profit and loss as the income tax expense.

The Company recognizes the deferred income tax in accordance with the temporary difference between the book value and tax base of the assets and liabilities on the day of balance sheet by adopting the balance sheet liability method.

The Company recognizes relevant deferred income tax liability for each taxable temporary difference unless it is resulted from the following transactions:

(1) Initial recognition of goodwill or initial recognition of asset or liability resulting from transactions with following features: this transaction is not merger of enterprises and will influence neither the accounting profit nor taxable income when the transaction takes place.

(2) As to taxable temporary difference related with investment into subsidiaries, joint and cooperative operation enterprises, its reversal period is controllable and it might not be reversed in the anticipated future.

As to deductible temporary difference, deductible loss and tax credit that can be carried forward to future years, the Company recognizes the deferred income tax asset arising thereof up to amount of future taxable income that could possibly be used to deduct the deductible temporary difference, deductible loss and tax credit, unless such deductible temporary difference results from the following transactions.

(1) this transaction is not merger of enterprises and will influence neither the accounting profit nor taxable income when the transaction takes place.

(2) As to taxable temporary difference related with investment into subsidiaries, joint and cooperative operation enterprises, the Company recognizes the deferred income tax asset when it meets all of following conditions: the temporary difference will possibly be reversed in the foreseeable future, and it is quite likely to obtain taxable income used to deduct the deductible temporary difference.

On the day of balance sheet, the Company measures the deferred income tax asset and deferred income tax liability with the applicable tax rate for the period when it is anticipated to recover the asset or pay off the liability and reflects the influence of anticipated method of asset recovery or liability pay-off on the income tax on the day of balance sheet.

On the day of balance sheet, the Company checks again the book value of deferred income tax asset. If it is improbable to obtain sufficient taxable income in future to deduct the benefit of deferred income tax asset, the Company will write down the book value of the deferred income tax asset. If it is probable to obtain sufficient taxable income, the written-down amount will be reversed.

34. Lease

(1). Identification of lease

On the kickoff day of the Contract, the Company, as the lessee or lessor, evaluates whether the client in the Contract has the right to obtain almost all economic benefits because of the use of identified assets during the use period, and the right to play a dominant role in using the identified assets during the use period. If one party of the Contract has exchanged the right to use one or several identified assets during a certain period for the consideration, the Company shall regard this Contract as a lease or including a lease.

2). The Company as the lessee

On the kick-off day of the lease period, the Company recognizes the use right asset and lease liabilities on all lease, except for short-term lease and low-value asset lease that are processed by simplification.

Refer to Note 4.18 for the accounting policy of the use right asset.

The lease liabilities is measured initially by the present value of unpaid rental on the kickoff date of the lease period calculated in accordance with the increment interest rate. The lease rental

includes: the fixed rental and the essential fixed rental, deducted by the relevant amount of lease stimulus (if any); variable rental depending on an index or rate; the exercise price of purchase option; provided that the lessee has decided reasonably that it will exercise the option; the amount of payable to exercise the option to terminate the lease provided the lease period reflects that the lessee will exercise the option to terminate the lease; and the amount of anticipated payable based on the balance of guarantee provided by the lessee. The Company calculates the interest expense of the lease liabilities during each stage of the lease period in accordance with a fixed cyclic interest rate, and includes it into current profit and loss. Variable lease payment not included into the measurement of lease liabilities is included into the current profit and loss when they incur.

Short-term lease

The short-term lease refers to the lease with a lease period not exceeding 12 months from the kickoff date of the lease, except for the lease that includes the purchase option.

The Company includes the lease payment for the short-term lease during each stage of the lease period into relevant asset cost or current profit and loss in accordance with the straight line method.

As to short-term lease, the Company adopts a simple method for lease assets that meet the short-term lease conditions as below:

- Electronic equipment
- Vehicles

Low-value asset lease

Low-value asset lease refers to the lease where the value of a single leased assets is lower than RMB 40,000 when it is new.

As to lease of low-value asset, the Company adopts the above simplification method based on the actual situation of each lease.

The Company includes the lease payment of low-value asset lease into relevant asset cost or current profit and loss in accordance with the straight line method during each stage of the lease period.

(3). The Company as the lessor

The Company, as the lessor, recognizes the financial lease for which all risks and rewards related with the asset's ownership has been essentially transferred, as the financial lease and the lease other than the financial lease as the operational lease.

Financial lease

In the financial lease, and on the kick-off day of the lease period, the Company takes the net

investment on the lease as the entry value of the financial lease receivable. The net investment on the lease is the sum of balance not guaranteed and the present value of the lease payment not received yet on the kick-off day of the lease period, discounted by the inclusive interest rate of the lease. As the lessor, the Company calculates and recognizes the interest income during each stage of the lease period in accordance with the fixed cyclic interest rate. The Company includes the variable lease payment obtained as the lessor, but not included into the net investment of the lease into the current profit and loss when they occur.

End of recognition and impairment of the financial lease receivable shall be accounted in accordance with "Enterprise Accounting Rule No. 22- Recognition and Measurement of Financial Instrument", and "Enterprise Accounting Rule No. 23- Transfer of Financial Asset".

Operational lease

The Company recognizes the rental of the operational lease as the current profit and loss in each stage of the lease period in accordance with the straight-line method. Initial direct expense related with the operational lease shall be capitalized, and amortized based on the same basis for recognition of the rental income during the lease period and is included into the current profit and loss in each stage. Variable lease payment obtained, related with the operational lease and not included into the lease payment is included into current profit and loss when they incur.

(4). Sales and leaseback

The lessee and lessor evaluates and determines whether the asset transfer in the transaction of sales and leaseback belongs to sales in accordance with "Enterprise Accounting Rule No. 14- Revenue".

If the asset transfer in the leaseback transaction belongs to sales, the lessee shall measure the use right asset arising from the leaseback by taking the part in the original book value of the asset related with the use right obtained from the leaseback, and recognizes the gain or loss only for the right transferred to the lessor. The lessor accounts the asset purchase in accordance with other applicable "Enterprise Accounting Rules" and account the asset lease in accordance with these rules.

If the asset transfer in the leaseback transaction doesn't belong to sales, the lessee continues to recognize the transferred assets and meanwhile recognizes a financial liability equivalent to the transfer income, and accounts such financial liabilities in accordance with "Enterprise Accounting Rule No.22- Recognition and Measurement of Financial Instrument". The lessor doesn't recognize the transferred asset, but recognizes a financial asset equivalent to the transfer income and account such financial assets in accordance with "Enterprise Accounting Rule No. 22- Recognition and Measurement of Financial Instrument".

35. Held-for-sale and end of operation

(1) Classification and measuring of held-for-sale non-current asset or disposal set

When the Company recovers the book value by selling (including non-monetary asset exchange with a commercial substance), not by using continuously a non-current asset or disposal set, such non-current asset or disposal set is classified as held-for-sale category.

Above non-current asset doesn't include investment real estate that adopts fair value model for subsequent measurement, biological asset measured by the net amount between the fair value and sale expense, asset formed by staff payroll, financial asset, deferred income tax asset and rights arising from insurance contracts.

Disposal set refers to a set of asset sold as an entirety or disposed together by other methods in one transaction and liabilities directly related with the asset transferred in this transaction. Under special situations, the disposal set includes goodwill obtained from merger of enterprises.

Non-current asset or disposal set that meet all of following conditions is classified as held-for-sale category:

- This non-current asset or disposal set could be immediately sold under current situations based on the common practice for sales of such asset or disposal set in similar transactions;
- Sales will take place very likely, i.e. having made decision for one sales plan and having obtained definite commitment to purchase, and it is expected that the sales will be completed within one year.
- If it lost the right of control on subsidiaries due to sales of investment on such subsidiaries, and no matter the Company keeps a part of the equity investment after sales or not, and when the investment on subsidiary to sell meets the classification condition of held-for-sale, the investment on subsidiaries will be classified as held-for-sale as an entirety in separate financial statement, and all assets and liabilities of subsidiaries be classified as held-for-sale in the consolidated financial statement.

When it measures initially or again the non-current asset or disposal set held for sale on the day of balance sheet, the difference that the book value is higher than the net amount of fair value minus the sale expense is recognized as asset impairment loss. The Company will offset the book value of goodwill in the disposal set against the asset impairment loss recognized for the held-for-sale disposal set, and then deducts its book value proportionally based on the percentage of the book value of various non-current assets in the disposal set.

If the net amount of the fair value of the held-for-sale non-current asset or disposal set minus the sales expense on the day of balance sheet is increased, the Company shall restore the amount written down previously and reverse within the amount of asset impairment loss recognized after it is classified as held-for-sale. The reversed amount is included into current profit and loss. However, the book value of goodwill already deducted will not be reversed.

As to held-for-sale non-current asset and assets in held-for-sale disposal set, no depreciation is withdrawn and they are not amortized. The Company will continue to recognize interest and other expense of liabilities in the held-for-sale disposal set. As to all or a part of investment on cooperative or joint operation enterprise classified as held-for-sale, the part classified as

held-for-sale will no longer use equity accounting, and the retained part (not classified as held-for-sale) will continue to use equity accounting. When the Company has lost its significant influence on cooperative and joint operation enterprises, it will stop the use of equity accounting.

When one non-current asset or disposal set is classified as held-for-sale, but doesn't meet such classification conditions for held-for-sale afterwards, the Company will stop such classification and measure it by the lower of following two amount:

- 1). The balance of the book value of asset or disposal set before being classified as held-for-sale adjusted against the depreciation, amortization or impairment that should be recognized as if it is not classified as held-for-sale
- 2). Recoverable amount

(2) End of operation

End of operation refers to that parts that meet one of following conditions and are already disposed by the enterprise or classified by the enterprise as held-for-sale and could be singled out:

- 1). This part represents one independent major business or one independent area for operation.
- 2). This part is a portion in the disposal plan on an independent major business or one independent area of operation.
- 3). This part is a subsidiary acquired only for resale.

(3) Presentation

The asset in held-for-sale non-current asset or held-for-sale disposal set in the balance sheet is presented as "held-for-sale asset", and the liability in the held-for-sale disposal set is presented as "held-for-sale liability".

The Company presents separately the gain and loss as an ongoing concern and also under discontinued operation in the profit and loss statement. As to held-for-sale non-current asset or disposal set that don't meet the definition of discontinued operation, impairment loss, reversed amount and disposal gain or loss is presented as profit and loss as an ongoing concern. Operating profit and loss from end of operation, including impairment loss and reversed amount and disposal gain and loss are presented as gain and loss under discontinued operation.

As to disposal set that will be out of use as planned, but not be sold, and meet the condition of discontinued operation shall be presented as discontinued operation since the day when they are out of use.

As to current presentation of discontinued operation, the information originally presented as profit and loss as an ongoing concern is presented again as the profit and loss under discontinued operation during the comparative accounting period. When it doesn't meet the condition for classification into held-for-sale under discontinued operation, the information originally presented as profit and loss under discontinued operation is presented as profit and loss as an ongoing concern during the comparative accounting period in the current financial statement.

36. Measure fair value

Fair value refers to the price that can be received for sales of an asset or transfer of certain liability in the orderly transaction by the market participants on the measuring day.

Assets and liabilities that the Company measures by fair value include: financial asset measured by its fair value and with its change being included into the current profit and loss, investment real estate, financial assets measured by fair value and with its change being included into other comprehensive income and financial liability measured by its fair value and with its change being included into the current profit and loss.

Assume that any orderly transaction for sales of assets or transfer of liabilities is carried out in major markets of relevant asset or liabilities; if there aren't such markets, the Company assumes that such transaction is carried out in the most favorable markets of relevant assets or liabilities. Major markets (or the most favorable markets) refer to the transaction markets that the Company could enter on the day of measurement. The Company adopts the assumption used by the market player in maximizing its economic benefits when pricing such asset or liability.

As to financial asset or financial liability that has an active market, the Company adopts the quotation in the active market to determine its fair value. If the financial instrument doesn't have an active market, the Company determines its fair value through valuation. The valuation models include mainly cash flow discount model, market comparable company model and etc. The input for evaluation includes mainly "risk-free interest rate, benchmark interest rate, exchange ratio, credit spread, liquidity premium, discount for lack of liquidity and etc.

As to non-financial asset measured by fair value, the Company considers the market player's ability of applying this asset for best usage to produce the economic benefit or the ability of selling this asset to other market players that can apply it for the best usage in order to produce the economic benefit.

The Company adopts the evaluation method that is suitable under current situation and has sufficient available data and other information to support, and uses relevant observable input in priority. Only when it is impossible or unfeasible to obtain the observable input, the Company uses un-observable input.

As to any asset or liability measured or disclosed by its fair value in the financial statement, the level of fair value that it belongs to is determined based on the lowest level of input that is significant to the measurement by fair value as a whole.

- The first level of input refers to the non-adjusted quotation of same asset or liability that can be obtained in an active market;
- The second level of input refers to directly or indirectly observable input of relevant asset or liability except for the first level of input.
- The third level of input refers to non-observable input of relevant asset or liability.

On the day of balance sheet, the Company reevaluates the asset and liability recognized and measured continuously by its fair value in the financial statement to determine whether it will switch between measuring levels of fair value.

37. Asset securitization

The Company securitizes some financial asset by selling the financial asset to a special purpose vehicle, which will then issue financial asset-backed securities to investors. Some or all assets the Company has transferred might meet the condition for end of recognition. Refer to the accounting policy for end of recognition for financial asset and financial liability.

The asset securitization equity retained by the Company is mainly sub-prime asset-backed securities. The profit or loss arising from asset securitization is included into the current profit and loss. The gain or loss arising from asset securitization is the difference between the book value of assets for which recognition is ended and retained asset and its fair value on the day of transfer.

38. Safe production expense

The safe production expense withdrawn by the Company in accordance with national regulations is included into the cost or current profit and loss of relevant products and meanwhile is included into the "special reserve". When the safe production expense withdrawn is used and if it is expense, it will offset the special reserve directly. When it forms the fixed assets, and it is the expense incurred under "construction in process", it is recognized as fixed assets when the safety project is completed and reached the predefined usable state. Meanwhile, the special reserve is offset by the cost that forms the fixed assets and the same amount of accumulated depreciation is recognized. No depreciation will be withdrawn in future for this fixed asset.

39. Free transfer of subsidiaries between solely or wholly state-owned enterprises

(1). Accounting of the transferee enterprise

On the day of acquiring the control right of the transferred enterprise, the Company debits the entry of "long-term equity investment" and credits the entry of "capital reserve (capital premium)" (if the Reply specifies clearly that it is the capital input, it is entered under "paid-up capital", the same below) in accordance with the amount approved by the state asset administration committee.

In the consolidated balance sheet, the Company adjusts the balance sheet of the transferred enterprise based on the book value of the assets and liabilities as audited and approved by the state asset administration committee and any change before transfer of the control right of the transferred enterprise and includes any difference with the asset and liabilities of the transferred enterprise it is entitled to after the adjustment into the capital reserve (capital premium).

The consolidated profit and loss statement in the period when the Company has obtained the control right of the transferred enterprise includes the net profit of the transferred enterprise from the benchmark date of the reply from the state asset administration commission to end of the period in which the control right is transferred.

The consolidated statement on change to the owner's equity includes the change to the owner's equity from the benchmark date of the reply from the state administration commission to end of the period in which the control right is transferred. The consolidated statement on change to the owner's equity could be compiled based on the consolidated balance sheet and consolidated profit statement.

(2). Accounting by the transferring enterprise

On the day when the Company loses its control right on the transferred enterprise, the Company debits the entry of "capital reserve" (capital premium) based on the book value of the long-term equity investment of the transferred enterprise (if the Reply specifies clearly "to offset the capital", it shall debit the entry of "paid-up capital", the same below); and credits the entry of "long-term equity investment (transferred enterprise)". If the capital reserve (capital premium) is insufficient to offset, it shall then offset the surplus reserve and undistributed profit in sequence.

On the day when the Company loses its control right on the transferred enterprise, it will not include the transferred enterprise into the scope of consolidated financial statement anymore and terminates the recognition of assets, liabilities, minority shareholder's equity and other equity items of the transferred enterprise reflected formally in the consolidated financial statements. The difference will offset the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, it shall then offset the surplus reserve and undistributed profit in sequence. Meanwhile, unrealized internal profit and loss incurred before transfer of the control right between the Company and the transferred enterprise shall be transferred to the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, it will then offset the surplus reserve and undistributed profit in sequence.

V. Change of accounting policy, accounting estimate and correction of error

(1). Change of accounting policy

1. Explanation No. 15 on Enterprise Accounting Standard

The Ministry of Finance issued "Explanation No. 15 on Enterprise Accounting Standard" (CK [2021] No. 35) (Explanation No. 15). in Nov. 2021.

In accordance with Explanation No. 15, if an enterprise sells a fixed asset before it reaches the preset usable state or sells the product or byproduct produced from R&D process (trial sales), it shall follow "Enterprise Accounting Standard No.14-Income" and "Enterprise Accounting Standard No.1-Inventory"; and shall account separately the revenue and cost of trial sales and include them into current profit and loss, and shall not use the net of revenue of trial sales against cost to offset the fixed asset cost or R&D expenditure. Before external sales of products or byproducts produced from trial operation, it shall be recognized as inventory if it conforms to "Enterprise Accounting Standard No.1- Inventory", and or as relevant asset if it conforms to conditions for recognition of relevant assets in the "Enterprise Accounting Standard No.1".

The Company has executed the provision about the accounting for external sales of fixed assets when it reaches the preset usable state or products or byproducts produced from R&D process in Explanation No. 15 since 1st Jan. 2022.

In accordance with Explanation No. 15, “unavoidable cost while performing contractual obligations” in loss contract shall reflect the minimum net cost for withdrawal of the contract, i.e. the lower of the cost to perform this contract and the compensation or penalty arising from failure to perform the contract. An enterprise’s cost of performing the contract includes the incremental cost when performing the contract and the share of other cost directly related with performance of the contract. While, the incremental cost for performing the contract includes direct labor, direct material and etc. The share of other costs directly related with contract performance includes the share of depreciation cost of fixed assets used to perform the contract.

The Company has executed the provision about “judgement of loss contract” in Explanation 15 since 1st Jan. 2022.

Adoption of Explanation No. 15 has no major influence on the Company’s financial situation and operating result.

2. Explanation No. 16 on Enterprise Accounting Standard

The Ministry of Finance issued “Explanation No. 16 on Enterprise Accounting Standard” (CK [2022] No. 31) (Explanation No. 16). in Nov. 2022

In accordance with Explanation No. 16, as to perpetual debt and other financial instruments classified as equity instrument, the Company shall recognize the influence of dividend on income tax when recognizing the payable dividend. If the profit distributed originates from past transactions or matters that produce profit and loss, the dividend’s influence on income tax shall be included into current profit and loss. If the profit distributed originates from past transactions or matters recognized under owner’s equity, the dividend’s influence on income tax shall be included to “owner’s equity”.

In accordance with Explanation No. 16, when the Company revises terms and conditions in the Share Payment Agreement settled by cash and changes it to “making the share payment by equity settlement”, the Company shall measure the “share payment” settled by equity based on the fair value on the day when the equity instrument is granted, and include the service already obtained into the capital reserve. Meanwhile, it shall terminate the recognition of liabilities already recognized for the share payment settled by cash on the day of revision, and include the difference between them into current profit and loss. If the waiting period is extended or shortened due to the revision, the enterprise shall carry out the accounting in accordance with the revised waiting period (no need to consider the accounting of unfavorable revision).

Adoption of Explanation No. 16 has no major influence on the Company’s financial situation and operating result.

(II). Change to accounting estimate

There is no important change to the accounting estate in the current period.

(III). Correction of major errors in past periods

There is no correction of major errors in past periods in the current period.

VI. Tax

(1) Major taxes and tax rate

Tax	Taxation base	Statutory tax rate %
Value-added tax	Taxable income	1、 2、 3、 5、 6、 9、 13、 22
Urban maintenance and construction tax	Taxable turnover	5、 7
Education surtax	Taxable turnover	3
Local education surtax	Taxable turnover	2、 1.5、 1
Land value-added tax	The balance of sales income from real estate minus deductible amount when the project is completed.	Super-rate progress tax rate 30%~60%
Property tax	The taxable base is 70% of the original property value (or rental income)	1.2、 12
Corporate income tax	Taxable income	25、 15、 16.5、 12、 20 8.25、 5、 2.5

The Company's overseas subsidiaries apply different income tax rates. Its subsidiaries registered in Hong Kong apply an income tax rate of 16.5%, and its subsidiaries registered in Macao apply an income tax rate of 12%. Its subsidiaries registered in the United States, British Virgin Islands, the Cayman Islands and etc pay tax in accordance with the tax policy in these countries (regions).

(2) Tax incentive policy and basis

1. In accordance with "Hengqin Incentive Policy Compilation", Hengqin State and Local Tax Bureau collect the corporate income tax of 15% on 5 categories and 72 items of encouraged industries in Hengqin New Area. Zhuhai Hengqin New Area Sanjiang Human Resource Comprehensive Service Center Co., Ltd and Zhuhai Huafa International Conference & Exhibition Co., Ltd are entitled to reduction or exemption of corporate income tax since they fall under the category of "engaging in human resource service by undertaking outsourced service".

2. The Subsidiary Shenzhen Weiye Decoration Inc. obtained the "Hi-tech Enterprise Certificate" (Certificate No.: GR202144201734) on 23rd Dec. 2021 and was recognized as a hi-tech enterprise. Thus, It is subject to the corporate tax rate of 15% for three years.

3. The subsidiary Zhuhai Huafa Shuzi Technology Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202244001860) in Dec. 2022 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

4. The subsidiary Zhuhai Guangku Technology Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202044004052) in Dec. 2020 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

5. The subsidiary Zhuhai Guangchen Technology Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202144005641) in Dec. 2021 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

6. The subsidiary Zhuhai Jiahua Weijie Technology Co., Ltd obtained the Hi-tech Enterprise Certificate (No.: GR202044200908) in Dec. 2020 and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

7. The subsidiary Huachan Photo-electronic (Suzhou) Co., Ltd passed Hi-tech Enterprise Review in 2021 and has obtained the Hi-tech Enterprise Certificate (No.: GR202132000796) and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

8. The subsidiary Yunnan Aquamarine Technology Co., Ltd passed Hi-tech Enterprise Review in 2021 and has obtained the Hi-tech Enterprise Certificate (No.:GR202153000377) and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

9. The subsidiary Huachan Photo-electronic (Zhejiang) Co., Ltd passed Hi-tech Enterprise Review in 2020 and has obtained the Hi-tech Enterprise Certificate (No.:GR202033006971) and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

10. The subsidiary Zhuhai Huafa Civic Comprehensive Service Co., Ltd passed the hi-tech enterprise review in 2022, obtained the Hi-tech Enterprise Certificate (No.: GR202244013688) and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

11. The subsidiary Zhuhai Huaguan Technology Inc. passed the hi-tech enterprise review in 2020, has obtained the Hi-tech Enterprise Certificate (No.: GR202044007559) and was certified as a hi-tech enterprise. Its corporate income tax rate is 15% for three years.

12. In accordance with "Notice of Ministry of Finance and State Administration of Taxation on Further Implementation of Corporate Income Tax Preferential Policy for Small-and-Micro Enterprises" (CS [2022] No.13), as to small-and-micro enterprises, the part of annual taxable income not exceeding RMB 1 million will be included into the taxable income by 12.5%, and be subject to the corporate income tax rate of 20%, and the part of annual taxable income exceeding RMB 1 million but less than RMB 3 million will be included into the taxable income by 25%, and be subject to the corporate income tax rate of 20% from 1st Jan. 2022 to 31st Dec. 2024.

13. Hong Kong has adopted the two level system for income tax in 2019, stipulating that the first HKD 2 million of a Hong Kong company will be subject to an income tax rate of 8.25% and further profit will be subject an income tax rate of 16.5%.

VII. Merger of enterprises and consolidated financial statement

(1). Profile of subsidiaries included into the consolidated financial statement in 2022

1. List of subsidiaries (exclusive of subsidiaries of Huafa Property Service, Johnson Holdings, Weiye Inc. Huacan Photo-electronic, Guangku Technology, Digitone, Huaguan Technology and subsidiaries of Huafa Inc.)

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
1	Zhuhai Huafa Comprehensive Development Co., Ltd	Zhuhai	Zhuhai	service industry	68.14	17.68	establish
2	Zhuhai Huafa Modern Service Investment Holding Co., Ltd	Zhuhai	Zhuhai	service industry		85.82	establish
3	Zhuhai Shizimen International Conference and Exhibition Center Management Co., Ltd	Zhuhai	Zhuhai	conference & exhibition service		85.82	establish
4	Zhuhai Sanjiang Human Resource Service Co., Ltd	Zhuhai	Zhuhai	human resource service		60.08	establish
5	Zhuhai Huafa International Hotel Management Co., Ltd	Zhuhai	Zhuhai	hotel management		85.82	establish
6	Zhuhai Huafa International Conference and Exhibition Management Co., Ltd	Zhuhai	Zhuhai	conference & exhibition management		85.82	establish
7	Zhuhai Huafa Industry New Space Development Co., Ltd	Zhuhai	Zhuhai	merchants, operation and comprehensive service		84.06	establish
8	Zhuhai Huafa Commercial Asset Operation Service Co., Ltd	Zhuhai	Zhuhai	comprehensive service		85.82	establish
9	Zhuhai Huafa Commerce & Trade Holding Co., Ltd	Zhuhai	Zhuhai	commodity sales	20.00	68.66	establish
10	Zhuhai Huafa Greening Engineering Co., Ltd	Zhuhai	Zhuhai	landscape & greening		88.66	establish
11	Zhuhai Lian'an Construction Material Co., Ltd	Zhuhai	Zhuhai	commodity sales		88.66	establish
12	Zhuhai Hualing Construction Engineering Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
13	Zhuhai Huajin Inclusive Financial Development Co., Ltd	Zhuhai	Zhuhai	refinance service		94.02	establish
14	Zhuhai Huafa Port Logistics Co., Ltd	Zhuhai	Zhuhai	service industry		88.66	establish
15	Zhuhai Guangke Electronic Technology Co., Ltd	Zhuhai	Zhuhai	production & sales		88.66	establish
16	Zhuhai Huafa Automobile Sales Co., Ltd	Zhuhai	Zhuhai	automobile sales		88.66	establish
17	Zhuhai Huafa Shangzong Automobile Co., Ltd	Zhuhai	Zhuhai	automobile sales		88.66	establish
18	Zhuhai Huafa Ruida Automobile Co., Ltd	Zhuhai	Zhuhai	automobile sales		88.66	establish
19	Zhuhai Chuanghua International Trading Co., Ltd	Zhuhai	Zhuhai	commodity sales		88.66	establish
20	Zhuhai Zhihua International Trading Co., Ltd	Zhuhai	Zhuhai	commodity sales		88.66	establish
21	Zhuhai Huafa Cultural, Education, Tourism Industry Development Co., Ltd	Zhuhai	Zhuhai	service industry	100.00		establish
22	Zhuhai Huafa Cultural Industry Investment Holding Co., Ltd	Zhuhai	Zhuhai	service industry		76.57	establish
23	Beijing Huafa Shengtai Cultural Industry Investment Holding Co., Ltd	Beijing	Beijing	service industry		100.00	establish
24	Zhuhai Huafa Huasheng Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish
25	Zhuhai Huaxin Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish
26	Zhuhai Huafa Huayu Investment & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish
27	Zhuhai Huafa Auction Co., Ltd	Zhuhai	Zhuhai	service industry		61.11	establish
28	Zhuhai Huafa Sports Development Co., Ltd	Zhuhai	Zhuhai	other real estate		100.00	establish
29	Zhuhai Huafa CPPA Management Co., Ltd	Zhuhai	Zhuhai	service industry		50.00	establish
30	Zhuhai Huafa Investment Holding Co., Ltd	Zhuhai	Zhuhai	equity investment management	57.80	36.22	establish
31	Zhuhai Huachuang Investment Management Co., Ltd	Zhuhai	Zhuhai	project investment, investment management		94.02	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
32	Zhuhai Huajin Financing Guarantee Co., Ltd	Zhuhai	Zhuhai	financial guarantee		94.02	establish
33	Huajin Asset Management (Shenzhen) Co., Ltd	Shenzhen	Shenzhen	equity investment management		94.02	establish
34	Shenzhen Huarong Equity Investment Fund Management Co., Ltd	Shenzhen	Shenzhen	fund management		47.95	establish
35	Zhuhai Jinkong Jinwan Investment Co., Ltd	Zhuhai	Zhuhai	equity investment management		74.45	establish
36	Zhuhai Jinchuang Pharmaceutical Industry Investment Fund (limited partnership)	Zhuhai	Zhuhai	service industry		68.24	establish
37	Zhuhai Jinkong Hi-tech Venture Capital Investment Co., Ltd	Zhuhai	Zhuhai	service industry		74.45	establish
38	Beijing Huajin Ruiying Investment Management Co., Ltd	Beijing	Beijing	equity investment management		94.02	establish
39	Zhuhai Hengqin New Zone Huachuang New Material Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	equity investment management		45.60	establish
40	Zhuhai Hengqin New Zone Fenghua Equity Investment Fund Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		47.95	establish
41	Shenzhen Huarong Boutique Urbanization Equity Investment Fund Partnership (limited liability partnership)	Shenzhen	Shenzhen	equity investment management		70.98	establish
42	Zhuhai Jinkong Investment Co., Ltd	Zhuhai	Zhuhai	equity investment management		94.02	establish
43	Shanghai Huafa Yingqi Industry Co., Ltd	Shanghai	Shanghai	futures		94.02	establish
44	Zhuhai Property Right Transaction Center Co., Ltd	Zhuhai	Zhuhai	service industry		61.11	establish
45	Zhuhai Jinkong Hi-tech Industry Investment Center (limited partnership)	Zhuhai	Zhuhai	equity investment management		81.07	establish
46	Tianjin Huachuang Ronghui Investment Management Co., Ltd	Tianjin	Tianjin	equity investment management		94.02	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
47	Shanghai Huakai Equity Investment Co., Ltd	Shanghai	Shanghai	equity investment management		94.02	establish
48	Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	Zhuhai	Zhuhai	project investment		84.06	establish
49	Zhuhai Huafa Affordable Housing Construction Holding Co., Ltd	Zhuhai	Zhuhai	Affordable housing development		84.06	establish
50	Zhuhai Huafa Talent Mansion Affordable Housing Construction Co., Ltd	Zhuhai	Zhuhai	Affordable housing development		84.06	establish
51	Zhuhai Huafa Qinyuan Affordable Housing Construction Co., Ltd	Zhuhai	Zhuhai	Affordable housing development		84.06	establish
52	Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	Zhuhai	Zhuhai	Shizimen business district construction		84.47	establish
53	Zhuhai Hengqin New Zone Shizimen International Finance Center Construction Co., Ltd	Zhuhai	Zhuhai	Shizimen business district construction		84.47	establish
54	Zhuhai Huafa Hi-tech Construction Holding Co., Ltd	Zhuhai	Zhuhai	project development & construction		42.03	establish
55	Zhuhai Huafa Urban Center Construction Holding Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish
56	Zhuhai Huajin Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish
57	Zhuhai Huahao Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish
58	Zhuyai Huabao Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish
59	Zhuhai Huafa Huarui Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		84.06	establish
60	Hong Kong Huafa Investment Holding Co., Ltd	Hong Kong	Hong Kong	equity investment management	100.00		establish
61	Huajin Investment Co., Ltd	Samoa	Samoa	equity investment management		100.00	establish
62	Zhuhai Huafa Group Financial Co., Ltd	Zhuhai	Zhuhai	Financial industry	30.00	57.17	establish
63	Zhuhai Huafa Innovation Investment Holding Co., Ltd	Zhuhai	Zhuhai	equity investment management	100.00		establish
64	Yufa (Macao) Co., Ltd	Macao	Macao	service industry		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
65	Zhuhai Huafa Industrial Inc. (Huafa Inc.)	Zhuhai	Zhuhai	Real estate development	24.20	3.68	establish
66	Beijing Huafa Enterprise Management Co., Ltd	Beijing	Beijing	Real estate development		100.00	establish
67	Chengfa Enterprise Co., Ltd	Hong Kong	Hong Kong	service industry		100.00	establish
68	Zhuhai Huachen Development & Construction Co., Ltd	Zhuhai	Zhuhai	Project development		84.06	establish
69	Zhuhai Huafa Sports Operation Management Co., Ltd	Zhuhai	Zhuhai	Project operation		100.00	establish
70	Zhuhai Huafa ZhuAo Development Co., Ltd	Zhuhai	Zhuhai	Project operation		84.06	establish
71	Zhuhai Huafa Urban Art Development Co., Ltd	Zhuhai	Zhuhai	art study and promotion		100.00	establish
72	Zhuhai Huafa Island Investment and Development Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish
73	Zhuhai Huajin Hi-tech Venture Capital Investment Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		74.45	establish
74	Hengqin International Intellectual Property Transaction Center Co., Ltd	Zhuhai	Zhuhai	service industry		47.95	establish
75	Zhuhai Huahao Investment Holding Co., Ltd	Zhuhai	Zhuhai	equity investment management		94.02	establish
76	Zhuhai Hengqin New Zone Huachuang Environmental Protection Industrial Investment Enterprise (Limited Partnership)	Zhuhai	Zhuhai	equity investment management		37.22	establish
77	Tianjin Huajin Ruiying Equity Investment Fund Management Co., Ltd	Tianjin	Tianjin	equity investment management		94.02	establish
78	Zhuhai Huaping Construction Management Co., Ltd	Zhuhai	Zhuhai	project construction		77.24	establish
79	Zhuhai Huakai Development & Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development		47.95	establish
80	Hengqin South China SME Listing Service Co., Ltd	Zhuhai	Zhuhai	service industry		75.21	establish
81	Huajin Infiniti Investment Holding Co., Ltd	Cayman	Cayman	equity investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
82	Zhuhai Huafa Holding Co., Ltd	Zhuhai	Zhuhai	equity investment management	100.00		establish
83	Huaxing Investment Holding Co., Ltd	British Virgin Island	British Virgin Island	investment management		100.00	establish
84	Tibet Huasheng Logistics Development Co., Ltd	Nyingchi	Nyingchi	logistics industry		88.66	establish
85	Zhuhai Huaqin Development & Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development		85.82	establish
86	Zhuhai Huagang Construction Investment Co., Ltd	Zhuhai	Zhuhai	project development & construction		84.06	establish
87	Zhuhai Huafa Zhigu Investment & Operation Co., Ltd	Zhuhai	Zhuhai	office building and commercial real estate development		84.06	establish
88	Guangdong Hengqin Guangdong-Macao Deep Cooperation Area Huafa Heptachord Intellectual Property Operation Service Co., Ltd	Zhuhai	Zhuhai	intellectual property management and consultancy		47.95	establish
89	Zhuhai Development & Investment Fund Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		53.83	establish
90	Zhuhai Urban Development Fund Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		94.02	establish
91	Zhuhai Huajian United Investment Holding Co., Ltd	Zhuhai	Zhuhai	project development & construction		42.87	establish
92	Zhuhai Huafa International Conference and Exhibition Co., Ltd	Zhuhai	Zhuhai	conference & exhibition service		85.82	establish
93	Zhuhai Anzhi Hulian Equity Investment Fund Partnership (Limited Partnership)	Zhuhai	Zhuhai	asset management		20.59	establish
94	Huajin International Commercial Factoring (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	factoring service		94.02	establish
95	Zhuhai Huafa Huiju Jikang Construction Co., Ltd	Zhuhai	Zhuhai	Xiangzhou District People's Hospital reform and expansion		75.65	establish
96	Huafa Group 2018 I Co., Ltd	British Virgin Island	British Virgin Island	investment management		100.00	establish
97	Wuhan Huafa Heptachord Hangyi Intellectual Property Operation Co., Ltd	Wuhan	Wuhan	intellectual property management and consultancy		24.45	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
98	Huafa Urban Operation (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	project development & construction		84.06	establish
99	Zhuhai Huaqing Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		70.56	establish
100	Zhuhai Huashou Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		94.02	establish
101	Zhuhai Hegang I Equity Investment Fund (Limited Partnership)	Zhuhai	Zhuhai	equity investment management		27.35	establish
102	Huafa Urban Operation (Israel) Co., Ltd	Israel	Israel	service industry		84.06	establish
103	Huafa 2019 I Co., Ltd	British Virgin Island	British Virgin Island	investment management		100.00	establish
104	Zhuhai Huafa Technical Industry Group Co., Ltd (Huafa Technology)	Zhuhai	Zhuhai	investment management	93.06		establish
105	Zhuhai Huafa Industrial Park Operation & Management Co., Ltd	Zhuhai	Zhuhai	investment management		93.06	establish
106	Zhuhai Huajin Qiyuan Fund Management Co., Ltd	Zhuhai	Zhuhai	Fund and equity management		94.02	establish
107	Shanghai Zhaohua International Trading Co., Ltd	Shanghai	Shanghai	commodity sales		88.66	establish
108	Nantong Yaohua International Trading Co., Ltd	Nantong	Nantong	commodity sales		88.66	establish
109	Zhuhai Grand Hall Management Co., Ltd	Zhuhai	Zhuhai	conference and performance service		85.82	transfer
110	Zhuhai Hi-tech Headquarter Base Construction & Development Co., Ltd	Zhuhai	Zhuhai	Project development		84.06	merger of enterprises not under the same control
111	Huajin Securities Inc. (Huajin Securities)	Shanghai	Shanghai	securities		74.28	merger of enterprises not under the same control
112	Huajin Boulevard Investment Co., Ltd	Zhuhai	Zhuhai	securities		74.28	establish
113	Huajin Futures Co., Ltd	Tianjin	Tianjin	futures		94.02	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
114	Huafa Property Service Group Co., Ltd (Huafa Property Service)	Bermuda	Bermuda	Property management		37.41	merger of enterprises not under the same control
115	Zhuhai Huafa Dehe Automobile Co., Ltd	Zhuhai	Zhuhai	automobile sales		88.66	merger of enterprises not under the same control
116	Zhuhai Huafa Tiancheng Automobile Co., Ltd	Zhuhai	Zhuhai	automobile sales		88.66	merger of enterprises not under the same control
117	Zhuhai Hairong Asset Management Co., Ltd	Zhuhai	Zhuhai	Equity management		94.02	merger of enterprises not under the same control
118	Zhuhai Fushan Industrial Park Investment & Development Co., Ltd	Zhuhai	Zhuhai	project construction		85.82	merger of enterprises not under the same control
119	Zhuhai Development & Investment Fund (Limited Partnership)	Zhuhai	Zhuhai	Investment	26.80	0.54	merger of enterprises not under the same control
120	Zhuhai Huajin Micro-loan Inc.	Zhuhai	Zhuhai	Micro-loan service		92.66	merger of enterprises not under the same control
121	Zhuhai Yitong Electrical Appliance Co., Ltd	Zhuhai	Zhuhai	project development & construction		67.25	merger of enterprises not under the same control
122	Zhuhai Huafa Shuzhi Digital Co., Ltd	Zhuhai	Zhuhai	service industry		71.09	merger of enterprises under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
123	Zhuhai Huafa Life Service Co., Ltd	Zhuhai	Zhuhai	service industry		71.09	merger of enterprises under the same control
124	Guangdong Fuyuan Industrial Group Co., Ltd	Zhuhai	Zhuhai	Real estate development		85.82	transfer
125	Zhuhai Fuhua Real Estate Co., Ltd	Zhuhai	Zhuhai	project development & construction		88.66	transfer
126	Zhuhai Urban Construction Group Co., Ltd	Zhuhai	Zhuhai	Property lease, construction on agency basis		93.01	transfer
127	Zhuhai Urban Construction Real Estate Development Co., Ltd	Zhuhai	Zhuhai	construction on agency basis		93.01	transfer
128	Zhuhai Urban Construction Asset Operation & Management Co., Ltd	Zhuhai	Zhuhai	asset operation		100.00	transfer
129	Zhuhai Chengjie Smart Parking Management Co., Ltd	Zhuhai	Zhuhai	metered parking		75.00	transfer
130	Zhuhai Urban Construction Municipal Works Co., Ltd	Zhuhai	Zhuhai	construction on agency basis		93.01	transfer
131	Zhuhai Engineering Supervision Co., Ltd	Zhuhai	Zhuhai	project supervision		100.00	transfer
132	Zhuhai Urban Construction Investment and Development Co., Ltd	Zhuhai	Zhuhai	construction on agency basis		93.01	transfer
133	Zhuhai Urban Construction Haiyun Asset Operation & Management Co., Ltd	Zhuhai	Zhuhai	property lease, asset operation		93.01	transfer
134	Guangdong Chengzhi Technology Co., Ltd	Zhuhai	Zhuhai	smart city		93.01	transfer
135	Guangdong Zhongcheng Information Technology Co., Ltd	Zhuhai	Zhuhai	smart city		47.44	transfer
136	Zhuhai Urban Construction Energy Saving Technology Co., Ltd	Zhuhai	Zhuhai	smart city		93.01	transfer
137	Zhuhai Urban Construction Smart Technology Co., Ltd	Zhuhai	Zhuhai	smart city		65.11	transfer
138	Zhuhai Huafa New Energy Service Co., Ltd	Zhuhai	Zhuhai	smart city		93.01	transfer
139	Zhuhai Wisdom New Energy Investment Co., Ltd	Zhuhai	Zhuhai	smart city		93.01	transfer

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
140	Foshan Chengzhi New Energy Co., Ltd	Foshan	Foshan	smart city		93.01	transfer
141	Zhuhai Textile Industry Group Co., Ltd	Zhuhai	Zhuhai	property lease, asset operation		100.00	transfer
142	Zhuhai Guanhua Light Industry and Textile Co., Ltd	Zhuhai	Zhuhai	property lease, asset operation		100.00	transfer
143	Zhuhai Yuhua Polyester Co., Ltd (Yuhua Polyester)	Zhuhai	Zhuhai	PTT production		100.00	transfer
144	Zhuhai Affordable Housing Group Co., Ltd	Zhuhai	Zhuhai	affordable housing/talent housing development, construction and management		100.00	transfer
145	Zhuhai Zhengqing Construction Reconnaissance Design Consultancy Co., Ltd	Zhuhai	Zhuhai	construction drawing review/property lease		100.00	transfer
146	Zhuhai Housing Lease Co., Ltd	Zhuhai	Zhuhai	public rental house/public owned house lease management		100.00	transfer
147	Wuxi Huafa Heptachord Intellectual Property Operation Co., Ltd	Wuxi	Wuxi	Intellectual property service		47.95	establish
148	Zhuhai Huafa Zhigu Wafer Operation & Management Co., Ltd	Zhuhai	Zhuhai	Project operation		93.06	establish
149	Zhuhai Huafa Zhihui Bay Operation & Management Co., Ltd	Zhuhai	Zhuhai	Project operation		93.06	establish
150	Zhuhai Huafa Zhongyi Industrial Park Operation & Management Co., Ltd	Zhuhai	Zhuhai	Project operation		93.06	establish
151	Shenzhen Weiye Decoration Group Inc. (Weiye Inc.)	Shenzhen	Shenzhen	building decoration and design		27.89	merger of enterprises not under the same control
152	Zhuhai Huafa Group Technical Research Institute Co., Ltd	Zhuhai	Zhuhai	service industry	100.00		establish
153	HONGKONG JOHNSON HOLDINGS CO.,LTD.	Cayman	Hong Kong	equity investment management		42.84	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
154	GUANG YU GLOBAL FUND LP	Cayman	Hong Kong	Fund and equity management		100.00	establish
155	Huafa 2020 I Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	establish
156	Huajin Research (International) Co., Ltd	Hong Kong	Hong Kong	service industry		100.00	merger of enterprises under the same control
157	Huajin Finance (International) Co., Ltd	Hong Kong	Hong Kong	service industry		100.00	merger of enterprises under the same control
158	Huajin Finance (International) Holding Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	merger of enterprises under the same control
159	Huajin Securities (International) Co., Ltd	Hong Kong	Hong Kong	service industry		100.00	merger of enterprises under the same control
160	Huajin Futures (International) Co., Ltd	Hong Kong	Hong Kong	service industry		100.00	merger of enterprises under the same control
161	Huajin Finance (International) Co., Ltd	Hong Kong	Hong Kong	service industry		100.00	merger of enterprises under the same control
162	Huajin International (BVI) Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	merger of enterprises under the same control
163	Huajin International Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	merger of enterprises under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
164	Huajin Fund I GP	Cayman	Hong Kong	investment management		100.00	merger of enterprises under the same control
165	Huajin International Investment (Cayman) Limited Partnership Co., Ltd	Cayman	Hong Kong	investment management		100.00	merger of enterprises under the same control
166	Huajin International Inc. Investment (Cayman) Limited Partnership	Cayman	Hong Kong	investment management		100.00	merger of enterprises under the same control
167	Huajin International Investment (Cayman) Co., Ltd	Cayman	Hong Kong	investment management		100.00	merger of enterprises under the same control
168	Huajin International Hong Kong Management Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	merger of enterprises under the same control
169	Huajin Linghang Investment and Management (Zhuhai) Enterprise (Limited Partnership)	Zhuhai	Zhuhai	investment management		100.00	merger of enterprises under the same control
170	Huajin International China Investment Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	merger of enterprises under the same control
171	Zhuhai Huajin Qihang Consultancy Service Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	merger of enterprises under the same control
172	Huajin International Investment Management Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	merger of enterprises under the same control
173	Huajin Financial Holdings Company Limited	British Virgin Island	Hong Kong	investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
174	Hong Kong Huafa Financial and Asset Center Co., Ltd	Hong Kong	Hong Kong	investment management		100.00	establish
175	Zhuhai Huafa Xijiang Environmental Protection Industrial Park Operation & Management Co., Ltd	Zhuhai	Zhuhai	Project operation		93.06	establish
176	Zhuhai Huafa Physical Industry Research Institute Co., Ltd	Zhuhai	Zhuhai	industrial study		93.06	establish
177	Zhuhai Huashi Zhiying Industrial Investment Co., Ltd	Zhuhai	Zhuhai	investment management		93.06	establish
178	Zhuhai Venture Investment Pilot Fund Co., Ltd	Zhuhai	Zhuhai	investment management	50.00	46.53	merger of enterprises not under the same control
179	Zhuhai Huafa Supply Chain Financial Service Co., Ltd	Zhuhai	Zhuhai	service industry		94.02	establish
180	Zhuhai Huafa Financial Technology Research Institute Co., Ltd	Zhuhai	Zhuhai	service industry		94.02	establish
181	Zhuhai Huafa Seaside Building Hotel Co., Ltd	Zhuhai	Zhuhai	service industry	100.00		transfer
182	Wuhan Qinhu International Trading Co., Ltd	Wuhan	Wuhan	commodity sales		88.66	establish
183	Zhuhai Dahuanshan Group Inc.	Zhuhai	Zhuhai	Property lease		60.68	transfer
184	Zhuhai Development & Investment Fund II (Limited Partnership)	Zhuhai	Zhuhai	fund management		37.74	establish
185	Shanghai Kaidui Industrial Development Co., Ltd	Shanghai	Shanghai	Real estate development & operation		94.02	establish
186	Shanghai Kaidui Industrial Development Co., Ltd	Shanghai	Shanghai	Property management		94.02	establish
187	Shanghai Shuodui Information Technology Co., Ltd	Shanghai	Shanghai	Project construction		94.02	establish
188	Shanghai Mingdui Property Management Co., Ltd *1	Shanghai	Shanghai	Property management		94.02	establish
189	Shanghai Huadui Industrial Development Co., Ltd *1	Shanghai	Shanghai	Real estate development& operation		94.02	establish
190	Shanghai Fengdui Industrial Development Co., Ltd *1	Shanghai	Shanghai	Real estate development& operation		94.02	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
191	Dongguan Huafa Heptachord Intellectual Property Service Co., Ltd	Dongguan	Dongguan	Intellectual property transaction service		47.95	establish
192	Yantai Huafa Heptachord Intellectual Property Operation Co., Ltd	Yantai	Yantai	Intellectual property transaction service		47.95	establish
193	China Hubei Free Trade Pilot Zone (Xiangyang Area) Huafa Heptachord Intellectual Property Service Co., Ltd	Xiangyang	Xiangyang	Intellectual property transaction service		47.95	establish
194	Zhuhai Anyi Construction Investment Co., Ltd	Zhuhai	Zhuhai	Real estate development & operation		100.00	establish
195	Zhuhai Huahong Development & Construction Co., Ltd	Zhuhai	Zhuhai	project development & construction		42.03	establish
196	Zhuhai Huafa Petrochemical Energy Co., Ltd	Zhuhai	Zhuhai	wholesale & retail		44.33	establish
197	Zhuhai Huafa Urban Research Institute Co., Ltd	Zhuhai	Zhuhai	service industry		85.82	establish
198	Zhuhai Huafa Cultural and Sports Conference & Exhibition Hall Management Co., Ltd	Zhuhai	Zhuhai	hall and stadium service		85.82	establish
199	Zhuhai Huafa Aofu Enterprise Incubation Management Co., Ltd	Zhuhai	Zhuhai	service industry		93.06	establish
200	Zhuhai Huashi Zhiyuan Investment Co., Ltd	Zhuhai	Zhuhai	service industry		93.06	establish
201	Huajin Business Operation & Management (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	business service industry		94.02	establish
202	Zhuhai Juanhua Trading Co., Ltd	Zhuhai	Zhuhai	commodity sales		88.66	establish
203	Zhuhai Guangku Technology Inc. (Guangku Technology)	Zhuhai	Zhuhai	manufacture		22.11	merger of enterprises not under the same control
204	Huacan Photo-electronic Inc. (Huacan Photo-electronic)	Wuhan	Zhangjiagang, Yiwu	manufacture		23.14	merger of enterprises not under the same control
205	Zhuhai Huashi Zhixing Asset Management Co., Ltd	Zhuhai	Zhuhai	service industry		93.06	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
206	Zhuhai Huayi Ecological Technology Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		93.06	merger of enterprises under the same control
207	Zhuhai Huabei Ecological Technology Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		93.06	merger of enterprises under the same control
208	Zhuhai Huabei Ecological Technology Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		93.06	merger of enterprises under the same control
209	Zhuhai Jihua Ecological Technology Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		93.06	merger of enterprises under the same control
210	Zhuhai Jihua Operation Management Co., Ltd	Zhuhai	Zhuhai	modern agricultural production		93.06	merger of enterprises under the same control
211	Zhuhai Huaju Development & Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development& operation		84.06	transfer
212	Zhuhai Huazhao Development Co., Ltd	Zhuhai	Zhuhai	Real estate development& operation		84.06	transfer
213	Zhuhai Huazhao Investment Co., Ltd	Zhuhai	Zhuhai	Real estate development& operation		84.06	transfer
214	Huafa Urban Operation (Gwadar) Co., Ltd	Palestine	Palestine	Real estate development& operation		84.06	establish
215	Zhuhai Juanhua I Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		17.73	establish
216	Suzhou Huafa Heptachord Intellectual Property Operation Co., Ltd	Suzhou	Suzhou	Intellectual property transaction service		47.95	establish
217	Shanghai Shuodui Property Management Co., Ltd *1	Shanghai	Shanghai	Property management		94.02	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
218	Beijing Digitone Trading Inc. (Digitone)	Beijing	Beijing	retail and wholesale		66.17	merger of enterprises not under the same control
219	Zhuhai West Coast Apartment Management Co., Ltd	Zhuhai	Zhuhai	hotel management		85.82	establish
220	Huafa 2021 I Co., Ltd	British Virgin Island	Hong Kong	investment management		100.00	establish
221	Zhuhai Huafa Shengboli Operation Management Co., Ltd	Zhuhai	Zhuhai	business service		93.06	establish
222	Zhuhai Huafa Zhongyi Innovation Center Operation Management Co., Ltd	Zhuhai	Zhuhai	business service		93.06	establish
223	Zhuhai Huafa Huachan Advanced Semiconductor Research Institute Co., Ltd	Zhuhai	Zhuhai	technical promotion and application service industry		58.10	establish
224	Zhuhai Juanhua II Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		17.73	establish
225	Zhuhai Juanhua III Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		17.73	establish
226	Zhuhai Juanhua IV Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		17.73	establish
227	Zhuhai Juanhua V Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	investment management		17.73	establish
228	Zhuhai Large Scale Industry Cluster Development Co., Ltd	Zhuhai	Zhuhai	project construction		84.06	establish
229	Zhuhai Huaqing Large Scale Industrial Cluster Development Co., Ltd	Zhuhai	Zhuhai	project construction		84.06	establish
230	Zhuhai Huafa Industry New Space Holding Co., Ltd	Zhuhai	Zhuhai	enterprise management	100.00		establish
231	Zhuhai Huafa Industry New Space Operation Service Co., Ltd	Zhuhai	Zhuhai	operation service		100.00	establish
232	Zhuhai Hi-tech Huafa Industrial Development Zone Development, Reform and Finance Bureau	Zhuhai	Zhuhai	operation service		100.00	establish
233	Zhuhai Jinwan District Huafa Industry New Space Park Operation Co., Ltd	Zhuhai	Zhuhai	operation service		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
234	Zhuhai Huafa Industry New Space Merchant Service Co., Ltd	Zhuhai	Zhuhai	merchant service		100.00	establish
235	Zhuhai Huafa Industry New Space Investment & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
236	Zhuhai Huafa Industry New Space Development Co., Ltd	Zhuhai	Zhuhai	project construction		100.00	establish
237	Zhuhai Huajin Industry New Space Construction Co., Ltd	Zhuhai	Zhuhai	project construction		100.00	establish
238	Zhuhai Huagang Industry New Space Investment & Development Co., Ltd	Zhuhai	Zhuhai	project construction		93.79	establish
239	Zhuhai Huazhen Industry New Space Construction Co., Ltd	Zhuhai	Zhuhai	project construction		100.00	establish
240	Zhuhai Huawei Development & Construction Co., Ltd	Zhuhai	Zhuhai	project construction		94.10	establish
241	Zhuhai Huaxin Industry New Space Construction Co., Ltd	Zhuhai	Zhuhai	project construction		100.00	establish
242	Zhuhai Huachen Industry New Space Construction Co., Ltd	Zhuhai	Zhuhai	project construction		100.00	establish
243	Zhuhai Huafa Industry New Space Photovoltaic Construction Co., Ltd	Zhuhai	Zhuhai	power supply		84.06	establish
244	Zhuhai Huaxu New Energy Construction Co., Ltd	Zhuhai	Zhuhai	power supply		84.06	establish
245	Zhuhai Huaxin New Energy Construction Co., Ltd	Zhuhai	Zhuhai	power supply		84.06	establish
246	Zhuhai Hualing Development & Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development& operation		84.06	establish
247	Zhuhai Huating Development & Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development& operation		84.06	establish
248	Zhuhai Huabin Development & Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development& operation		85.82	establish
249	Zhuhai Huayi Development & Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development& operation		85.82	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio of the parent company		Method of acquisition
					Direct%	Indirect %	
250	Zhuhai Huaqi Development & Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development & operation		84.06	establish
251	Zhuhai Huafa New Energy Investment & Development Inc.	Zhuhai	Zhuhai	power supply		84.06	establish
252	Zhuhai Huafa New Energy Construction & Operation Co., Ltd	Zhuhai	Zhuhai	power supply		84.06	establish
253	Zhuhai Lover Coast Construction Co., Ltd	Zhuhai	Zhuhai	road construction		100.00	establish
254	Zhuhai Gongbei Port Reform and Expansion Project Management Co., Ltd	Zhuhai	Zhuhai	project management		100.00	establish
255	Zhuhai Jinwan Huafa Hotel Management Co., Ltd	Zhuhai	Zhuhai	hotel management		85.82	establish
256	Suzhou Taicang Huafa Hotel Management Co., Ltd	Suzhou	Zhuhai	hotel management		85.82	establish
257	Shanwei Huafa Hotel Management Co., Ltd	Shanwei	Zhuhai	hotel management		85.82	establish
258	Zhuhai Huahe Industry Equity Investment Partnership (Limited Partnership)	Zhuhai	Zhuhai	equity investment management		99.64	establish
259	Zhuhai Huashi Huanxin Fangke Investment Enterprise (Limited Partnership)	Zhuhai	Zhuhai	enterprise management		93.06	establish
260	Zhuhai Huaguan Technology Inc. (Huaguan Technology)	Zhuhai	Zhuhai	electronic technology		30.73	merger of enterprises not under the same control

*1 The equity of the above-mentioned subsidiary held by the subsidiary Shanghai Huakai Equity Investment Co., Ltd has been pledged for the loan of RMB 500 million obtained from Bank of Ping'an.

2. The subsidiaries of Huafa Property Service and share ratio (list only important subsidiaries).

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio (%)		Method of acquisition
					Direct	Indirect	
1	Huajin International Bay Area High End Service Holding Co., Ltd	Hong Kong	Hong Kong	hotel and exhibition consultancy service	100.00		establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio (%)		Method of acquisition
					Direct	Indirect	
2	Zhuhai Hengqin New Zone Huajin International Hotel Management Co., Ltd	Zhuhai	Zhuhai	hotel management service		100.00	establish
3	Zhuhai Hengqin New Zone Huajin International Conference & Exhibition Service Co., Ltd	Zhuhai	Zhuhai	exhibition planning and organization		100.00	establish
4	Huafa Property Management Service (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	service industry	100.00		merger of enterprises under the same control
5	Beijing Huafa Property Management Service Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	merger of enterprises under the same control
6	Huafa Property Service Co., Ltd	Zhuhai	Zhuhai	Property management		100.00	merger of enterprises under the same control
7	Zhuhai Huafa Building Elevator Engineering Co., Ltd	Zhuhai	Zhuhai	maintenance and installation		100.00	merger of enterprises under the same control
8	Zhuhai Huafa Civic Comprehensive Service Co., Ltd	Zhuhai	Zhuhai	service industry		100.00	merger of enterprises under the same control
9	Chongqing Huazhufa Property Management Service Co., Ltd	Chongqing	Chongqing	service industry		100.00	establish
10	Kunming Huafa Rongchuang Property Management Service Co., Ltd	Kunming	Kunming	service industry		70.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio (%)		Method of acquisition
					Direct	Indirect	
11	Shanxi Huafa Rongchuang Property Management Service Co., Ltd	Xi'an	Xi'an	service industry		51.00	establish
12	Shanghai Renheng Huafa Property Management Co., Ltd	Shanghai	Shanghai	service industry		51.00	establish
13	Huafa Fanglin (Wuhan) Technical Co., Ltd	Wuhan	Wuhan	service industry		100.00	establish
14	Guangdong Huafa Security Service Co., Ltd	Zhuhai	Zhuhai	service industry		100.00	merger of enterprises not under the same control
15	Zhuhai Huafa F&B Management Service Co., Ltd	Zhuhai	Zhuhai	service industry		100.00	establish
16	Zhuhai Hualin Real Estate Broker Service Co., Ltd	Zhuhai	Zhuhai	service industry		60.00	establish
17	Huafa Modern Technical Service (Chengdu) Co., Ltd	Chengdu	Chengdu	Internet and related service		100.00	establish
18	Zhuhai Huafa JLL Property Service Co., Ltd	Zhuhai	Zhuhai	service industry		60.00	merger of enterprises not under the same control
19	Huafa Property Service (Foshan) Co., Ltd	Foshan	Foshan	service industry		100.00	establish
20	Zhuhai Huahao International Conference & Exhibition Co., Ltd	Zhuhai	Zhuhai	exhibition planning and organization		50.00	establish
21	Zhuhai ZhuAo Design Center Co., Ltd	Zhuhai	Zhuhai	design service		80.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio (%)		Method of acquisition
					Direct	Indirect	
22	Zhuhai International Design Week Conference & Exhibition Co., Ltd	Zhuhai	Zhuhai	exhibition planning and organization		100.00	establish
23	Zhuhai Hengqin Zhu'ao International Sports, Lesiure and Tourism Development & Management Co., Ltd	Zhuhai	Zhuhai	organization and planning of sports contests and cultural activities		60.00	establish
24	Zhuhai Huawu Choice Life Service Co., Ltd	Zhuhai	Zhuhai	service industry		100.00	establish
25	Huafa Commercial Service (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	service industry		100.00	establish
26	Huafa Property Urban Service (Shenzhen) Co., Ltd	Shenzhen	Shenzhen	service industry		100.00	establish
27	Huafa Property Service (Guangzhou) Co., Ltd	Guangzhou	Guangzhou	service industry		100.00	establish

3. Subsidiaries of Johnson Holdings and its share ratio

No.	Name of subsidiaries	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	JOHNSON INVESTMENT HOLDING.CO.,LTD.	British Virgin Island	Hong Kong	holding	100.00		merger of enterprises not under the same control
2	JOHNSON CLEANING SERVICES COMPANYLIMITED	Hong Kong	Hong Kong	cleaning		100.00	merger of enterprises not under the same control
3	i-CLEAN LIMITED	Hong Kong	Hong Kong	cleaning		100.00	establish
4	Johnson Environment Company Limited	Hong Kong	Hong Kong	cleaning		100.00	establish
5	Johnson Professional Services Company Limited	Hong Kong	Hong Kong	pest management		100.00	establish

4.. Subsidiaries of Weiye Inc. and its share ratio

No	Name of subsidiaries	Major place of operation	Place of registration	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Shenzhen Shengtaowan Construction Material Co., Ltd	Shenzhen	Shenzhen	purchase and sales of building decoration materials	100.00		establish
2	Shenzhen Weiye Huijing Landscape Co., Ltd	Shenzhen	Shenzhen	landscape & greening	100.00		establish
3	Guangdong Weiye Technology Co., Ltd	Luhe	Luhe	building decoration	100.00		establish
4	Fujian Mindong Jiangong Investment Co., Ltd	Xiamen	Xiamen	building construction	66.00		merger of enterprises not under the same control
5	Shenzhen Weiye Zhihui Equity Investment & Management Co., Ltd	Shenzhen	Shenzhen	equity investment	100.00		establish
6	Shenzhen Weiye Zhicheng Investment Partnership (Limited Partnership)	Shenzhen	Shenzhen	equity investment		34.55	establish
7	Zhuhai Huafa Jinglong Construction Co., Ltd	Zhuhai	Zhuhai	building decoration	100.00		merger of enterprises under the same control
8	Jiantai Construction Co., Ltd	Zhuhai	Zhuhai	building construction	61.00		merger of enterprises under the same control
9	Zhuhai Huafa Jinglong Furniture Co., Ltd	Zhuhai	Zhuhai	building decoration		100.00	merger of enterprises under the same control
10	Zhuhai Shitai Construction Engineering Co., Ltd	Zhuhai	Zhuhai	building construction		61.00	merger of enterprises under the same control
11	Weiye (Macao) Co., Ltd	Macao	Macao	equity investment		100.00	establish
12	Zhuhai Urban Construction Weiye Decoration Engineering Co., Ltd	Zhuhai	Zhuhai	building construction	100.00		merger of enterprises not under the same control

No.	Name of subsidiaries	Major place of operation	Place of registration	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
13	Shenzhen Weiye Construction Engineering Co., Ltd	Shenzhen	Shenzhen	building construction		100.00	establish
14	Xiamen Minyi Construction Engineering Co., Ltd	Xiamen	Xiamen	building construction		66.00	establish
15	Guangdong Quansheng Construction Co., Ltd	Zhuhai	Zhuhai	building construction		100.00	merger of enterprises not under the same control
16	Guangdong Hongtai Building Material Trading Co., Ltd	Zhuhai	Zhuhai	material sales		61.00	establish
17	Zhuhai Huatai Construction Engineering Co., Ltd	Zhuhai	Zhuhai	building construction		61.00	establish
18	Zhuhai Yuetai Construction Engineering Co., Ltd	Zhuhai	Zhuhai	building construction		61.00	establish

5. Subsidiaries of Huafa Inc. and its share ratio

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Zhongshan Huafa Real Estate Development Co., Ltd	Zhongshan	Zhongshan	Real estate development	100.00		establish
2	Zhuhai Huafa Aotemei Health Management Co., Ltd	Zhuhai	Zhuhai	club operation	90.00	10.00	establish
3	Zhuhai Huafa Investment & Development Co., Ltd	Zhuhai	Zhuhai	Real estate development	80.00	20.00	establish
4	Zhuhai Huafa Architectural Design Consultancy Co., Ltd	Zhuhai	Zhuhai	architectural design	90.00	10.00	establish
5	Zhuhai Huafa Real Estate Marketing Consultancy Co., Ltd	Zhuhai	Zhuhai	real estate marketing	90.00	10.00	establish
6	Zhuhai Huafa Cultural Broadcast Co., Ltd	Zhuhai	Zhuhai	advertisement	70.00	30.00	establish
7	Zhuhai Huafa Youjia Engineering Service Co., Ltd	Zhuhai	Zhuhai	building decoration	72.96	27.04	establish
8	Zhuhai Huana Investment & Development Co., Ltd	Zhuhai	Zhuhai	Real estate development	50.00	50.00	establish
9	Zhuhai Huarong Investment & Development Co., Ltd	Zhuhai	Zhuhai	Real estate development	69.57	30.43	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
10	Zhuhai Huafu Commerce & Trading Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
11	Zhuhai Huayao Trade Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
12	Zhuhai Huafa Landscape Engineering Co., Ltd	Zhuhai	Zhuhai	landscape engineering	59.20	40.80	establish
13	Zhongshan Huayi Business Operation & Management Co., Ltd *1	Zhongshan	Zhongshan	Real estate development		100.00	establish
14	Zhongshan Huasheng Real Estate Development Co., Ltd	Zhongshan	Zhongshan	Real estate development		100.00	establish
15	Zhuhai Huafa Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development	100.00		establish
16	Zhuhai Aohua Enterprise Management Consultancy Co., Ltd	Zhuhai	Zhuhai	Real estate development	71.98	28.02	establish
17	Baotou Huafa Real Estate Co., Ltd	Baotou	Baotou	Real estate development	90.00	10.00	establish
18	Dalian Huafa Real Estate Development Co., Ltd	Dalian	Dalian	Real estate development		100.00	establish
19	Zhuhai Huarong Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
20	Zhuhai Huafa Commercial Property Management Co., Ltd	Zhuhai	Zhuhai	property lease	100.00		establish
21	Guangxi Huacheng Real Estate Investment Co., Ltd	Nanning	Nanning	Real estate development	98.90	1.10	establish
22	Shenyang Huana Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development	100.00		establish
23	Shenyang Huayao Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development	100.00		establish
24	Wuhan Huafa Real Estate Co., Ltd	Wuhan	Wuhan	Real estate development	100.00		establish
25	Dalian Huafeng Real Estate Development Co., Ltd	Dalian	Dalian	Real estate development		100.00	establish
26	Shenyang Huayun Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development	100.00		establish
27	Shenyang Huarong Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development	100.00		establish
28	Weihai Huafa Investment Co., Ltd	Weihai	Weihai	project investment		50.53	establish
29	Rongcheng Huafa Real Estate Development Co., Ltd	Rongcheng	Rongcheng	Real estate development	65.00		establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
30	Shenyang Huachang Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development	100.00		establish
31	Shenyang Huabo Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development	100.00		establish
32	Shenyang Huahao Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development	66.00	34.00	establish
33	Shenyang Huarang Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development	100.00		establish
34	Zhuhai Huafa Real Estate Agency Co., Ltd	Zhuhai	Zhuhai	property agency		100.00	establish
35	Zhuhai Huafa Cultural Club	Zhuhai	Zhuhai	cultural and sports events	100.00		establish
36	Guangzhou Huafeng Investment Co., Ltd	Guangzhou	Guangzhou	Real estate development	46.64	53.36	establish
37	Zhuhai Huayi Investment Co., Ltd	Zhuhai	Zhuhai	real estate investment	89.31	10.69	establish
38	Zhuhai Huaguo Trading Co., Ltd	Zhuhai	Zhuhai	wholesale, retail	49.00	51.00	establish
39	HUAFA INDUSTRIAL (HK) LIMITED	Hong Kong	Hong Kong	property trading		100.00	establish
40	Guangxi Huaming Investment Co., Ltd	Nanning	Nanning	Real estate development	100.00		establish
41	Weihai Huafa Real Estate Development Co., Ltd	Weihai	Weihai	Real estate development	88.40	11.60	establish
42	Beijing Huafu Yongsheng Investment C., Ltd	Beijing	Beijing	Real estate development		100.00	establish
43	Zhuhai Huafa Commercial Town Business Operation Co., Ltd	Zhuhai	Zhuhai	Property management		100.00	establish
44	Zhuhai Huashang Department Store Co., Ltd	Zhuhai	Zhuhai	wholesale, retail		100.00	establish
45	Guangzhou Huarong Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
46	Guangzhou Huahao Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development	20.17	79.83	establish
47	Guangzhou Huasheng Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
48	Wuhan Huafa Hongrui Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		99.00	establish
49	Wuhan Huamao Changsheng Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		99.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
50	Zhuhai Hengqin Huafa Real Estate Investment Co., Ltd **	Zhuhai	Zhuhai	Real estate development	89.80	10.20	establish
51	Zhuhai Huafa Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development	80.00	20.00	establish
52	Zhuhai Huafa Software Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	merger of enterprises under the same control
53	Zhuhai Huafa Enterprise Management Co., Ltd	Zhuhai	Zhuhai	Real estate development	4.00	96.00	merger of enterprises under the same control
54	Zhuhai Huafa Information Consultancy Co., Ltd	Zhuhai	Zhuhai	Real estate development	5.26	94.74	merger of enterprises under the same control
55	Zhuhai Huachuang Trading Development Co., Ltd	Zhuhai	Zhuhai	Real estate development	39.73	60.27	merger of enterprises under the same control
56	Zhuhai Huamao Real Estate Investment Consultancy Co., Ltd	Zhuhai	Zhuhai	Real estate development	100.00		merger of enterprises not under the same control
57	Zhuhai Huajun Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development	100.00		merger of enterprises not under the same control
58	Baotou Mingliu Real Estate Co., Ltd	Baotou	Baotou	Real estate development		100.00	merger of enterprises not under the same control

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
59	Zhuhai Yonghongji Commerce & Trading Co., Ltd	Zhuhai	Zhuhai	Real estate development	100.00		merger of enterprises not under the same control
60	Zhongshan Huafa Ecopark Real Estate Development Co., Ltd	Zhongshan	Zhongshan	Real estate development	98.97	1.03	merger of enterprises not under the same control
61	Zhongshan Ziyueshanyuan Real Estate Development Co., Ltd	Zhongshan	Zhongshan	Real estate development		100.00	merger of enterprises not under the same control
62	Dalian Huateng Real Estate Development Co., Ltd	Dalian	Dalian	Real estate development	80.00	20.00	merger of enterprises not under the same control
63	Zhuhai Huaming Technical Development Co., Ltd	Zhuhai	Zhuhai	comprehensive	100.00		merger of enterprises not under the same control
64	Zhuhai Yinhe Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development	100.00		merger of enterprises not under the same control
65	Dalian Huakun Real Estate Development Co., Ltd	Dalian	Dalian	Real estate development	80.00	20.00	merger of enterprises not under the same control
66	Zhuhai Haofeng Trading Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	merger of enterprises not under the same control
67	Wuhan Huafa Midtown Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
68	Guangzhou Huaning Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development	49.00	51.00	establish
69	Guangzhou Huachuang Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		99.40	establish
70	Shenyang Huadi Business Investment Co., Ltd	Shenyang	Shenyang	business operation & management	100.00		establish
71	Wuhan Huayao Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
72	Shanghai Huafa Chuangsheng Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development	100.00		establish
73	Huachuang Real Estate (Macao) One Person Co., Ltd	Macao	Macao	property trading		100.00	establish
74	Tianjin Huafa Real Estate Co., Ltd	Tianjin	Tianjin	Real estate development		95.74	establish
75	Zhuhai Zhongtai Investment Co., Ltd	Zhuhai	Zhuhai	Real estate development	90.00		merger of enterprises not under the same control
76	Shanghai Huafu Chuangsheng Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development	100.00		establish
77	Wuhan Huafa Business Operation Management Co., Ltd	Wuhan	Wuhan	business operation & management		100.00	establish
78	Shanghai Huapeng Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
79	Zhuhai Huahai Real Estate Co., Ltd *1	Zhuhai	Zhuhai	Real estate development		100.00	establish
80	Zhuhai Huafa Business Operation Management Co., Ltd	Zhuhai	Zhuhai	business operation & management	100.00		establish
81	Zhuhai Huafa New Horizon Business Operation Co., Ltd	Zhuhai	Zhuhai	property lease		100.00	establish
82	Zhuhai Huashun Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
83	Zhuhai Huawei Investment & Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
84	Shanghai Huafa Zongsheng Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
85	Zhuhai Huaxin Investment & Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
86	Zhuhai Huahao Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
87	Huafa Industry (the USA) Co., Ltd	the USA	the USA	Real estate development		100.00	establish
88	Huafa Century Co., Ltd	the USA	the USA	Real estate development		100.00	establish
89	Wuhan Huafa Changmao Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
90	Wuhan Huafa Changsheng Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
91	Shanghai Huafa Zongsheng Real Estate Marketing Co., Ltd	Shanghai	Shanghai	real estate marketing		100.00	establish
92	Weihai Huafa Zongsheng Marketing Planning Co., Ltd	Weihai	Weihai	real estate marketing		100.00	establish
93	Wuhan Huafa Real Estate Marketing Consultancy Co., Ltd	Wuhan	Wuhan	real estate marketing		100.00	establish
94	Huafa Real Estate (Macao) Co., Ltd	Macao	Macao	property trading	90.00	10.00	establish
95	Guangzhou Huafa Real Estate Marketing Consultancy Co., Ltd	Guangzhou	Guangzhou	real estate marketing		100.00	establish
96	Shanghai Huahong Shanglong Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		50.01	establish
97	Zhuhai Anying Investment Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
98	Zhuhai Huafa Yuechao Culture Co., Ltd	Zhuhai	Zhuhai	cultural industry		100.00	establish
99	Zhuhai Huafa Urban Upgrade Investment Holding Co., Ltd	Zhuhai	Zhuhai	urban upgrade management	100.00		establish
100	Zhuhai Huayi Business Operation and Management Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
101	Shenzhen Huafa Real Estate Development Co., Ltd	Shenzhen	Shenzhen	Real estate development		100.00	establish
102	Zhuhai Haichuan Real Estate Co., Ltd	Zhuhai	Zhuhai	Real estate development	50.20		merger of enterprises under the same control
103	Suzhou Huafu Chuangsheng Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
104	Suzhou Huashun Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		100.00	establish
105	Zhuhai Huafa Guotong Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		51.00	establish
106	Nanjing Huashun Real Estate Development Co., Ltd	Nanjing	Nanjing	Real estate development		100.00	establish
107	Hangzhou Huahong Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		100.00	establish
108	Zhuhai Huafa Zhonglei Real Estate Co., Ltd	Zhuhai	Zhuhai	Real estate development		51.00	establish
109	Zhuhai Huafa Huayi Investment Holding Co., Ltd	Zhuhai	Zhuhai	project investment	100.00		establish
110	Zhuhai Huafa Huayu Investment Co., Ltd	Zhuhai	Zhuhai	education project investment		100.00	establish
111	Zhuhai Huaying Investment Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
112	Zhuhai Hi-tech District Ronghong Kindergarten	Zhuhai	Zhuhai	education		100.00	establish
113	Zhuhai Huaheng Green Plant Management Co., Ltd	Zhuhai	Zhuhai	plant breeding		100.00	establish
114	Suzhou Huali Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		100.00	establish
115	Zhuhai Huarui Investment Co., Ltd	Zhuhai	Zhuhai	Real estate development	92.00		establish
116	Zhuhai Huafa West Zone Commerce Co., Ltd	Zhuhai	Zhuhai	business & operation management		100.00	establish
117	HUAFA PROPERTY(HK) LIMITED	Hong Kong	Hong Kong	Real estate development		100.00	establish
118	Palo Alto Properties Investment , LLC	the USA	the USA	Real estate development		100.00	establish
119	Zhuhai Huahan Investment Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
120	Huafa Industry (East America) Co.,Ltd	the USA	the USA	Real estate development		100.00	establish
121	Beijing Huafa Real Estate Co., Ltd	Beijing	Beijing	Real estate development		100.00	establish
122	Shenzhen Huafa Pengtai Investment Co., Ltd	Shenzhen	Shenzhen	Real estate development		100.00	establish
123	Foshan Huafeng Real Estate Development Co., Ltd	Foshan	Foshan	Real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
124	HUA GUANG INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	project investment		100.00	establish
125	Zhuhai Huafa Yunda Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.00	establish
126	WAH CHI COMMERCIAL INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	project investment		100.00	establish
127	WAH CHI REAL ESTATE AGENCY LIMITED	British Virgin Island	British Virgin Island	property agency		100.00	establish
128	WAH CHI CONSTRUCTION DESIGN CONSULTANCY LIMITED	British Virgin Island	British Virgin Island	architectural design		100.00	establish
129	WAH HING INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	investment management		100.00	establish
130	HUAFA REAL ESTATE AGENCY (HONG KONG) LIMITED	Hong Kong	Hong Kong	property agency		100.00	establish
131	Bespoke Design Group Co., Ltd	Hong Kong	Hong Kong	architectural design		100.00	establish
132	Wuhan Huashuo Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
133	Wuhan Huajing Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
134	WAH LUNG INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	project investment		100.00	establish
135	WAH LUNG PROPERTY (HK) LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
136	Nanjing Huajing Jusheng Real Estate Development Co., Ltd	Nanjing	Nanjing	Real estate development		50.00	establish
137	Shanghai Huajing Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
138	Zhuhai Huawei Investment Co., Ltd	Zhuhai	Zhuhai	project investment		100.00	establish
139	HUAFA INFINITY (HONG KONG) INVESTMENT LIMITED	Hong Kong	Hong Kong	investment management		80.00	establish
140	Zhuhai Huayi Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development		80.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
141	Zhuhai Huazhi Real Estate Agency Co., Ltd	Zhuhai	Zhuhai	real estate consultancy		100.00	establish
142	Zhuhai Huajia Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
143	Zhuhai Xiangzhou District Ronghong Waterfront Kindergarten	Zhuhai	Zhuhai	pre-school education		100.00	establish
144	Zhuhai Huahe Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development		80.00	establish
145	Nanning Qingxiu District Ronghong Kindergarten	Nanning	Nanning	pre-school education		100.00	establish
146	Zhongshan Huatai Upgrade Real Estate Co., Ltd	Zhongshan	Zhongshan	Real estate development		100.00	establish
147	Zhuhai Huafa West Real Estate Co., Ltd	Zhuhai	Zhuhai	property lease		100.00	establish
148	Zhuhai Xiangzhou District Ronghong Villa Kindergarten	Zhuhai	Zhuhai	pre-school education		100.00	establish
149	Shanghai Huazhao Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
150	Jiaxing Xinjin Real Estate Co., Ltd	Jiaxing	Jiaxing	Real estate development		34.00	merger of enterprises not under the same control
151	Wuhan Huahe Real Estate Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
152	Zhuhai Hualong Architectural Design Consultancy Co., Ltd	Zhuhai	Zhuhai	architectural design		100.00	establish
153	Hangzhou Huafeng Jinlan Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		100.00	merger of enterprises not under the same control
154	Taicang Hefa Real Estate Development Co., Ltd *1	Taicang	Taicang	Real estate development		100.00	merger of enterprises not under the same control

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
155	Hangzhou Huafeng Jinxuan Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		100.00	merger of enterprises not under the same control
156	Wuhan Linjiang Xingcheng Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		80.00	merger of enterprises not under the same control
157	Zhuhai Huajing Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
158	Zhuhai Huahui Commerce Management Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
159	Zhongshan Huateng Real Estate Co., Ltd	Zhongshan	Zhongshan	Real estate development	100.00		establish
160	Zhongshan Huadi Real Estate Co., Ltd	Zhongshan	Zhongshan	Real estate development		100.00	establish
161	Wuhan Huafa Hongye Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
162	Wuhan Huazhang Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		50.00	establish
163	Wuhan Huafa Urban Development Investment Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
164	Wuxi Huajun Real Estate Development Co., Ltd	Wuxi	Wuxi	Real estate development		100.00	establish
165	Shenyang Huateng Real Estate Marketing & Planning Co., Ltd	Shenyang	Shenyang	real estate marketing		100.00	establish
166	Zhuhai Huafa Real Estate Marketing & Planning Co., Ltd	Zhuhai	Zhuhai	real estate marketing		100.00	establish
167	Dalian Huafa Capital Real Estate Agency Co., Ltd	Dalian	Dalian	real estate broker service		100.00	establish
168	CHI YUI PLANNING LIMITED	Hong Kong	Hong Kong	planning		100.00	establish
169	INTELLIGENCE AND INTEGRITY SURVEYOR LIMITED	Hong Kong	Hong Kong	planning		100.00	establish
170	CHEUNG CHONG PROPERTY LIMITED	Hong Kong	Hong Kong	real estate investment		100.00	establish
171	CHEUNG CHEONG PROPERTY LIMITED	Hong Kong	Hong Kong	real estate investment		100.00	establish
172	CHEUNG MIN PROPERTY LIMITED	Hong Kong	Hong Kong	real estate investment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
173	CHEUNG YUNG PROPERTY LIMITED	Hong Kong	Hong Kong	real estate investment		100.00	establish
174	CHEUNG SING INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	Investment holding		100.00	establish
175	CHEUNG CHONG INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	Investment holding		100.00	establish
176	CHEUNG CHEONG INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	Investment holding		100.00	establish
177	CHEUNG MIN INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	Investment holding		100.00	establish
178	CHEUNG YUNG INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	Investment holding		100.00	establish
179	Panjin Jinhong Real Estate Development Co., Ltd	Panjin	Panjin	Real estate development		100.00	merger of enterprises not under the same control
180	Qingdao Huafa Investment Co., Ltd	Qingdao	Qingdao	Real estate development	100.00		establish
181	Zhuhai Huafa U-life Property Operation & Management Co., Ltd	Zhuhai	Zhuhai	property lease	100.00		establish
182	Guangzhou Huafa Urban Upgrade Investment Co., Ltd	Guangzhou	Guangzhou	Urban upgrade consultancy		100.00	establish
183	Zhongshan Shaxi Huafa Kindergarten	Zhongshan	Zhongshan	education		100.00	establish
184	Wuhan Huafa Borui Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		99.85	establish
185	Wuhan Huacong Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		80.00	establish
186	Wuhan Huafa Yucheng Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
187	Wuhan Huahao Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		60.00	establish
188	Wuhan Huafa Yuehong Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
189	Wuhan Huaying Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
190	Zhuhai Ronghong International Kindergarten	Zhuhai	Zhuhai	education		100.00	merger of enterprises under the same control
191	Zhuhai Doumen District Ronghong Kindergarten	Zhuhai	Zhuhai	education		100.00	merger of enterprises under the same control
192	Guangzhou Huafa Industrial Development Co., Ltd	Guangzhou	Guangzhou	Real estate development	100.00		establish
193	Qingdao Hua'ang Real Estate Co., Ltd	Qingdao	Qingdao	Real estate development		98.38	establish
194	Zhuhai Huafa Asset Management Co., Ltd	Zhuhai	Zhuhai	asset management	100.00		establish
195	Zhanjiang Huafa Real Estate Development Co., Ltd	Zhanjiang	Zhanjiang	Real estate development		100.00	establish
196	Baotou Huafa Business Management Co. Ltd	Baotou	Baotou	Real estate development		100.00	establish
197	CHEUNG FAI INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	Investment holding		100.00	establish
198	Zhongshan Huayue Hongxuan Real Estate Development Co., Ltd	Zhongshan	Zhongshan	Real estate development		51.00	establish
199	Shanghai Huazong Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
200	Shanghai Huakuan Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		96.01	establish
201	Shanghai Huazi Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
202	Shanghai Huabo Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
203	Shanghai Huadi Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		99.07	establish
204	CHEUNG WANG INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	Investment holding		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
205	Shanghai Gaodu Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		30.32	merger of enterprises not under the same control
206	Wenzhou Jingducheng Real Estate Development Co., Ltd	Wenzhou	Wenzhou	Real estate development		28.80	merger of enterprises not under the same control
207	Tianjin Longshun Jinan Real Estate Information Consultancy Co., Ltd	Tianjin	Tianjin	Real estate development		32.55	merger of enterprises not under the same control
208	Tianjin Jinyao Real Estate Co., Ltd	Tianjin	Tianjin	Real estate development		32.55	merger of enterprises not under the same control
209	Zhuhai Huajing Education Service Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
210	Zhuhai Huazhi Education Service Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
211	Zhuhai Huajian Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
212	Guangzhou Huayao Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		49.70	establish
213	Wuhan Huazhongsheng Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		60.00	establish
214	Zhuhai Huafa Zhengfang City Upgrade Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		32.50	establish
215	Zhuhai Huafa Education Development Co., Ltd	Zhuhai	Zhuhai	education consultancy	100.00		establish
216	Guangzhou Huateng Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
217	Weihai Huafa Business Operation & Management Co., Ltd	Weihai	Weihai	business operation & management		100.00	establish
218	Zhongshan Huazhou Real Estate Development Co., Ltd	Zhongshan	Zhongshan	Real estate development		51.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
219	Zhuhai Huafa Huaxian Education Co., Ltd	Zhuhai	Zhuhai	education consultancy		100.00	establish
220	Jiangmen Huafa Update Real Estate Co., Ltd	Jiangmen	Jiangmen	Real estate development		100.00	establish
221	Longjing Real Estate (Hangzhou) Co., Ltd	Hangzhou	Hangzhou	Real estate development		50.00	merger of enterprises not under the same control
222	CHEERFUL AGE COMPANY LIMITED	Hong Kong	Hong Kong	Investment holding		50.00	merger of enterprises not under the same control
223	Shanghai Huaxiao Enterprise Management Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
224	Hangzhou Huahang Real Estate Development Co., Ltd	Hangzhou	Hangzhou	Real estate development		99.20	establish
225	Tianjin Huafa Chuangsheng Real Estate Co., Ltd	Tianjin	Tianjin	Real estate development		99.61	establish
226	Beijing Huafa Chuangsheng Real Estate Co., Ltd	Beijing	Beijing	Real estate development		99.21	establish
227	Qingyuan Pengxiang Real Estate Development Co., Ltd	Qingyuan	Qingyuan	Real estate development		49.78	merger of enterprises not under the same control
228	Huizhou Huafa Real Estate Development Co., Ltd	Huizhou	Huizhou	Real estate development		100.00	establish
229	Guangzhou Huafa Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		50.20	establish
230	Guangzhou Huajun Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
231	Jiangmen Huafa Real Estate Development Co., Ltd	Jiangmen	Jiangmen	Real estate development		97.72	establish
232	Jiangmen Huaming Real Estate Development Co., Ltd	Jiangmen	Jiangmen	Real estate development		49.84	establish
233	Beijing Huafa Yongsheng Real Estate Co., Ltd	Beijing	Beijing	Real estate development		99.21	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
234	GUANG YU GLOBAL INVESTMENT MANAGEMENT LIMITED	Cayman	Cayman	Investment holding		100.00	merger of enterprises not under the same control
235	GUANG QI INVESTMENT HOLDING LIMITED	British Virgin Island	British Virgin Island	Investment holding		100.00	establish
236	Wuhan Huarong Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		79.88	establish
237	Shenyang Huahan Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development		99.14	establish
238	Zhuhai Huafa Guangsheng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		40.00	establish
239	Zhuhai Huafa Jiale Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		51.00	establish
240	CITIC Zhengye (Shanghai) Investment Development Co., Ltd	Shanghai	Shanghai	real estate investment		95.00	merger of enterprises not under the same control
241	Ezhou Huahong Jusheng Real Estate Development Co., Ltd	Ezhou	Ezhou	real estate investment		30.00	establish
242	Hubei Guangjiazhou Investment Co., Ltd	Ezhou	Ezhou	Real estate development		30.00	merger of enterprises not under the same control
243	Hubei Yingbin Real Estate Co., Ltd	Ezhou	Ezhou	Real estate development		30.00	merger of enterprises not under the same control
244	Shanghai Huatuo Enterprise Development Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
245	Zhuhai Huahui Real Estate Development Co., Ltd *1	Zhuhai	Zhuhai	real estate investment		75.00	merger of enterprises under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
246	Zhuhai Hairun Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		41.25	merger of enterprises under the same control
247	Dalian Wanteng Real Estate Co., Ltd	Dalian	Dalian	Real estate development		50.00	merger of enterprises not under the same control
248	Shanghai Huayao Enterprise Management Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
249	Xi'an Huafu Yongsheng Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		100.00	establish
250	Zhuhai Huafa Zuoan Commercial Service Management Co., Ltd *1	Zhuhai	Zhuhai	property lease		100.00	establish
251	Zhuhai Huaxi Commercial Service Co., Ltd	Zhuhai	Zhuhai	property lease		100.00	establish
252	Zhuhai Huakuo Comprehensive Service Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
253	Zhuhai Huapin Business Consultancy Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
254	Zhuhai Huashu Design Consultancy Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
255	Zhuhai Huazhang Engineering Management Consultancy Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
256	Zhuhai Huazhu Engineering Pricing Consultancy Co., Ltd	Zhuhai	Zhuhai	consultancy and service	100.00		establish
257	GUANG XIANG INVESTMENT HOLDING LIMITED	British Virgin Island	British Virgin Island	investment management		100.00	establish
258	GUANG JIE INVESTMENT HOLDING LIMITED	British Virgin Island	British Virgin Island	investment management		100.00	establish
259	GUANG JUAN INVESTMENT LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
260	GUANG XIANG INVESTMENT LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
261	GUANG JIE INVESTMENT LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
262	Shanghai Huazhen Enterprise Management Co., Ltd	Shanghai	Shanghai	enterprise management		100.00	establish
263	Shanghai Huateng Enterprise Management Co., Ltd	Shanghai	Shanghai	enterprise management		100.00	establish
264	Zhuhai Huazhuo Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.20	establish
265	Zhuhai Huafa Yunong Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
266	Zhuhai Huaze Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
267	Guangzhou Huaming Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
268	Guangzhou Huaxu Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		99.55	establish
269	Guangzhou Huahui Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
270	Guangzhou Huateng Industrial Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
271	Qingdao Huaying Investment Co., Ltd	Qingdao	Qingdao	investment management		98.38	establish
272	Wuxi Hua'an Real Estate Co., Ltd	Wuxi	Wuxi	Real estate development		50.20	establish
273	Wuxi Huahong Real Estate Co., Ltd	Wuxi	Wuxi	Real estate development		100.00	establish
274	Zhuhai Huafa Huaping Education Management Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
275	Wuhan Huafa Tiansheng Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
276	Wuhan Huahuitai Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
277	Zhuhai Huazong Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
278	Zhuhai Huajin Investment Management Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
279	Zhuhai Huahao Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
280	Zhuhai Huahe Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
281	Zhongshan Huaxin Real Estate Co., Ltd	Zhongshan	Zhongshan	Real estate development		100.00	establish
282	Zhuhai ZhuAo Cloud Information Technology Co., Ltd	Zhuhai	Zhuhai	software management		100.00	establish
283	Guangdong Jingsheng Decoration Engineering Co., Ltd	Zhuhai	Zhuhai	decoration		41.25	merger of enterprises not under the same control
284	Zhuhai Huacheng Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
285	Zhuhai Huashen Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
286	Huafa U-life Lease Service (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	property lease	100.00		establish
287	Huizhou Huajun Real Estate Development Co., Ltd	Huizhou	Huizhou	Real estate development		100.00	establish
288	Beijing Huashun Real Estate Development Co., Ltd	Beijing	Beijing	Real estate development		100.00	establish
289	Zhuhai Huajin Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
290	Zhuhai Huaqi Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
291	Zhuhai Huayao Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
292	Zhuhai Huafa Luyu Urban Upgrade Co., Ltd	Zhuhai	Zhuhai	urban upgrade		51.00	establish
293	Shanwei Huajin Real Estate Development Co., Ltd	Shanwei	Shanwei	Real estate development		90.00	establish
294	Wuhan Huafa Ruixiang Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
295	Shanghai Huajing Fengchen Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		50.53	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
296	Wuhan Dihua Zhihe Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		50.00	merger of enterprises not under the same control
297	Wuhan Huasheng Qianmao Real Estate Co., Ltd	Wuhan	Wuhan	Real estate development		50.00	establish
298	Tianjin Huachuang Real Estate Co., Ltd	Tianjin	Tianjin	Real estate development		99.61	establish
299	Tianjin Huasheng Real Estate Co., Ltd	Tianjin	Tianjin	Real estate development		97.37	establish
300	Tianjin Huajing Real Estate Co., Ltd	Tianjin	Tianjin	Real estate development		99.23	establish
301	Zhuhai Huafa Beisha Sixth Group Urban Upgrade Co., Ltd	Zhuhai	Zhuhai	urban upgrade		51.00	establish
302	Zhuhai Huafa Zhengfang Xiangzhou Technical Industrial Park Upgrade Co., Ltd	Zhuhai	Zhuhai	urban upgrade		50.00	establish
303	Zhuhai Huafa Zhengfang Gongbei Port Urban Upgrade Co., Ltd	Zhuhai	Zhuhai	urban upgrade		50.00	establish
304	Zhuhai Center Huafa Commerce Town Business Operation Co., Ltd	Zhuhai	Zhuhai	commerce/trading operation & management		100.00	establish
305	Zhuhai Jinwan Huafa Commerce Town Business Operation Co., Ltd	Zhuhai	Zhuhai	commerce/trading operation & management		100.00	establish
306	Beijing Huafa Zongsheng Real Estate Marketing & Planning Co., Ltd	Beijing	Beijing	real estate marketing		100.00	establish
307	Nanjing Huafa Zongsheng Real Estate Marketing & Planning Co., Ltd	Nanjing	Nanjing	real estate marketing		100.00	establish
308	Zhuhai Huafa Huahui Education Management Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
309	Huizhou Huahan Real Estate Development Co., Ltd	Huizhou	Huizhou	Real estate development		99.84	establish
310	Nanjing Huacheng Real Estate Co., Ltd	Nanjing	Nanjing	Real estate development		97.49	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
311	Shanghai Huafa Lihua Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development	51.00		establish
312	Wuhan Huahongyi Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
313	Zhuhai Huafa Jingle Elderly Service Co., Ltd	Zhuhai	Zhuhai	Other service		100.00	establish
314	Suzhou Huafa Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		100.00	establish
315	Suzhou Huakai Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		100.00	establish
316	Guangzhou Huashun Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
317	Tianjin Ruihui Commerce Management Co., Ltd	Tianjin	Tianjin	project investment		49.66	merger of enterprises not under the same control
318	Tianjin Ruihui Real Estate Development Co., Ltd	Tianjin	Tianjin	Real estate development		49.66	merger of enterprises not under the same control
319	GUANG TAO INVESTMENT LIMITED	Hong Kong	Hong Kong	project investment		100.00	establish
320	Guangdong Zhanlan Real Estate Development Co., Ltd	Zhanjiang	Zhanjiang	Real estate development	50.00		merger of enterprises not under the same control
321	Hangzhou Huajing Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		65.00	establish
322	Hangzhou Huayu Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		50.00	establish
323	Changsha Huafa Real Estate Development Co., Ltd	Changsha	Changsha	Real estate development		100.00	establish
324	Zhongshan Huafa Commerce Town Business Operation Co., Ltd	Zhongshan	Zhongshan	commerce/trading operation & management		100.00	establish
325	Zhuhai Huafa Limei Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
326	Zhuhai Huashen Asset Management Co., Ltd	Zhuhai	Zhuhai	equity investment management		100.00	establish
327	Shenzhen Huateng Industrial Development Co., Ltd	Shenzhen	Shenzhen	Real estate development		99.83	establish
328	Shanghai Huaru Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		51.00	establish
329	Jiangmen Huafa Real Estate Co., Ltd	Jiangmen	Jiangmen	Real estate development		100.00	establish
330	Jiangmen Huasheng Real Estate Development Co., Ltd	Jiangmen	Jiangmen	Real estate development		100.00	establish
331	Zhuhai Huafa Huacheng Education Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
332	Zhuhai Huafa Huaheng Education Management Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
333	Zhuhai Huagang Urban Upgrade Co., Ltd	Zhuhai	Zhuhai	urban upgrade		51.00	establish
334	Chengdu Huajin Lianhong Real Estate Development Co., Ltd	Chengdu	Chengdu	Real estate development		37.65	establish
335	Wuhan Huafa Jingxiang Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
336	Guangzhou Huazhi Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		50.20	establish
337	WAH CHI BUSINESS MANAGEMENT (HONG KONG) LIMITED	Hong Kong	Hong Kong	business & operation management		100.00	establish
338	Jiangmen Huajun Real Estate Development Co., Ltd	Jiangmen	Jiangmen	Real estate development		100.00	establish
339	Jiangmen Huafeng Real Estate Co., Ltd	Jiangmen	Jiangmen	Real estate development		100.00	establish
340	Shenzhen Pengjin Industrial Development Co., Ltd	Shenzhen	Shenzhen	Real estate development		100.00	establish
341	Nanjing Huade Real Estate Development Co., Ltd	Nanjing	Nanjing	Real estate development		50.20	establish
342	Zhongshan Huaxin Real Estate Co., Ltd	Zhongshan	Zhongshan	Real estate development		50.00	establish
343	Nanning Huaming Housing Lease Co., Ltd	Nanning	Nanning	property lease		100.00	establish
344	Guangzhou Huaxuan Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		75.00	establish
345	Guangzhou Huaying Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		50.20	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
346	Zhuhai Huarui Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
347	Shanghai Huasong Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development	100.00		establish
348	Shanghai Huaduo Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		55.00	establish
349	Zhuhai Huafa Baolitong Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		51.00	establish
350	Jiangmen Herui Real Estate Development Co., Ltd	Jiangmen	Jiangmen	Real estate development		51.00	merger of enterprises not under the same control
351	Zhengzhou Huamao Chuangsheng Real Estate Co., Ltd	Zhengzhou	Zhengzhou	Real estate development		100.00	establish
352	Zhuhai Huafa Beiwei Commercial Service Management Co., Ltd *1	Zhuhai	Zhuhai	property lease		100.00	establish
353	Suzhou Huafa Business Operation Management Co., Ltd	Suzhou	Suzhou	business operation & management		100.00	establish
354	Zhuhai Huake Information Technology Co., Ltd	Zhuhai	Zhuhai	technical service		100.00	establish
355	Changsha Huajun Real Estate Development Co., Ltd	Changsha	Changsha	Real estate development		100.00	establish
356	Changsha Huajing Real Estate Development Co., Ltd	Changsha	Changsha	Real estate development		100.00	establish
357	Wuhan Huafa Hongsheng Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
358	Tianjin Huafa Chuangyi Real Estate Co., Ltd	Tianjin	Tianjin	Real estate development		100.00	establish
359	Tianjin Huafa Chuangjin Real Estate Co., Ltd	Tianjin	Tianjin	Real estate development		100.00	establish
360	Chongqing Huaxian Real Estate Development Co., Ltd	Chongqing	Chongqing	Real estate development	100.00		establish
361	Guangdong Jinlong Wuzhou Hot Spring Resort Development Co., Ltd	Shanwei	Shanwei	Real estate development		90.00	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
362	Luhe Jinlong Wuzhou Real Estate Development Co., Ltd	Shanwei	Shanwei	Real estate development		90.00	merger of enterprises not under the same control
363	Shanghai Huajing Danfeng Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		55.00	establish
364	Shanghai Huasong Minghong Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		51.00	establish
365	Zhengzhou Huahan Real Estate Development Co., Ltd	Zhengzhou	Zhengzhou	Real estate development		100.00	establish
366	Yantai Huafa Real Estate Co., Ltd	Yantai	Yantai	Real estate development		100.00	establish
367	Shenzhen Pengjia Industrial Development Co., Ltd	Shenzhen	Shenzhen	Real estate development		100.00	establish
368	Shenzhen Pengjing Industrial Development Co., Ltd	Shenzhen	Shenzhen	Real estate development		100.00	establish
369	Wuhan Huafa Central Industrial Development Co., Ltd	Wuhan	Wuhan	Real estate development	100.00		establish
370	Zhongshan Huageng Real Estate Co., Ltd	Zhongshan	Zhongshan	Real estate development		100.00	establish
371	Zhuhai Hengqin New Zone Huajuan Business Operation & Management Co., Ltd	Zhuhai	Zhuhai	business operation & management		100.00	establish
372	Changshu Huashun Industrial Park Investment & Development Co., Ltd	Changshu	Changshu	Real estate development		98.90	establish
373	Dalian Hualu Real Estate Development Co., Ltd	Dalian	Dalian	Real estate development		54.48	merger of enterprises not under the same control
374	Huizhou Huafeng Real Estate Development Co., Ltd	Huizhou	Huizhou	Real estate development		100.00	establish
375	Shaoxing Huayue Real Estate Co., Ltd	Shaoxing	Shaoxing	Real estate development		65.00	establish
376	Shanghai Huacheng Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
377	Shanghai Hualan Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
378	Shanghai Huajin Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
379	Zhuhai Huamao Tiancheng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		25.10	merger of enterprises not under the same control
380	Zhuhai Huamao Jincheng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		25.10	merger of enterprises not under the same control
381	Zhuhai Haoyuan Real Estate Co., Ltd *1	Zhuhai	Zhuhai	Real estate development		100.00	establish
382	Zhuhai Huali Human Resource Service Co., Ltd	Zhuhai	Zhuhai	human resource service		100.00	establish
383	Zhuhai Huayuan Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
384	Zhuhai Huaqing Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
385	Zhuhai Huaheng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
386	Zhuhai Huafa Ruigu Business Service Management Co., Ltd *1	Zhuhai	Zhuhai	lease and business service		100.00	establish
387	Zhuhai Huaxu Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
388	Zhuhai Huafa West Business Management Co., Ltd	Zhuhai	Zhuhai	business management		100.00	establish
389	Shenzhen Pengyi Industrial Development Co., Ltd	Shenzhen	Shenzhen	Real estate development		100.00	establish
390	Shenzhen Pengxin Industrial Development Co., Ltd	Shenzhen	Shenzhen	Real estate development		100.00	establish
391	Shenyang Zhong Dong Gang Commercial Property Development Co., Ltd	Shenyang	Shenyang	Real estate development		48.58	merger of enterprises not under the same control
392	Chengdu Huaxu Real Estate Development Co., Ltd	Chengdu	Chengdu	Real estate development		100.00	establish
393	Chengdu Huayao Real Estate Development Co., Ltd	Chengdu	Chengdu	Real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
394	Shanghai Huafeng Business Management Co., Ltd	Shanghai	Shanghai	business management		100.00	establish
395	Shaoxing Huaze Real Estate Co., Ltd	Shaoxing	Shaoxing	Real estate development		100.00	establish
396	Taicang Huateng Real Estate Development Co., Ltd	Taicang	Taicang	Real estate development	42.00		establish
397	Taicang Huaman Real Estate Development Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish
398	Xi'an Huafu Chuangheng Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		50.20	establish
399	Xi'an Huayue Chuangsheng Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		100.00	establish
400	Xi'an Huajun Chuangsheng Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		99.10	establish
401	Xi'an Huashun Chuangqi Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		97.64	establish
402	Guangzhou Huafa Business Management Co., Ltd	Guangzhou	Guangzhou	business management	100.00		establish
403	Zhuhai Huafa Jinhui Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	establish
404	Zhongshan Huafa Real Estate Agency Co., Ltd	Zhongshan	Zhongshan	property agency		100.00	establish
405	Zhuhai Huadai Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
406	Zhuhai Huasong Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
407	Zhuhai Huaxin Investment & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
408	Wuhan Huafa Hengyao Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
409	Nanjing Huayao Real Estate Development Co., Ltd	Nanjing	Nanjing	Real estate development		27.61	establish
410	Huizhou Huayou Real Estate Development Co., Ltd	Huizhou	Huizhou	Real estate development		100.00	establish
411	Zhuhai Huafa Fenghua Jingle Health Management Co., Ltd	Zhuhai	Zhuhai	health management service		100.00	establish
412	Zhongshan Huajing Real Estate Co., Ltd	Zhongshan	Zhongshan	Real estate development		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
413	Guangzhou Huaxin Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
414	Huizhou Huazi Real Estate Development Co., Ltd	Huizhou	Huizhou	Real estate development		100.00	establish
415	Hangzhou Huarong Real Estate Development Co., Ltd	Hangzhou	Hangzhou	Real estate development		16.79	establish
416	Hangzhou Huahui Real Estate Development Co., Ltd	Hangzhou	Hangzhou	Real estate development		25.60	establish
417	Qingdao Hualan Real Estate Co., Ltd	Qingdao	Qingdao	Real estate development		100.00	establish
418	Foshan Huazhuo Real Estate Development Co., Ltd	Foshan	Foshan	Real estate development		51.00	establish
419	Wuhan Huafa Chenyao Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
420	Wuhan Fengshuo Real Estate Development Co., Ltd*1	Wuhan	Wuhan	Real estate development		100.00	establish
421	CHEUNG YUEN PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
422	Changsha Huaxin Real Estate Development Co., Ltd	Changsha	Changsha	Real estate development		50.20	establish
423	CHEUNG PANG PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
424	CHEUNG YUEN INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	investment management		100.00	establish
425	CHEUNG PANG INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	investment management		100.00	establish
426	Suzhou Huaheng Commercial Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		38.00	establish
427	Guangzhou Yaoheng Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		51.00	merger of enterprises not under the same control
428	Guangzhou Yuehong Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		51.00	merger of enterprises not under the same control

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
429	Zhuhai Huatong Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		40.00	establish
430	Beijing Huayi Real Estate Co., Ltd	Beijing	Beijing	Real estate development		100.00	establish
431	Beijing Huajin Real Estate Co., Ltd	Beijing	Beijing	Real estate development		100.00	establish
432	Beijing Huajing Real Estate Co., Ltd	Beijing	Beijing	Real estate development		100.00	establish
433	Suzhou Huachuang Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		100.00	establish
434	Suzhou Huajin Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		100.00	establish
435	Zhuhai Huafa Huatai Education Service Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
436	Suzhou Huajing Chuangsheng Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		100.00	establish
437	Hangzhou Hua'an Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		60.00	establish
438	Chongqing Huakun Real Estate Development Co., Ltd	Chongqing	Chongqing	Real estate development		100.00	establish
439	Qingdao Huachan Real Estate Co., Ltd	Qingdao	Qingdao	Real estate development		46.00	establish
440	Shanxi Zhongkong Huafa Real Estate Co., Ltd	Taiyuan	Taiyuan	Real estate development		65.00	establish
441	Shanghai Huamin Zhuanhong Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
442	Suzhou Huamao Chuangsheng Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		100.00	establish
443	Zhuhai Doumen District Yishanjun Ronghui Kindergarten	Zhuhai	Zhuhai	pre-school education		100.00	establish
444	Zhuhai Huaqing Investment Management & Development Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
445	Zhuhai Huafa Haiyun City New Horizon Business Operation Co., Ltd	Zhuhai	Zhuhai	business management		100.00	establish
446	Zhengzhou Huaxiao Real Estate Development Co., Ltd	Zhengzhou	Zhengzhou	Real estate development		100.00	establish
447	Taicang Huafa Real Estate Development Co., Ltd	Taicang	Taicang	Real estate development		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
448	Zhuhai Huafa Residential Life Research Institute Co., Ltd	Zhuhai	Zhuhai	smart building	100.00		establish
449	Zhengzhou Huabing Real Estate Development Co., Ltd	Zhengzhou	Zhengzhou	Real estate development		100.00	establish
450	Chongqing Huazan Real Estate Development Co., Ltd	Chongqing	Chongqing	Real estate development		100.00	establish
451	CHEUNG KOON INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	investment management		100.00	establish
452	CHEUNG KAM INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	investment management		100.00	establish
453	CHEUNG YIP INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	investment management		100.00	establish
454	CHEUNG WAI INVESTMENT HOLDINGS LIMITED	British Virgin Island	British Virgin Island	investment management		100.00	establish
455	Shanxi Huafu Real Estate Co., Ltd	Taiyuan	Taiyuan	Real estate development		60.00	establish
456	Chaozhou Huafa Industrial Development Co., Ltd	Chaozhou	Chaozhou	Real estate development		100.00	establish
457	Kunming Huachuangyun Real Estate Development Co., Ltd *1	Kunming	Kunming	Real estate development		20.08	establish
458	Wuhan Yuqing Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
459	Wuhan Yulong Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
460	Wuhan Huafa Yuzheng Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
461	Wuxi Huabo Real Estate Co., Ltd	Wuxi	Wuxi	Real estate development		50.20	establish
462	Zhuhai Huafa Waisha Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		51.00	establish
463	Wuhan Huafa Ruijia Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		70.12	establish
464	Kunming Huaxu Real Estate Development Co., Ltd	Kunming	Kunming	Real estate development		100.00	establish
465	CHEUNG KOON PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
466	CHEUNG YIP PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
467	CHEUNG WAI PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
468	CHEUNG KAM PROPERTY LIMITED	Hong Kong	Hong Kong	investment management		100.00	establish
469	Wuhan Huafa Chenfeng Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
470	Wuhan Huafa Ruiguang Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		70.12	establish
471	Wuhan Huafa Chenhong Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		100.00	establish
472	Longmen County Huakun Real Estate Development Co., Ltd	Longmen County	Longmen County	Real estate development		100.00	establish
473	Taicang Huacheng Real Estate Co., Ltd	Taicang	Taicang	Real estate development		60.00	establish
474	Shenyang Huana Haichuan Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development		50.20	establish
475	Guangzhou Huachuan Industrial Development Co., Ltd	Guangzhou	Guangzhou	investment management		50.20	establish
476	Beijing Huashun Haichuan Real Estate Co., Ltd	Beijing	Beijing	Real estate development		50.20	establish
477	Taicang Jiaxun Technical Development Co., Ltd	Taicang	Taicang	Real estate development		60.00	establish
478	Nanjing Huarong Decoration Engineering Co., Ltd	Nanjing	Nanjing	decoration		27.61	establish
479	Beijing Chuangsheng Haichuan Real Estate Co., Ltd	Beijing	Beijing	Real estate development		50.20	establish
480	Zhuhai Huayi Development & Construction Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	merger of enterprises under the same control
481	Wuhan Huachuan Real Estate Co., Ltd	Wuhan	Wuhan	Real estate development		50.20	establish
482	Zhuhai Huafa West Real Estate Marketing Planning Co., Ltd	Zhuhai	Zhuhai	marketing planning		100.00	establish
483	Zhuhai Hengqin New Zone Huafa Ronghong High School Co., Ltd	Zhuhai	Zhuhai	education service		100.00	establish
484	Shanghai Huabai Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		50.20	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
485	Zhuhai Haikuo Investment & Development Co., Ltd	Zhuhai	Zhuhai	investment management		50.20	establish
486	Jiangmen Rongjian Real Estate Co., Ltd	Jiangmen	Jiangmen	Real estate development		60.00	merger of enterprises not under the same control
487	Foshan Huafa Tianrun Real Estate Co., Ltd	Foshan	Foshan	Real estate development		51.00	establish
488	Shandong Huazhuo Real Estate Co., Ltd	Qingdao	Qingdao	Real estate development		50.20	establish
489	Chengdu Huajin Yanhong Industrial Co., Ltd	Chengdu	Chengdu	Real estate development		30.12	establish
490	Taicang Huaxi Real Estate Development Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish
491	Taicang Huashun Real Estate Development Co., Ltd	Taicang	Taicang	Real estate development		100.00	establish
492	Guangzhou Huakun Industrial Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		50.20	establish
493	Chengdu Huafeng Jinye Construction & Development Co., Ltd	Chengdu	Chengdu	architectural design		30.12	establish
494	Guangzhou Huayou Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		50.20	establish
495	Zhuhai Huafa Runding Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		51.00	establish
496	Zhuhai Huafa Hongyun Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		51.00	establish
497	Xiamen Huafa Investment Co., Ltd	Xiamen	Xiamen	Real estate development	100.00		establish
498	Foshan Huabiao Real Estate Development Co., Ltd	Foshan	Foshan	Real estate development		49.70	establish
499	Hangzhou Huaxuan Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		100.00	establish
500	Guangzhou Huadi Consultancy Co., Ltd	Guangzhou	Guangzhou	consultancy and service		100.00	establish
501	Guangzhou Huageng Consultancy Co., Ltd	Guangzhou	Guangzhou	consultancy and service		100.00	establish
502	Shaoxing Huarui Real Estate Co., Ltd	Shaoxing	Shaoxing	Real estate development		25.60	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
503	Shaoxing Huatuo Real Estate Co., Ltd	Shaoxing	Shaoxing	Real estate development		50.20	establish
504	Shaoxing Huayi Real Estate Co., Ltd	Shaoxing	Shaoxing	Real estate development		25.60	establish
505	Huafa Sports International Development Company Limited	Hong Kong	Hong Kong	Other service		100.00	establish
506	Nanjing Huahong Real Estate Co., Ltd	Nanjing	Nanjing	Real estate development		25.60	establish
507	Wuhan Huafa Qilong Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		50.20	establish
508	Wuhan Huafa Chenyu Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		50.20	establish
509	Nanjing Huafa Real Estate Co., Ltd	Nanjing	Nanjing	Real estate development		50.20	establish
510	Nanjing Huazheng Real Estate Co., Ltd	Nanjing	Nanjing	Real estate development		50.20	establish
511	HAZEL TREND LIMITED	Hong Kong	Hong Kong	Other service		100.00	merger of enterprises under the same control
512	HIGHLY VENTURES LIMITED	Hong Kong	Hong Kong	Other service		100.00	merger of enterprises under the same control
513	Taicang Huasong Business Consultancy Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish
514	Taicang Hualan Business Consultancy Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish
515	Taicang Huacheng Business Consultancy Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish
516	Taicang Huajin Business Consultancy Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish
517	Taicang Huaru Business Consultancy Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish
518	Taicang Huaduo Business Consultancy Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish
519	Taicang Huaxing Business Consultancy Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
520	Taicang Huapeng Business Consultancy Co., Ltd	Taicang	Taicang	Real estate development	100.00		establish
521	Wuxi Huashun Real Estate Co., Ltd	Wuxi	Wuxi	Real estate development		50.20	establish
522	Wuxi Huali Real Estate Co., Ltd	Wuxi	Wuxi	Real estate development		50.20	establish
523	Suzhou Huabai Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		50.20	establish
524	Suzhou Huake Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		16.79	establish
525	Zhuhai Huafa Lianping Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		51.00	establish
526	Shanghai Huaman Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		50.20	establish
527	Shanghai Huateng Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		50.20	establish
528	Shaoxing Huahong Real Estate Development Co., Ltd	Shaoxing	Shaoxing	Real estate development		51.00	establish
529	Shaoxing Huahao Real Estate Co., Ltd	Shaoxing	Shaoxing	Real estate development		50.20	establish
530	Shaoxing Huajian Real Estate Co., Ltd	Shaoxing	Shaoxing	Real estate development		50.20	establish
531	Nanjing Huateng Real Estate Co., Ltd	Nanjing	Nanjing	Real estate development	51.00		establish
532	Xuzhou Huafa Real Estate Co., Ltd	Xuzhou	Xuzhou	Real estate development		19.43	establish
533	Guangzhou Huayi Industrial Development Co., Ltd	Guangzhou	Guangzhou	investment management		75.00	establish
534	Tianjin Chuangjin Haichuan Real Estate Co., Ltd	Tianjin	Tianjin	Real estate development		50.20	establish
535	Zhuhai Huafa Yimeng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		51.00	establish
536	Xi'an Chuangsheng Haichuan Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		50.20	establish
537	Wuxi Huamei Real Estate Co., Ltd	Wuxi	Wuxi	Real estate development		73.22	establish
538	Shanghai Huana Real Estate Co., Ltd	Shanghai	Shanghai	Real estate development		75.00	establish
539	Zhuhai Huayan Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish

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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
540	Nyingchi Huafa Business Operation & Management Co., Ltd	Nyingchi	Nyingchi	business & operation management		100.00	establish
541	Wuhan Huafa Ruizhi Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		70.12	establish
542	Zhuhai Huatong Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
543	Zhuhai Huayao Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
544	Zhuhai Huamao Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
545	Wuhan Maochang Yuehua Health Industry Development Co., Ltd	Wuhan	Wuhan	service industry		50.00	establish
546	Wuhan Maoxiang Yihua Medical Care Management Service Co., Ltd	Wuhan	Wuhan	service industry		50.00	establish
547	Guangzhou Huazhang Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
548	Guangzhou Huaxun Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		75.00	establish
549	Guangzhou Huakai Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		50.20	establish
550	Shenyang Huaxin Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development		25.60	establish
551	Shenyang Huaheng Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development		50.20	establish
552	Zhuhai Huacheng Business Service Co., Ltd	Zhuhai	Zhuhai	business & operation management		100.00	establish
553	Nanjing Huazhao Real Estate Co., Ltd	Nanjing	Nanjing	Real estate development		50.20	establish
554	Nanjing Huabai Real Estate Co., Ltd	Nanjing	Nanjing	Real estate development		50.20	establish
555	Yiwu Zhaohua Enterprise Management Co., Ltd	Yiwu	Yiwu	investment management		17.07	merger of enterprises not under the same control

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
556	Hangzhou Zhaoze Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		17.07	merger of enterprises not under the same control
557	Yiwu Zhaoying Real Estate Co., Ltd	Yiwu	Yiwu	Real estate development		17.07	merger of enterprises not under the same control
558	Nanjing Huafu Real Estate Co., Ltd *1	Nanjing	Nanjing	Real estate development	100.00		establish
559	Xi'an Huafu Haichuan Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		50.20	establish
560	Xi'an Huachuang Haichuan Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		50.20	establish
561	Zhuhai Huaneng Investment Co., Ltd	Zhuhai	Zhuhai	investment management		100.00	establish
562	Wuxi Huafu Real Estate Co., Ltd	Wuxi	Wuxi	Real estate development		50.00	establish
563	Shanghai Junhong Decoration Engineering Co., Ltd	Shanghai	Shanghai	decoration		100.00	establish
564	Shenyang Huabo Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development		50.20	establish
565	Shenyang Huajin Real Estate Co., Ltd	Shenyang	Shenyang	Real estate development		50.20	establish
566	Zhuhai Huafeng Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		25.60	establish
567	Xi'an Huachuang Yongxing Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		25.10	merger of enterprises not under the same control
568	Guangdong Huafa Tianhao Real Estate Development Co., Ltd	Dongguan	Dongguan	Real estate development		60.00	establish
569	Zhanjiang Huafa Tianrun Real Estate Co., Ltd	Zhanjiang	Zhanjiang	Real estate development		51.00	establish
570	Zhuhai Hengqin Huachuang Design Consultancy Co., Ltd	Zhuhai	Zhuhai	design consultancy		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
571	Xi'an Huachuang Qiyao Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		22.59	merger of enterprises not under the same control
572	Zhuhai Huatu Commerce & Trading Co., Ltd	Zhuhai	Zhuhai	business & operation		100.00	merger of enterprises not under the same control
573	Wuhan Huachuan Real Estate Development Co., Ltd	Wuhan	Wuhan	Real estate development		50.20	establish
574	Zhuhai Huafa Hongye Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		100.00	merger of enterprises not under the same control
575	Zhuhai Huaxu New Energy Development Co., Ltd	Zhuhai	Zhuhai	new energy development	100.00		establish
576	Zhuhai Huahui New Energy Technology Co., Ltd	Zhuhai	Zhuhai	new energy development		100.00	establish
577	Guangdong Huafa Zhongjian New Technology Investment Holding Co., Ltd	Zhuhai	Zhuhai	investment management	65.00		merger of enterprises not under the same control
578	Huashi Zhongjian New Technology (Zhuhai) Co., Ltd	Zhuhai	Zhuhai	material manufacture		65.00	merger of enterprises not under the same control
579	Zhuhai Hengqin Huafa Urban Upgrade Investment Holding Co., Ltd	Zhuhai	Zhuhai	urban upgrade		100.00	establish
580	Zhuhai Huahu Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.20	establish
581	Zhuhai Huakai Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.20	establish
582	Zhuhai Huayu Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.20	establish
583	Zhuhai Huayan Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.20	establish

Zhuhai Huafa Group Co., Ltd (Consolidated)
 Annotation to Financial Statements
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No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
584	Zhuhai Huapei Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.20	establish
585	Zhuhai Huazhou Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.20	establish
586	Zhuhai Huaxu Real Estate Development Co., Ltd	Zhuhai	Zhuhai	Real estate development		50.20	establish
587	Zhuhai Huafa RongShiJie Travel Agency Co., Ltd	Zhuhai	Zhuhai	tour service		100.00	merger of enterprises under the same control
588	Guangzhou Huashen Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		50.20	establish
589	Guangzhou Huabo Real Estate Development Co., Ltd	Guangzhou	Guangzhou	Real estate development		100.00	establish
590	Shanghai Jinlan Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		60.00	merger of enterprises not under the same control
591	Shanghai Pufeng Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		51.00	establish
592	Taicang Haina Real Estate Co., Ltd	Taicang	Taicang	Real estate development		50.20	establish
593	Taicang Huafu Chuangsheng Real Estate Co., Ltd	Taicang	Taicang	Real estate development		50.20	establish
594	Shanghai Tangxiao Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		60.00	establish
595	Shanghai Guxiao Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		51.00	establish
596	Shanghai Guhong Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		42.00	establish
597	Shanghai Puxiao Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		51.00	establish
598	Shanghai Xingcheng Real Estate Development Co., Ltd	Shanghai	Shanghai	Real estate development		100.00	establish
599	Suzhou Hefa Real Estate Development Co., Ltd *1	Suzhou	Suzhou	Real estate development		100.00	merger of enterprises not under the same control

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
600	Taicang Huaren Real Estate Development Co., Ltd	Taicang	Taicang	Real estate development	60.00		merger of enterprises not under the same control
601	Weihai Mofangcheng Real Estate Development Co., Ltd	Weihai	Weihai	Real estate development		51.00	merger of enterprises not under the same control
602	Nanjing Huayu Real Estate Development Co., Ltd	Nanjing	Nanjing	Real estate development		25.10	merger of enterprises not under the same control
603	Nanjing Huahui Decoration Engineering Co., Ltd	Nanjing	Nanjing	decoration		100.00	establish
604	Nanjing Huahui Real Estate Co., Ltd	Nanjing	Nanjing	Real estate development	100.00		establish
605	Foshan Huazhan Commercial Service Co., Ltd	Foshan	Foshan	business service		100.00	establish
606	Beijing Huafeng Business Management Co., Ltd	Beijing	Beijing	business management		100.00	establish
607	Beijing Huachuang Haichuan Real Estate Co., Ltd	Beijing	Beijing	Real estate development		50.20	establish
608	Shenzhen Runlong Investment Co., Ltd	Shenzhen	Shenzhen	Real estate development		50.20	merger of enterprises not under the same control
609	Jiangmen Huabiao Real Estate Development Co., Ltd	Jiangmen	Jiangmen	Real estate development		100.00	establish
610	Hangzhou Zhaoyu Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		10.24	merger of enterprises not under the same control
611	Hangzhou Huaxu Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		17.62	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
612	Hangzhou Huayu Enterprise Management Co., Ltd	Hangzhou	Hangzhou	Real estate development		13.48	merger of enterprises not under the same control
613	Hangzhou Huazhuo Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		50.20	establish
614	Hangzhou Huaying Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		50.20	establish
615	Hangzhou Huaxin Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		50.20	establish
616	Jiangmen Huachang Commercial Service Co., Ltd *1	Jiangmen	Jiangmen	Real estate development		100.00	establish
617	Luoding Huatu Trading Co., Ltd	Luoding	Luoding	business service		100.00	establish
618	Luoding Huarong Trading Co., Ltd	Luoding	Luoding	business service		100.00	establish
619	Luoding Huasheng Trading Co., Ltd	Luoding	Luoding	business management		100.00	establish
620	Hangzhou Jinyu Real Estate Co., Ltd	Hangzhou	Hangzhou	Real estate development		49.60	merger of enterprises not under the same control
621	Hangzhou Jinghui Commerce & Trading Co., Ltd	Hangzhou	Hangzhou	Real estate development		49.60	merger of enterprises not under the same control
622	Zhuhai Hengqin Huafa Commercial Town Business Operation and Management Co., Ltd	Zhuhai	Zhuhai	business management		100.00	establish
623	Suzhou Huashangheng Real Estate Co., Ltd	Suzhou	Suzhou	Real estate development		38.00	establish
624	Chengdu Huajin Shenghong Industrial Co., Ltd	Chengdu	Chengdu	Real estate development		51.00	establish
625	Huizhou Hehui Real Estate Co., Ltd	Huizhou	Huizhou	Real estate development		100.00	merger of enterprises not under the same control
626	Xi'an Huahao Haichuan Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		50.20	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
627	Xi'an Qujiang Huaxing Real Estate Co., Ltd	Xi'an	Xi'an	Real estate development		40.16	establish

*1 The equity of the above-mentioned subsidiary held by Hua Inc. directly or indirectly has been pledged for short-term loan, long-term loan due within one year, long-term loan and other current liabilities of Huafa Inc. and its subsidiaries.

6.. Subsidiaries of Guangku Technology and its share ratio

No.	Name	Major place of operation	Place of registration	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Guangku Telecommunication Co., Ltd	Hong Kong	Hong Kong	industry	100.00		merger of enterprises under the same control
2	Zhuhai Guangchen Technology Co., Ltd	Zhuhai	Zhuhai	industry	100.00		merger of enterprises not under the same control
3	Zhuhai Jiahua Weijie Technology Co., Ltd	Zhuhai	Zhuhai	industry	100.00		merger of enterprises not under the same control
4	Guangku Milan Co., Ltd	Milan, Italy	Milan, Italy	industry	100.00		establish

7.Subsidiaries of Huachan Technology and its share ratio

No.	Name	Major place of operation	Place of registration	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Huacan Photo-electronic (Suzhou) Co., Ltd	Suzhou	Suzhou	manufacture	100.00		establish
2	Huacan Photo-electronic (Zhejiang) Co., Ltd	Yiwu	Yiwu	manufacture	100.00		merger of enterprises not under the same control
3	Yunnan Aquamarine Technology Co., Ltd	Yuxi	Yuxi	manufacture	100.00		merger of enterprises not under the same control
4	HC Semitek Limited	Hong Kong	Hong Kong	trading	100.00		establish
5	Zhuhai Huahui Smart Manufacture Semiconductor Co., Ltd	Zhuhai	Zhuhai	manufacture	100.00		establish
6	Huacan Photo-electronic (Guangdong) Co., Ltd	Zhuhai	Zhuhai	manufacture	100.00		establish
7	Wuhan Juhua Smart Manufacture Technology Co., Ltd	Wuhan	Wuhan	research and experiment development	100.00		establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Shenyang Tonglian Sihai Electronic Telecommunication Technology Co., Ltd	Shenyang	Shenyang	retail and wholesale of telecommunication equipment	100.00		merger of enterprises not under the same control
2	Fushun Tonglian Sihai Electronic Telecommunication Technology Co., Ltd	Fushun	Fushun	retail and wholesale of telecommunication equipment		100.00	establish
3	Beijing Dixin Haotian Trading Co., Ltd	Beijing	Beijing	online retail and wholesale of telecommunication equipment	100.00		establish
4	Beijing Digitone Technology Industrial Development Co., Ltd	Beijing	Beijing	technical consultancy service	100.00		establish
5	Beijing Yihaotong East Information Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment		55.00	establish
6	Beijing Digitone Electronic Telecommunication Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment	100.00		merger of enterprises under the same control
7	Tianjin Digitone Electronic Telecommunication Technology Co., Ltd	Tianjin	Tianjin	retail and wholesale of telecommunication equipment	100.00		establish
8	Hebei Dixin Electronic Telecommunication Equipment Co., Ltd	Shijiazhuang	Shijiazhuang	retail and wholesale of telecommunication equipment	100.00		establish
9	Beijing Digitone Fengze Electronic Equipment Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment		100.00	establish
10	Beijing Tailongji Trading Co., Ltd	Beijing	Beijing	online retail and wholesale of telecommunication equipment	100.00		merger of enterprises not under the same control
11	Beijing Jinyi Tongda Telecommunication Equipment Maintenance Co., Ltd	Beijing	Beijing	sale and maintenance of telecommunication equipment and accessories		100.00	merger of enterprises not under the same control
12	Shanxi Digitone Trading Co., Ltd	Taiyuan	Taiyuan	retail and wholesale of telecommunication equipment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
13	Beijing Shengduo Trading Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment	100.00		establish
14	Hefei Digitone Telecommunication Technology Co., Ltd	Hefei	Hefei	retail and wholesale of telecommunication equipment	100.00		establish
15	Zhejiang Digitone Trading Co., Ltd	Ningbo	Ningbo	retail and wholesale of telecommunication equipment	100.00		establish
16	Shanghai Dixin Electronic Telecommunication Technology Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	100.00		establish
17	Shanghai Chuanda Telecommunication Technology Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	100.00		establish
18	Shanghai Dixin South Telecommunication Technology Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	100.00		establish
19	Jinan Dixin Electronic Telecommunication Technology Co., Ltd	Jinan	Jinan	retail and wholesale of telecommunication equipment	100.00		establish
20	Qingdao Digitone Telecommunication Technology Co., Ltd	Qingdao	Qingdao	retail and wholesale of telecommunication equipment		100.00	establish
21	Wenzhou Digitone Electronic Telecommunication Technology Co., Ltd	Wenzhou	Wenzhou	retail and wholesale of telecommunication equipment	100.00		establish
22	Nanjing Yijialong Telecommunication Technology Co., Ltd	Nanjing	Nanjing	retail and wholesale of telecommunication equipment	100.00		merger of enterprises not under the same control
23	Xiamen Digitone Electronic Telecommunication Technology Co., Ltd	Xiamen	Xiamen	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
24	Jiangxi Digitone Technology Co., Ltd	Nanchang	Nanchang	retail and wholesale of telecommunication equipment	100.00		establish
25	Zhejiang Digitone Supply Chain Co., Ltd	Ningbo	Ningbo	retail and wholesale of telecommunication equipment	100.00		establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
26	Digitone Telecommunication Technology (Jiangsu) Co., Ltd	Suqian	Suqian	retail and wholesale of telecommunication equipment		100.00	establish
27	Wenzhou Yasheng Telecommunication Equipment Co., Ltd	Wenzhou	Wenzhou	retail and wholesale of telecommunication equipment		100.00	establish
28	Guangxi Digitone Electronic Telecommunication Technology Co., Ltd	Nanning	Nanning	retail and wholesale of telecommunication equipment	100.00		establish
29	Qingyuan Digitone Trading Co., Ltd	Qingyuan	Qingyuan	retail and wholesale of telecommunication equipment	100.00		establish
30	Guangdong Digitone Trading Co., Ltd	Guangzhou	Guangzhou	retail and wholesale of telecommunication equipment	100.00		establish
31	Shenzhen Hua'aotong Electronic Co., Ltd	Shenzhen	Shenzhen	manufacture		100.00	merger of enterprises not under the same control
32	Changsha Digitone Electronic Technology Information Co., Ltd	Changsha	Changsha	retail and wholesale of telecommunication equipment	100.00		establish
33	Changsha 958598 Telecommunication Equipment Co., Ltd	Changsha	Changsha	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
34	Hunan Zhongxuntong Electronic Technology Co., Ltd	Changsha	Changsha	retail and wholesale of telecommunication equipment	100.00		establish
35	Zhengzhou Digitone Electronic Telecommunication Technology Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment	100.00		establish
36	Henan Digitone Electronic Telecommunication Technology Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment	100.00		establish
37	Nanyang Digitone Electronic Telecommunication Technology Co., Ltd	Nanyang	Nanyang	retail and wholesale of telecommunication equipment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
38	Wuhan Yitongda Telecommunication Equipment Co., Ltd	Wuhan	Wuhan	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
39	Zhengzhou Jinyi Tongda Handphone Maintenance Co., Ltd	Zhengzhou	Zhengzhou	sale and maintenance of telecommunication equipment and accessories		100.00	establish
40	Henan Digitone Trading Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment	60.00		establish
41	Xi'an Digitone Electronic Telecommunication Technology Co., Ltd	Xi'an	Xi'an	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
42	Xi'an Difeng Trading Co., Ltd	Xi'an	Xi'an	retail and wholesale of telecommunication equipment		100.00	establish
43	Urumqi Dixin Chuangfa Telecommunication Technology Co., Ltd	Urumqi	Urumqi	retail and wholesale of telecommunication equipment		100.00	establish
44	Sichuan Yijialong Telecommunication Chainstore Co., Ltd	Chengdu	Chengdu	retail and wholesale of telecommunication equipment	100.00		merger of enterprises not under the same control
45	Yunnan Digitone Electronic Telecommunication Technology Co., Ltd	Kunming	Kunming	retail and wholesale of telecommunication equipment		100.00	merger of enterprises not under the same control
46	Chongqing Xiaodi Telecommunication Equipment Co., Ltd	Chongqing	Chongqing	retail and wholesale of telecommunication equipment	100.00		establish
47	Beijing Digitone E-commerce Co., Ltd	Beijing	Beijing	online retail and wholesale of telecommunication equipment	100.00		establish
48	Sanhe Digitone Telecommunication Equipment Sales Co., Ltd	Sanhe	Sanhe	retail and wholesale of telecommunication equipment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
49	Yangzhou Digitone Electronic Telecommunication Technology Co., Ltd	Yangzhou	Yangzhou	retail and wholesale of telecommunication equipment		100.00	establish
50	Jiangsu Shengduo Technology Trading Co., Ltd	Suqian	Suqian	software development, testing, sales and maintenance	100.00		establish
51	Gansu Digitone Trading Co., Ltd	Nanzhou	Nanzhou	retail and wholesale of telecommunication equipment		60.00	establish
52	Wuzhou Digitone Telecommunication Equipment Trading Co., Ltd	Wuzhou	Wuzhou	retail and wholesale of telecommunication equipment		100.00	establish
53	Zhangzhou Dixin Electronic Telecommunication Technology Co., Ltd	Zhangzhou	Zhangzhou	retail and wholesale of telecommunication equipment		100.00	establish
54	Fujian Dixin Electronic Telecommunication Technology Co., Ltd	Fuzhou	Fuzhou	retail and wholesale of telecommunication equipment		100.00	establish
55	Yunnan Yongjin Electronic Telecommunication Technology Co., Ltd	Kunming	Kunming	retail and wholesale of telecommunication equipment		100.00	establish
56	Yunnan Jiyue Telecommunication Technology Co., Ltd	Kunming	Kunming	retail and wholesale of telecommunication equipment		70.00	establish
57	Jiangxi Chuangfa Trading Co., Ltd	Nanchang	Nanchang	retail and wholesale of telecommunication equipment		60.00	establish
58	Jiangsu Difeng Telecommunication Technology Co., Ltd	Nanjing	Nanjing	retail and wholesale of telecommunication equipment		100.00	establish
59	Nantong Difeng Telecommunication Technology Co., Ltd	Nantong	Nantong	retail and wholesale of telecommunication equipment		100.00	establish
60	Qingdao Feidi Telecommunication Technology Co., Ltd	Qingdao	Qingdao	retail and wholesale of telecommunication equipment		100.00	establish
61	Changzhou Difeng Telecommunication Technology Co., Ltd	Changzhou	Changzhou	retail and wholesale of telecommunication equipment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
62	Yancheng Difeng Telecommunication Technology Co., Ltd	Yancheng	Yancheng	retail and wholesale of telecommunication equipment		100.00	establish
63	Shanghai Shengduo Trading Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	100.00		establish
64	Beijing Yijuwei Interconnection Technology Co., Ltd	Beijing	Beijing	technical consultancy service		55.00	establish
65	Zhongshan Digitone Trading Co., Ltd	Zhongshan	Zhongshan	retail and wholesale of telecommunication equipment		100.00	establish
66	Beijing Dixin Trading Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment	100.00		establish
67	Foshan Digitone Trading Co., Ltd	Foshan	Foshan	retail and wholesale of telecommunication equipment		100.00	establish
68	Jiaxing Dijia Telecommunication Technology Co., Ltd	Jiaxing	Jiaxing	retail and wholesale of telecommunication equipment		100.00	establish
69	Lishui Digitone Electronic Telecommunication Technology Co., Ltd	Lishui	Lishui	retail and wholesale of telecommunication equipment		100.00	establish
70	Ningbo Hi-tech Zone Shunjixin Technology Co., Ltd	Ningbo	Ningbo	retail and wholesale of telecommunication equipment	100.00		establish
71	Southwest Digitone Trading Co., Ltd	Chengdu	Chengdu	retail and wholesale of telecommunication equipment	100.00		establish
72	Shenyang Dichuang Enterprise Management Co., Ltd	Shenyang	Shenyang	retail and wholesale of telecommunication equipment		86.00	establish
73	Xindiya Investment Co., Ltd	Singapore	Singapore	Financial industry	72.00		establish
74	Beijing Dixin Yunju Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment	80.00		merger of enterprises under the same control
75	Shanxi Chuangfa Technology Trading Co., Ltd	Taiyuan	Taiyuan	retail and wholesale of telecommunication equipment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
76	Beijing Digitone Trading Inc.	Beijing	Beijing	retail and wholesale of telecommunication equipment		51.00	establish
77	Hainan Digitone Technology Co., Ltd	Lingshui County	Lingshui County	technical consultancy service		100.00	establish
78	Shanghai Yushen Technology Co., Ltd	Shanghai	Shanghai	retail and wholesale of telecommunication equipment	75.00		establish
79	Chongqing Digitone Smart Technology Co., Ltd	Chongqing	Chongqing	retail and wholesale of telecommunication equipment	75.00		establish
80	Guangzhou Yundigou Trading Co., Ltd	Guangzhou	Guangzhou	retail and wholesale of telecommunication equipment	100.00		establish
81	Guang'an Digitone Financial Management Co., Ltd	Guang'an	Guang'an	asset management, financial consultancy, economic information consultancy, accounting agency, enterprise management consultancy and etc		100.00	establish
82	Henan Time-Space Electronic Technology Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment		60.00	establish
83	Spanish Digitone Co., Ltd	Spain	Spain	retail and wholesale of telecommunication equipment	100.00		establish
84	Dixin SiMaiEr Technology (Guangdong) Co., Ltd	Guangzhou	Guangzhou	software development, testing, sales and maintenance	100.00		establish
85	Beijing Dirong Consultancy Service Co., Ltd	Beijing	Beijing	technical consultancy service	51.00		establish
86	Guang'an Zhuopin Times Technology Co., Ltd	Guang'an	Guang'an	retail and wholesale of telecommunication equipment	51.00		merger of enterprises not under the same control
87	Digitone (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	retail and wholesale of telecommunication equipment	100.00		establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
88	Bangladesh Digitone Telecommunication Technology Pty Ltd.	Bangladesh	Bangladesh	retail and wholesale of telecommunication equipment	100.00		establish
89	Beijing Abu Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment		75.00	establish
90	Beijing Wangju Dixin Youpin Internet Technology Co., Ltd	Beijing	Beijing	online retail and wholesale of telecommunication equipment	80.00		merger of enterprises not under the same control
91	Henan Difeng Cultural Transmission Co., Ltd	Zhengzhou	Zhengzhou	decoration		60.00	merger of enterprises not under the same control
92	Shenzhen Digitone Technology Co., Ltd	Shenzhen	Shenzhen	retail and wholesale of telecommunication equipment	75.00		merger of enterprises not under the same control
93	Guangzhou Zhongqi Telecommunication Technology Co., Ltd	Beijing	Beijing	retail and wholesale of telecommunication equipment	60.00		establish
94	Shenzhen Mizuan Network Technology Co., Ltd	Shenzhen	Shenzhen	retail and wholesale of telecommunication equipment		35.70	merger of enterprises not under the same control
95	Henan Digitone Business Management Co., Ltd	Zhengzhou	Zhengzhou	retail and wholesale of telecommunication equipment		60.00	establish
96	Tangshan Digitone Technology Co., Ltd	Tangshan	Tangshan	retail and wholesale of telecommunication equipment	100.00		establish
97	Yunfu Digitone Trading Co., Ltd	Yunfu	Yunfu	retail and wholesale of telecommunication equipment		100.00	establish
98	Tangshan Yutong Lingxun Telecommunication Terminal Technology Co., Ltd	Tangshan	Tangshan	retail and wholesale of telecommunication equipment	100.00		establish
99	Guangzhou Digitone Management Consultancy Co., Ltd	Guangzhou	Guangzhou	technical consultancy service		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
100	Beijing Dixin Xianju Technology Co., Ltd	Beijing	Beijing	technical consultancy service		60.00	establish
101	Shenzhen Shilin Trading Co., Ltd	Shenzhen	Shenzhen	retail and wholesale of telecommunication equipment	60.00		establish
102	Moji (Hangzhou) Network Technology Co., Ltd	Hangzhou	Hangzhou	retail and wholesale of telecommunication equipment	51.00		merger of enterprises not under the same control
103	Moji (Guangdong) Network Technology Co., Ltd	Zhongshan	Zhongshan	retail and wholesale of telecommunication equipment		51.00	merger of enterprises not under the same control
104	Jumai Supply Chain Management Co., Ltd	Zhongshan	Zhongshan	retail and wholesale of telecommunication equipment		51.00	merger of enterprises not under the same control
105	Zhuhai Digitone Trading Co., Ltd	Zhuhai	Zhuhai	retail and wholesale of telecommunication equipment	100.00		establish
106	XPHONE ELECTRONIC SL	Spain	Spain	retail and wholesale of telecommunication equipment		60.00	establish
107	NEW WORLD ELEKTRONIC TEHNOLOGY LTD	Bulgaria	Bulgaria	retail and wholesale of telecommunication equipment		60.00	establish
108	DPHONE RETAIL SRI	Rome	Rome	retail and wholesale of telecommunication equipment		60.00	establish
109	DGTONE ETT SL	Spain	Spain	human resource management		60.00	establish
110	Yicang Digitone Telecommunication Device Co., Ltd	Yichang	Yichang	retail and wholesale of telecommunication equipment		100.00	establish
111	Guizhou Digitone Trading Co., Ltd	Guiyang	Guiyang	retail and wholesale of telecommunication equipment	100.00		establish
112	Anshun Digitone Trading Co., Ltd	Anshun	Anshun	retail and wholesale of telecommunication equipment		100.00	establish

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
113	Suizhou Digitone Telecommunication Equipment Co., Ltd	Suizhou	Suizhou	retail and wholesale of telecommunication equipment		100.00	establish

9. Huaguan Technology's subsidiaries and its share ratio

No.	Name	Place of registration	Major place of operation	Business nature	Share ratio %		Method of acquisition
					Direct	Indirect	
1	Zhuhai Huashi Medical Technology Holding Co., Ltd	Zhuhai	Zhuhai	research and experiment development	100.00		establish
2	Zhuhai Huashi Medical Equipment Co., Ltd	Zhuhai	Zhuhai	medical machinery	100.00		establish
3	Zhuhai Huashi Medical Equipment Co., Ltd	Zhuhai	Zhuhai	special equipment manufacture	100.00		establish

10. Structuralized entities included into the scope of consolidation

Structuralized entities included into the scope of consolidation include mainly Asset Management Plan for which the Company serves as the Manager or Investment Consultant and Investor, Single Investor at the same time. The Company evaluates whether it faces major influence on variable return because of the reward it is entitled to from the investment share and the level of remuneration obtained for being the manager or investment consultant, and then judges whether the Company is the main responsible entity for the Asset Management Plan. Huajin Securities, the Company's subsidiary, has five structuralized entities included into the scope of consolidated financial statements in 2022. Two structuralized entities have finished liquidation in 2022, and three structuralized entities were included into the scope of consolidation at the end of 2022.

(2). Reasons that the parent company could control the investee although its share ratio on the investee doesn't exceed 50%.

1. The reason that the Company (not including Huafa Inc., and Weiye Inc.) could control the investee although its share ratio on the investee doesn't exceed 50%.

Name of subsidiaries	Parent company's share ratio (%)	Reason for inclusion into the scope of consolidation
Zhuhai Development & Investment Fund (Limited Partnership)	27.34	It has more than 50% of the voting right in the Investment Decision Committee and could exercise control on
Zhuhai Hengqin New Zone Huachuang New Material Investment Partnership (Limited Partnership)	45.60	
Zhuhai Hegang I Equity Investment Fund (Limited Partnership)	27.35	
Zhuhai Juanhua I Investment Partnership (Limited Partnership)	17.73	

Name of subsidiaries	Parent company's share ratio (%)	Reason for inclusion into the scope of consolidation	
Zhuhai Juanhua II Investment Partnership (Limited Partnership)	17.73	financial and operating decisions. Thus, it is included into the scope of consolidation.	
Zhuhai Juanhua III Investment Partnership (Limited Partnership)	17.73		
Zhuhai Juanhua IV Investment Partnership (Limited Partnership)	17.73		
Zhuhai Juanhua V Investment Partnership (Limited Partnership)	17.73		
Zhuhai Anzhi Hulian Equity Investment Fund Partnership (Limited Partnership)	20.59		
Zhuhai Development & Investment Fund II (Limited Partnership)	37.74		
Zhuhai Hengqin New Zone Huachuang Environmental Protection Industrial Investment Enterprise (Limited Partnership)	37.22		
Shenzhen Huarong Equity Investment Fund Management Co., Ltd	47.95	They were invested and established by subsidiaries controlled by the Company and its direct voting right exceeds 50%. Thus, they are indirectly controlled by the Company and included into the scope of consolidation.	
Zhuhai Hengqin New Zone Fenghua Equity Investment Fund Management Co., Ltd	47.95		
Hengqin International Intellectual Property Transaction Center Co., Ltd	47.95		
Zhuhai Huakai Development & Construction Co., Ltd	47.95		
Guangdong Hengqin Guangdong-Macao Deep Cooperation Area Huafa Heptachord Intellectual Property Operation Service Co., Ltd	47.95		
Zhuhai Huajian United Investment Holding Co., Ltd	42.87		
Suzhou Huafa Heptachord Intellectual Property Operation Co., Ltd	47.95		
Dongguan Huafa Heptachord Intellectual Property Service Co., Ltd	47.95		
China Hubei Free Trade Pilot Zone (Xiangyang Area) Huafa Heptachord Intellectual Property Service Co., Ltd	47.95		
Wuxi Huafa Heptachord Intellectual Property Operation Co., Ltd	47.95		
Yantai Huafa Heptachord Intellectual Property Operation Co., Ltd	47.95		
Wuhan Huafa Heptachord Hangyi Intellectual Property Operation Co., Ltd	24.45		
Guangdong Zhongcheng Information Technology Co., Ltd	47.44		
Zhuhai Huafa Hi-tech Construction Holding Co., Ltd	42.03		The Company has more than 50% of voting rights in the board of directors and could exercise control on the financial and operating decisions. Hence, they are included into the scope of consolidation.
Huafa Inc.	27.88		
Weiye Inc.	27.89		
Huacan Photo-electronic	23.14		
Guangku Technology	22.11		
Huaguan Technology	30.73		
Zhuhai Huahong Development & Construction Co., Ltd	42.03		
Zhuhai Huafa Petrochemical Energy Co., Ltd	44.33		
Huafa Property Service	37.41		
Johnson Co., Ltd	42.84		

2.. The reason that Weiye Inc. could control the investee although its share ratio on the investee doesn't exceed 50%.

Name of subsidiaries	Parent company's share ratio (%)	Reason for inclusion into the scope of consolidation
Shenzhen Weiye Zhicheng Investment Partnership (Limited Partnership)	34.55	It has more than 50% of the voting right in the Investment Decision Committee and could exercise control on financial and operating decisions. Thus, it is included into the scope of consolidation.

3..The reason that Huafa Inc. could control the investee although its share ratio on the investee doesn't exceed 50%.

Name of subsidiaries	Parent company's share ratio (%)	Reason for inclusion into the scope of consolidation
Jiaying Xinjin Real Estate Co., Ltd	34	It has 51% voting right in the board of shareholders and could exercise control on its financial and operation decisions in accordance with articles of association, and investment & cooperation agreement. Thus, it is included into the scope of consolidation.
Tianjin Longshun Jinan Real Estate Information Consultancy Co., Ltd	32.55	
Qingyuan Pengxiang Real Estate Development Co., Ltd	49.78	
Zhuhai Huafa Guangsheng Real Estate Development Co., Ltd	40	
Ezhou Huahong Jusheng Real Estate Development Co., Ltd	30	
Hangzhou Huayu Real Estate Co., Ltd	50	
Zhuhai Huafa Limei Real Estate Development Co., Ltd	50	
Zhuhai Huamao Jincheng Real Estate Development Co., Ltd	25.10	
Taichang Huateng Real Estate Development Co., Ltd	42	
Hangzhou Jinghui Commerce & Trading Co., Ltd	49.60	
Shenyang Zhong Dong Gang Commercial Property Development Co., Ltd	48.58	
Yiwu Zhaohua Enterprise Management Co., Ltd	17.07	The Company has more than 50% of voting rights in the board of directors and could exercise control on the financial and operating decisions. Hence, they are included into the scope of consolidation.
Guangdong Zhanlan Real Estate Development Co., Ltd	50.00	
Zhuhai Huafa Yunda Real Estate Development Co., Ltd	50.00	
Nanjing Huajing Jusheng Real Estate Development Co., Ltd	50.00	
Wuhan Huazhang Real Estate Development Co., Ltd	50.00	
Shanghai Gaodu Real Estate Co., Ltd	30.32	
Cheerful Age Company Limited	50.00	
Dalian Wanteng Real Estate Co., Ltd	50.00	
Wuhan Dihua Zhihe Real Estate Development Co., Ltd	50.00	

Name of subsidiaries	Parent company's share ratio (%)	Reason for inclusion into the scope of consolidation
Wuhan Huasheng Qianmao Real Estate Co., Ltd	50.00	
Zhuhai Huafa Zhengfang Xiangzhou Technical Industrial Park Upgrade Co., Ltd	50.00	
Zhuhai Huafa Zhengfang Gongbei Port Urban Upgrade Co., Ltd	50.00	
Zhongshan Huaxin Real Estate Co., Ltd	50.00	
Xuzhou Huafa Real Estate Co., Ltd	19.30	
Suzhou Huaheng Commercial Real Estate Co., Ltd	38	It could make unilateral decision on financial and operation matters in accordance with its authority in the board of shareholders, and has the actual right of control in accordance with the cooperation agreement and equity transfer agreement.

(3). Important non-wholly-owned subsidiaries

1. Minority shareholders

Unit: RMB 10000

No.	Name	Minority shareholder share ratio	Profit and loss that belong to minority shareholders in the current period	Dividend paid to minority shareholders in the current period	Closing accumulated minority shareholder's equity
1	Huafa Inc.	72.12%	396,317.12	141,219.16	7,122,123.48
2	Comprehensive Development	14.18%	74,093.08	52,711.97	1,997,487.11

2. Main financial information

Unit: RMB

Item	Hua Inc.,		Comprehensive Development	
	Closing/2022	Opening/2021	Closing/2022	Opening/2021
Current assets	350,880,231,235.98	312,687,447,735.07	84,392,252,505.96	78,336,458,190.26
Non-current assets	51,810,840,861.25	42,369,933,082.79	75,228,167,178.24	62,449,429,272.54
Total assets	402,691,072,097.23	355,057,380,817.86	159,620,419,684.20	140,785,887,462.80
Current liabilities	173,763,097,588.34	152,807,066,641.06	50,225,733,981.28	39,944,279,350.77
Non-current liabilities	119,478,620,922.62	106,358,712,840.09	33,859,749,497.38	29,042,527,026.35
Total liabilities	293,241,718,510.96	259,165,779,481.15	84,085,483,478.66	68,986,806,377.12
Operating income	59,189,810,191.70	51,240,679,151.29	58,575,187,472.36	60,095,252,746.06

Item	Hua Inc.,		Comprehensive Development	
	Closing/2022	Opening/2021	Closing/2022	Opening/2021
Net profit	4,726,119,618.63	4,676,638,007.30	1,950,187,264.95	2,034,853,407.85
Total comprehensive income	4,408,771,883.58	4,688,170,250.87	1,752,967,007.85	1,971,315,906.56
Cash flow of operating activities	38,344,229,233.72	36,060,703,529.04	193,428,652.89	10,910,148,162.47

(4) Former subsidiaries no longer included into the scope of consolidation in the current period

1. Profile of former subsidiaries

No.	Name of enterprise	Place of registration	Business nature	Share ratio	The reason for being no longer a subsidiary in the current period
1	Zhuhai Huaxin Investment & Management Co., Ltd	Zhuhai	urban operation	67.25	Deregister
2	Huafa Hebei Xiong'an Urban Operation Management Co., Ltd	Xiongan	urban operation	84.06	Deregister
3	Guangzhou Huafa Automobile Trading Co., Ltd	Guangzhou	commercial & trading service	100	Deregister
4	Zhuhai Huafa Hi-tech Port Logistics Co., Ltd	Zhuhai	urban operation	42.03	Deregister
5	Zhuhai Infrastructure Direct Management Department	Zhuhai	urban operation	100	Transfer
6	Zhuhai Seaside Building Shopping Mall	Zhuhai	modern service	100	Deregister
7	Guanghua (Tianjin) Investment Management Co., Ltd	Tianjin	technical entities	100	Deregister
8	Beijing Penglu Network Technology Co., Ltd	Beijing	commercial & trading service	51	Deregister
9	Liuzhou Dixin Electronic Telecommunication Technology Co., Ltd	Liuzhou	commercial & trading service	100	Deregister
10	Chengmai Jindi Technology Co., Ltd	Chengmai	commercial & trading service	100	Deregister
11	Proton Lease Co., Ltd	Jilin	commercial & trading service	100	Deregister
12	Yangzhou Digitone Technology Information Co., Ltd	Yangzhou	commercial & trading service	100	Deregister
13	Digitone Mobiles Private Limited	India	commercial & trading service	46.80	Lose control right
14	Hubei Port Industry Investment Co., Ltd	Ezhou	Real estate development	30	Lose control right
15	Ezhou Binhu Real Estate Co., Ltd	Ezhou	Real estate development	30	Lose control right
16	Hubei Lianchen Real Estate Development Co., Ltd	Ezhou	Real estate development	30	Lose control right

No.	Name of enterprise	Place of registration	Business nature	Share ratio	The reason for being no longer a subsidiary in the current period
17	Zhuhai Huafa Huapin F&B Management Co., Ltd	Zhuhai	Real estate development	100	Deregister
18	Nanjing Huamei Decoration Engineering Co., Ltd	Nanjing	Real estate development	28.99	Lose control right
19	Shanghai Huafu Enterprise Management Co., Ltd	Shanghai	Real estate development	100	Deregister
20	Shanghai Huatu Enterprise Management Co., Ltd	Shanghai	Real estate development	100	Deregister
21	Shanghai Huayong Enterprise Management Co., Ltd	Shanghai	Real estate development	100	Deregister
22	Shanghai Hualong Real Estate Co., Ltd	Shanghai	Real estate development	100	Deregister
23	Shenyang Huayun Real Estate Co., Ltd	Shenyang	Real estate development	100	Deregister
24	Shanghai Huayi Enterprise Management Co., Ltd	Shanghai	Real estate development	100	Deregister
25	Zhuhai Junyi Chuangfeng Real Estate Development Co., Ltd	Zhuhai	Real estate development	51	Lose control right
26	Changchun Huafa Real Estate Development Co., Ltd	Changchun	Real estate development	100	Deregister
27	Suzhou Huazhi Real Estate Development Co., Ltd	Suzhou	Real estate development	51	Deregister
28	Shijiazhuang Huashuo Real Estate Co., Ltd	Shijiazhuang	Real estate development	100	Deregister
29	Shijiazhuang Huajun Real Estate Co., Ltd	Shijiazhuang	Real estate development	100	Deregister
30	Beijing Huaxing Haichuan Management Consultancy Co., Ltd	Beijing	Real estate development	49.75	Deregister
31	Beijing Huarong Haichuan Management Consultancy Co., Ltd	Beijing	Real estate development	49.75	Deregister
32	Guangxi Huajin Real Estate Development Co., Ltd	Nanning	Real estate development	100	Deregister
33	Foshan Huali Real Estate Development Co., Ltd	Foshan	Real estate development	100	Deregister
34	Shanwei Huajin Hotel Management Co., Ltd	Shanwei	Real estate development	90	Deregister
35	Zhongshan Huazhi Fusheng Real Estate Development Co., Ltd	Zhongshan	Real estate development	51	Deregister
36	Zhongshan Huachang Real Estate Co., Ltd	Zhongshan	Real estate development	65	Deregister

(5). Subsidiaries newly included into the scope of consolidation in the current period

1. Entities of the Company newly included into scope of consolidation in 2022 (exclusive Huafa Inc. Digitone, Johnson Holdings, Huafa Property Service, Huacan Photo-electronic and Weiye Inc.)

No.	Name	Reason of inclusion
1	Zhuhai Huafa Shengboli Operation Management Co., Ltd	establish
2	Zhuhai Huafa Zhongyi Innovation Center Operation Management Co., Ltd	establish
3	Zhuhai Huafa Huachan Advanced Semiconductor Research Institute Co., Ltd	establish
4	Zhuhai Juanhua II Investment Partnership (Limited Partnership)	establish
5	Zhuhai Juanhua III Investment Partnership (Limited Partnership)	establish
6	Zhuhai Juanhua IV Investment Partnership (Limited Partnership)	establish
7	Zhuhai Large Scale Industry Cluster Development Co., Ltd	establish
8	Zhuhai Huaqing Large Scale Industrial Cluster Development Co., Ltd	establish
9	Zhuhai Huafa Industry New Space Investment & Development Co., Ltd	establish
10	Zhuhai Huafa Industry New Space Construction Co., Ltd	establish
11	Zhuhai Hualing Development & Construction Co., Ltd	establish
12	Zhuhai Huating Development & Construction Co., Ltd	establish
13	Zhuhai Huabin Development & Construction Co., Ltd	establish
14	Zhuhai Huayi Development & Construction Co., Ltd	establish
15	Zhuhai Huafa Industry New Space Holding Co., Ltd	establish
16	Zhuhai Huafa Industry New Space Operation Service Co., Ltd	establish
17	Zhuhai Hi-tech Huafa Industry New Space Park Comprehensive Service Co., Ltd	establish
18	Zhuhai Jinwan District Huafa Industry New Space Park Operation Co., Ltd	establish
19	Zhuhai Huafa Industry New Space Merchant Service Co., Ltd	establish
20	Zhuhai Huajin Industry New Space Construction Co., Ltd	establish
21	Zhuhai Huagang Industry New Space Investment & Development Co., Ltd	establish
22	Zhuhai Huazhen Industry New Space Construction Co., Ltd	establish
23	Zhuhai Huaqi Real Estate Development Co., Ltd	establish
24	Zhuhai Huawei Development & Construction Co., Ltd	establish
25	Zhuhai Huaxin Industry New Space Construction Co., Ltd	establish
26	Zhuhai Huachen Industry New Space Construction Co., Ltd	establish
27	Zhuhai Huafa New Energy Investment & Development Inc.	establish
28	Zhuhai Huafa New Energy Construction & Operation Co., Ltd	establish
29	Zhuhai Huafa Industry New Space Photovoltaic Construction Co., Ltd	establish
30	Zhuhai Huaxu New Energy Construction Co., Ltd	establish
31	Zhuhai Huaxin New Energy Construction Co., Ltd	establish
32	Zhuhai Lover Coast Construction Co., Ltd	transfer

No.	Name	Reason of inclusion
33	Zhuhai Gongbei Port Reform and Expansion Project Management Co., Ltd	transfer
34	Zhuhai Jinwan Huafa Hotel Management Co., Ltd	establish
35	Suzhou Taicang Huafa Hotel Management Co., Ltd	establish
36	Shanwei Huafa Hotel Management Co., Ltd	establish
37	Zhuhai Huashi Huanxin Fangke Investment Enterprise (Limited Partnership)	establish
38	Huaguan Technology and its subsidiaries	merger of enterprises not under the same control
39	Zhuhai Huahe Industry Equity Investment Partnership (Limited Partnership)	establish
40	Zhuhai Juanhua V Investment Partnership (Limited Partnership)	establish

2. Entities of the Johnson Holding newly included into scope of consolidation in 2022

No.	Name	Reason of inclusion
1	Johnson Professional Services Company Limited	establish

3. Entities of Weiye Inc. newly included into scope of consolidation in 2022

No.	Name	Reason of inclusion
1	Zhuhai Urban Construction Weiye Decoration Engineering Co., Ltd	merger of enterprises not under the same control
2	Guangdong Hongtai Building Material Trading Co., Ltd	establish
3	Shenzhen Weiye Construction Engineering Co., Ltd	establish
4	Xiamen Minyi Construction Engineering Co., Ltd	establish
5	Weiye (Macao) Co., Ltd	establish
6	Guangdong Quansheng Construction Co., Ltd	merger of enterprises not under the same control
7	Zhuhai Huatai Construction Engineering Co., Ltd	establish
8	Zhuhai Yuetai Construction Engineering Co., Ltd	establish

4. Entities of Huafa Property Service newly included into scope of consolidation in 2022

No.	Name	Reason of inclusion
1	Huafa Property Service (Foshan) Co., Ltd	establish
2	Zhuhai Huahao International Conference & Exhibition Co., Ltd	establish
3	Zhuhai ZhuAo Design Center Co., Ltd	establish
4	Zhuhai International Design Week Conference & Exhibition Co., Ltd	establish
5	Zhuhai Hengqin Zhu'ao International Sports, Lesiure and Tourism Development & Management Co., Ltd	establish
6	Zhuhai Huawu Choice Life Service Co., Ltd	establish
7	Huafa Commercial Service (Zhuhai) Co., Ltd	establish

No.	Name	Reason of inclusion
8	Huafa Property Urban Service (Shenzhen) Co., Ltd	establish
9	Huafa Property Service (Guangzhou) Co., Ltd	establish

5. Entities of Huacan Photo-electronic newly included into scope of consolidation in 2022

No.	Name	Reason of inclusion
1	Zhuhai Huahui Smart Manufacture Semiconductor Co., Ltd	establish
2	Huacan Photo-electronic (Guangdong) Co., Ltd	establish
3	Wuhan Juhua Smart Manufacture Technology Co., Ltd	establish

6. Entities of Huafa Inc. newly included into scope of consolidation in 2022

No.	Name	Reason of inclusion
1	Shanghai Pufeng Real Estate Development Co., Ltd	establish
2	Jiangmen Huabiao Real Estate Development Co., Ltd	establish
3	Zhuhai Hengqin Huafa Urban Upgrade Investment Holding Co., Ltd	establish
4	Beijing Huafeng Business Management Co., Ltd	establish
5	Taicang Haina Real Estate Co., Ltd	establish
6	Zhuhai Huahui New Energy Technology Co., Ltd	establish
7	Taicang Huafu Chuangsheng Real Estate Co., Ltd	establish
8	Nanjing Huahui Decoration Engineering Co., Ltd	establish
9	Foshan Huazhan Commercial Service Co., Ltd	establish
10	Nanjing Huahui Real Estate Co., Ltd	establish
11	Zhuhai Huahu Real Estate Development Co., Ltd	establish
12	Zhuhai Huaxu New Energy Development Co., Ltd	establish
13	Zhuhai Huakai Real Estate Development Co., Ltd	establish
14	Zhuhai Huayu Real Estate Development Co., Ltd	establish
15	Zhuhai Huayan Real Estate Development Co., Ltd	establish
16	Taicang Huaren Real Estate Development Co., Ltd	merger of enterprises not under the same control
17	Suzhou Hefa Real Estate Development Co., Ltd	merger of enterprises not under the same control
18	Shanghai Jinlan Real Estate Development Co., Ltd	merger of enterprises not under the same control
19	Nanjing Huayu Real Estate Development Co., Ltd	merger of enterprises not under the same control
20	Weihai Mofangcheng Real Estate Development Co., Ltd	merger of enterprises not under the same control
21	Zhuhai Hengqin Huafa Commercial Town Business Operation and Management Co., Ltd	establish
22	Xi'an Qujiang Huaxing Real Estate Co., Ltd	establish

No.	Name	Reason of inclusion
23	Zhuhai Huafa Hongye Real Estate Development Co., Ltd	merger of enterprises not under the same control
24	Guangzhou Huabo Real Estate Development Co., Ltd	establish
25	Xi'an Huahao Haichuan Real Estate Co., Ltd	establish
26	Jiangmen Huachang Commercial Service Co., Ltd	establish
27	Hangzhou Jinyu Real Estate Co., Ltd	merger of enterprises not under the same control
28	Shanghai Tangxiao Real Estate Development Co., Ltd	establish
29	Zhuhai Huafa RongShiJie Travel Agency Co., Ltd	merger of enterprises under the same control
30	Luoding Huatu Trading Co., Ltd	establish
31	Shanghai Xingcheng Real Estate Development Co., Ltd	establish
32	Luoding Huarong Trading Co., Ltd	establish
33	Huashi Zhongjian New Technology (Zhuhai) Co., Ltd	merger of enterprises not under the same control
34	Luoding Huasheng Trading Co., Ltd	establish
35	Zhuhai Huazhou Real Estate Development Co., Ltd	establish
36	Zhuhai Huaxu Real Estate Development Co., Ltd	establish
37	Shanghai Guhong Real Estate Development Co., Ltd	establish
38	Zhuhai Huapei Real Estate Development Co., Ltd	establish
39	Guangzhou Huashen Real Estate Development Co., Ltd	establish
40	Beijing Huachuang Haichuan Real Estate Co., Ltd	establish
41	Hangzhou Huaxin Real Estate Co., Ltd	establish
42	Hangzhou Huaying Real Estate Co., Ltd	establish
43	Hangzhou Huazhuo Real Estate Co., Ltd	establish
44	Shenzhen Runlong Investment Co., Ltd	merger of enterprises not under the same control
45	Guangdong Huafa Zhongjian New Technology Investment Holding Co., Ltd	merger of enterprises not under the same control
46	Hangzhou Jinghui Commerce & Trading Co., Ltd	merger of enterprises not under the same control
47	Hangzhou Huaxu Real Estate Co., Ltd	establish
48	Shanghai Guxiao Real Estate Development Co., Ltd	establish
49	Hangzhou Huayu Enterprise Management Co., Ltd	merger of enterprises not under the same control
50	Hangzhou Zhaoyu Real Estate Co., Ltd	merger of enterprises not under the same control
51	Shanghai Puxiao Real Estate Development Co., Ltd	establish
52	Suzhou Huashangheng Real Estate Co., Ltd	establish
53	Chengdu Huajin Shenghong Industrial Co., Ltd	establish

Zhuhai Huafa Group Co., Ltd (Consolidated)
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No.	Name	Reason of inclusion
54	Huizhou Hehui Real Estate Co., Ltd	merger of enterprises not under the same control

7. Entities of Digitone newly included into scope of consolidation in 2022

No.	Name	Reason of inclusion
1	Yicang Digitone Telecommunication Device Co., Ltd	establish
2	Guizhou Digitone Trading Co., Ltd	establish
3	Anshun Digitone Trading Co., Ltd	establish
4	Suizhou Digitone Telecommunication Equipment Co., Ltd	establish

(6) Main merger of enterprises not under the same control in the current period

1. Main merger of enterprises not under the same control in the current period

Name of acquired	When equity is acquired	Cost of equity acquisition	Share ratio (%)	Equity acquisition method	Date of acquisition	Basis to determine the date of acquisition	Income of the acquired from the date of acquisition to end of the period	Net profit of the acquired from the date of acquisition to end of the period
Nanjing Huayu Real Estate Development Co., Ltd	2022/2/17	500,000,000.00	50.00	increase capital and expand shares	2022/2/17	Obtain the control right actually	350,496.15	-27,012,655.56
Weihai Mofangcheng Real Estate Development Co., Ltd	2022/4/6	248,855,520.00	51.00	equity purchase	2022/4/6	Obtain the control right actually		-8,632,504.15
Suzhou Hefa Real Estate Development Co., Ltd	2022/5/31	638,001,250.00	50.00	equity purchase	2022/5/31	Obtain the control right actually	967,545,168.94	83,638,151.54
Guangdong Huafa Zhongjian New Technology Investment Holding Co., Ltd	2022/7/19	32,800,000.00	25.00	equity purchase	2022/7/19	Obtain the control right actually	106,661,904.87	2,310,603.67
Zhuhai Huafa Hongye Real Estate Development Co., Ltd	2022/9/14	3,662,614.10	60.00	equity purchase	2022/9/14	Obtain the control right actually		-361,227.55
Shenzhen Runlong Investment Co., Ltd	2022/9/26	1,409,180,000.00	100.00	equity purchase	2022/9/26	Obtain the control right actually		9.21
Hangzhou Huayu Enterprise Management Co., Ltd	2022/9/30	1,680,325,812.22	52.64	increase capital and expand shares	2022/9/30	Obtain the control right actually	348,613.06	-74,695,582.12

Name of acquired	When equity is acquired	Cost of equity acquisition	Share ratio (%)	Equity acquisition method	Date of acquisition	Basis to determine the date of acquisition	Income of the acquired from the date of acquisition to end of the period	Net profit of the acquired from the date of acquisition to end of the period
Huizhou Hehui Real Estate Co., Ltd	2022/12/15	445,122,919.26	40.00	equity purchase	2022/12/15	Obtain the control right actually	2,673,687.24	-3,239,278.92
Huaguan Technology *1	2022/9/30	113,806,079.45	33.02	equity purchase	2022/9/30	Obtain the control right actually	126,199,843.72	6,440,305.00

*1. According to the minutes of the 50th meeting of Board of Directors in 2022, the Company approved the subsidiary Huafa Technology's implementation plan to accept the transfer of 33.02% equity of Huaguan Technology. With the appraisal result of the Asset Appraisal Report (CXZPZ (2022) No. 317) issued by Guangdong Caixing Assets Appraisal and Land & Real Estate Appraisal Co., Ltd. as the pricing basis, the Company purchased 33.02% equity of Zhuhai Huaguan Technology Co., Ltd. held by Zhuhai Huajin Capital Co., Ltd, and the completion date of purchase was 30th Sept. 2022.

1. Merger cost and goodwill

Merger cost	Nanjing Huayu Real Estate Development Co., Ltd	Weihai Mofangcheng Real Estate Development Co., Ltd	Suzhou Hefa Real Estate Development Co., Ltd	Guangdong Huafa Zhongjian New Technology Investment Holding Co., Ltd
Cash	59,000,000.00	248,855,520.00		32,800,000.00
Fair value of non-cash asset			638,001,250.00	
Fair value of issued or shouldered debt				
Fair value of issued equity securities				
Fair value of contingent consideration				
Fair value of equity (held before the purchase day) on the purchase day	440,845,033.78		638,001,250.00	52,480,000.00
Other				
Total of merger cost	499,845,033.78	248,855,520.00	1,276,002,500.00	85,280,000.00
Minus: the share in fair value of identifiable net asset obtained	499,845,033.78	248,855,520.00	1,276,002,500.00	85,280,000.00
The amount that good will/merger cost is less than the share of the fair value of identifiable net asset obtained				

Continued

Merger cost	Zhuhai Huafa Hongye Real Estate Development Co., Ltd	Shenzhen Runlong Investment Co., Ltd	Hangzhou Huayu Enterprise Management Co., Ltd	Huizhou Hehui Real Estate Co., Ltd
Cash	3,662,614.10	1,409,180,000.00	1,680,325,812.22	62,139,409.67
Fair value of non-cash asset				382,983,509.59
Fair value of issued or shouldered debt				
Fair value of issued equity securities				
Fair value of contingent consideration				
Fair value of equity (held before the purchase day) on the purchase day	2,441,742.73			667,684,378.89
Other				
Total of merger cost	6,104,356.83	1,409,180,000.00	1,680,325,812.22	1,112,807,298.15
Minus: the share in fair value of identifiable net asset obtained	6,104,356.83	1,409,180,000.00	1,680,325,812.22	1,112,807,298.15
The amount that good will/merger cost is less than the share of the fair value of identifiable net asset obtained				

Continued

Merger cost	Huaguan Technology
Cash	112,189,764.81
Fair value of non-cash asset	
Fair value of issued or shouldered debt	
Fair value of issued equity securities	
Fair value of contingent consideration	
Fair value of equity (held before the purchase day) on the purchase day	
Other	
Total of merger cost	112,189,764.81
Minus: the share in fair value of identifiable net asset obtained	104,102,250.85
The amount that good will/merger cost is less than the share of the fair value of identifiable net asset obtained	8,087,513.96

3. Identifiable assets and liabilities of the acquired on the day of acquisition

Item	Nanjing Huayu Real Estate Development Co., Ltd		Weihai Mofangcheng Real Estate Development Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Asset	2,993,268,432.60	2,993,268,432.60	941,459,877.39	918,703,688.75
Incl: Monetary capital	19,338,208.44	19,338,208.44	84,192,410.07	84,192,410.07
Other receivable			62,839,230.17	62,839,230.17
Stock	2,959,092,152.83	2,959,092,152.83	698,391,926.80	675,635,738.16
Other assets	14,838,071.33	14,838,071.33	96,036,310.35	96,036,310.35
liabilities	1,993,578,365.04	1,993,578,365.04	453,507,877.39	453,507,877.39
Contract liabilities			104,739,365.00	104,739,365.00
Other payable	1,982,313,420.75	1,982,313,420.75	744,070.23	744,070.23
Long-term loan			300,000,000.00	300,000,000.00
Other liabilities	11,264,944.29	11,264,944.29	48,024,442.16	48,024,442.16
Net asset	999,690,067.56	999,690,067.56	487,952,000.00	465,195,811.36
Minus: minority shareholder's equity	499,845,033.78	499,845,033.78	239,096,480.00	227,945,947.57
Net asset obtained	499,845,033.78	499,845,033.78	248,855,520.00	237,249,863.79

Continued:

Item	Suzhou Hefa Real Estate Development Co., Ltd		Guangdong Huafa Zhongjian New Technology Investment Holding Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Asset	4,607,514,936.54	4,548,781,277.62	426,275,018.99	385,291,993.24
Incl: Monetary capital	13,801,396.21	13,801,396.21	12,000,954.70	12,000,954.70
Account receivable			110,222,344.72	110,222,344.72
Other receivable	1,284,711,110.93	1,284,711,110.93	2,343,844.90	2,343,844.90
Stock	2,829,067,282.69	2,829,067,282.69	39,041,892.20	39,041,892.20
Deferred Income Tax Asset	148,020,715.23	148,020,715.23	4,121,561.01	4,121,561.01
Other assets	331,914,431.48	273,180,772.56	258,544,421.46	217,561,395.71
liabilities	3,331,512,436.54	3,331,512,436.54	295,075,018.99	295,075,018.99
Account payable	87,777,551.69	87,777,551.69	124,302,011.85	124,302,011.85
Other payable	448,556,744.32	448,556,744.32	11,775,871.72	11,775,871.72
Contract liabilities	2,539,847,764.31	2,539,847,764.31	5,571,497.90	5,571,497.90
Long-term loan			142,508,882.72	142,508,882.72

Item	Suzhou Hefa Real Estate Development Co., Ltd		Guangdong Huafa Zhongjian New Technology Investment Holding Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Other liabilities	255,330,376.22	255,330,376.22	10,916,754.80	10,916,754.80
Net asset	1,276,002,500.00	1,217,268,841.08	131,200,000.00	90,216,974.25
Minus: minority shareholder's equity			45,920,000.00	31,575,940.99
Net asset obtained	1,276,002,500.00	1,217,268,841.08	85,280,000.00	58,641,033.26

Continued

Item	Zhuhai Huafa Hongye Real Estate Development Co., Ltd		Shenzhen Runlong Investment Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Asset	6,298,356.83	6,496,743.03	2,167,899,702.12	2,026,995,344.99
Incl: Monetary capital	742,911.26	742,911.26	16,190.49	16,190.49
Other receivable	5,400.00	5,400.00	758,589,702.12	758,589,702.12
Stock	5,057,601.64	5,255,987.84		
Long-term investment on stocks			1,409,265,357.13	1,268,361,000.00
Other asset	492,443.93	492,443.93	28,452.38	28,452.38
Liabilities	194,000.00	194,000.00	758,719,702.12	758,719,702.12
account payable	194,000.00	194,000.00		
Other payable			758,719,702.12	758,719,702.12
Net asset	6,104,356.83	6,302,743.03	1,409,180,000.00	1,268,275,642.87
Minus: minority shareholder's equity				
Net asset obtained	6,104,356.83	6,302,743.03	1,409,180,000.00	1,268,275,642.87

Continued:

Item	Hangzhou Huayu Enterprise Management Co., Ltd		Huizhou Hehui Real Estate Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Asset	4,497,129,498.06	4,496,492,590.45	4,155,805,822.74	4,077,115,682.03
Incl: Monetary capital	35,274,650.02	35,274,650.02	552,797,770.39	552,797,770.39
Stock	4,457,802,908.99	4,457,166,001.38	2,370,814,664.64	2,292,124,523.93

Item	Hangzhou Huayu Enterprise Management Co., Ltd		Huizhou Hehui Real Estate Co., Ltd	
	Fair value on the day of purchase	Book value on the day of purchase	Fair value on the day of purchase	Book value on the day of purchase
Other current asset	3,597,834.90	3,597,834.90	1,160,641,623.90	1,160,641,623.90
Other assets	454,104.15	454,104.15	71,551,763.81	71,551,763.81
Liabilities	297,072,485.84	297,072,485.84	3,042,998,524.59	3,042,998,524.59
Account payable	12,341,276.68	12,341,276.68	109,799,918.36	109,799,918.36
Contract liabilities			1,280,388,202.29	1,280,388,202.29
Other payable	234,705,780.59	234,705,780.59	368,275,612.66	368,275,612.66
Non-current liabilities due within one year	9,722.22	9,722.22	764,482,361.11	764,482,361.11
Long-term loan	50,000,000.00	50,000,000.00	346,000,000.00	346,000,000.00
Other liabilities	15,706.35	15,706.35	174,052,430.17	174,052,430.17
Net asset	4,200,057,012.22	4,199,420,104.61	1,112,807,298.15	1,034,117,157.44
Minus: minority shareholder's equity	2,519,731,200.00	2,519,605,343.16		
Net asset obtained	1,680,325,812.22	1,679,814,761.45	1,112,807,298.15	1,034,117,157.44

Continued:

Item	Huaguan Technology	
	Fair value on the day of purchase	Book value on the day of purchase
Asset	780,289,369.18	627,092,919.19
Incl: Monetary capital	2,352,461.95	2,352,461.95
Notes receivable	34,952,661.73	34,952,661.73
Account receivable	114,757,746.49	114,757,746.49
Account receivable finance	11,334,500.00	11,334,500.00
Prepayment	7,209,433.24	7,209,433.24
Other receivable	11,237,211.48	11,237,211.48
Stock	247,899,268.52	247,899,268.52
Contract asset	32,940,992.69	32,940,992.69
Other current asset	10,955,672.99	10,955,672.99
Investment real estate	65,046,960.15	32,627,706.86
Fixed asset	66,161,390.14	33,604,523.73
Construction in process	74,586,030.44	74,586,030.44
Intangible asset	90,888,847.13	2,668,516.83
Long-term deferred asset	3,952,886.67	3,952,886.67
Deferred income tax asset	4,871,814.47	4,871,814.47
Other non-current asset	1,141,491.10	1,141,491.10
Liabilities	465,019,075.86	442,039,608.36
Incl: short-term loan	30,000,000.00	30,000,000.00

Item	Huaguan Technology	
	Fair value on the day of purchase	Book value on the day of purchase
Notes payable	24,037,500.00	24,037,500.00
Account payable	94,584,964.50	94,584,964.50
Advance receipt	254,524.25	254,524.25
Contract liabilities	188,640,188.49	188,640,188.49
Payroll payable	6,709,137.91	6,709,137.91
Tax payable	2,265,274.61	2,265,274.61
Other payable	9,297,285.21	9,297,285.21
Other current liabilities	55,744,458.16	55,744,458.16
Long-term loan	18,820,099.53	18,820,099.53
Anticipated liabilities	10,993,768.78	10,993,768.78
Deferred income	692,406.92	692,406.92
Deferred income tax liabilities	22,979,467.50	
Net asset	315,270,293.32	185,053,310.83
Minus: minority shareholder's equity	211,168,042.47	123,948,707.59
Net asset obtained	104,102,250.85	61,104,603.24

Method to determine the fair value of identifiable asset and liabilities

(1) Huafa Inc's subsidiary obtained the right of control on Nanjing Huayu Real Estate Development Co., Ltd. and Zhuhai Huafa Hongye Real Estate Development Co., Ltd. by increase of equity investment. As the land project under the subsidiary has been obtained for a short period and has not been substantially developed, the fair value of identifiable asset and liabilities is recognized based on the book value of assets and liabilities.

Huafa Inc and its subsidiary obtained the right of control on Weihai Mofangcheng Real Estate Development Co., Ltd., Suzhou Hefa Real Estate Development Co., Ltd., Guangdong Huafa Zhongjian New Technology Investment Co., Ltd., Shenzhen Runlong Investment Co., Ltd., Huizhou Hehui Real Estate Co., Ltd. and Hangzhou Huayu Enterprise Management Co., Ltd. by equity acquisition and took the appraised fair value as the book value of assets and liabilities. ‘

(2) The subsidiary Huafa Technology acquired 33.02% equity of Huaguan Technology by equity acquisition and recognized the fair value of identifiable asset and liabilities based on the value appraised in the Appraisal Report on the benchmark day of acquisition.

VIII. Remarks on major items in the financial statement

1. Monetary capital

Item	Closing balance	Opening balance
Cash in hand	466,814.39	648,262.68
Bank deposit	53,491,998,271.64	56,753,044,011.36
Other monetary capital	2,528,986,408.69	2,039,230,688.00
Statutory deposit reserve with the Central Bank	2,122,000,000.00	2,782,301,274.40

Item	Closing balance	Opening balance
Interbank deposit and deposit with other financial institutions	8,356,535,355.02	9,843,713,270.28
Future margin deposit	2,058,080,620.81	1,592,171,097.98
Total	68,558,067,470.55	73,011,108,604.70

The closing balance of bank deposit includes the undue interest of RMB 104,615,279.74. The opening balance of bank deposit includes the undue interest of RMB 88,079,080.77.

Its subsidiary Zhuhai Huafa Group Financial Co., Ltd deposits the statutory deposit reserve and other restricted deposits into the People's Bank of China and the central banks where its overseas branches are located. Such deposits can't be used for daily operation. The statutory deposit reserve is mainly the statutory deposit reserve deposited into the People's Bank of China. The People's Bank of China has stipulated that the Renminbi deposit reserve rate for financial companies is 5% by 31st Dec. 2022.

Including: interbank deposit and deposit with other financial institutions:

Item	Closing balance	Opening balance
Domestic interbank deposit	8,358,039,802.18	9,845,485,457.66
Incl: interest payable	40,596,806.81	
Subtotal	8,358,039,802.18	9,845,485,457.66
Minus: Impairment reserve	1,504,447.16	1,772,187.38
Total	8,356,535,355.02	9,843,713,270.28

Except for the monetary capital in a sum of RMB 6,583,791,016.23 in the form of notes margin, L/C bond, statutory deposit reserve deposited into the central banks, bond deposit, fixed term deposit and etc subject to restricted use, the balance is not subject to pledge, freezing or potential recovery risks by 31st Dec. 2022.

Below is details of restricted monetary capital by 31st Dec. 2022.

Item	Closing balance
Bank acceptance bill bond	1,732,657,986.83
L/C bond	101,227,492.45
Deposit with the Central Bank	2,122,000,000.00
Bond deposit	62,238,227.54
Term deposit certificate	1,753,245,660.23
Deposit in escrow account	505,906,043.21
Performance bond	9,699,673.62
Futures bond	233,639,922.27
Other restricted monetary capital	63,176,010.08
Total	6,583,791,016.23

2. Provision of settlement fund

(1) By type

Item	Closing balance	Opening balance
Client provision	176,550,065.57	272,804,811.75
Corporate provision	56,541,688.37	70,789,554.23
Total	233,091,753.94	343,594,365.98

(2). By currency

Item	Closing balance			Opening balance		
	Original currency	Exchange rate	Renminbi	Original currency	Exchange rate	Renminbi
Client general provision						
Incl: Renminbi	141,352,571.71	1.0000	141,352,571.71	227,685,211.94	1.0000	227,685,211.94
USD	889,129.33	6.9646	6,192,430.13	826,080.92	6.3757	5,266,844.12
HKD	593,742.47	0.8933	530,372.34	535,352.39	0.8176	437,704.11
Subtotal			148,075,374.18			233,389,760.17
Client's credit provision						
Incl: Renminbi	28,474,691.39	1.0000	28,474,691.39	39,415,051.58	1.0000	39,415,051.58
Subtotal			28,474,691.39			39,415,051.58
Total of client provision			176,550,065.57			272,804,811.75
Corporate provision						
Incl: Renminbi	56,541,688.37	1.0000	56,541,688.37	70,789,554.23	1.0000	70,789,554.23
Subtotal			56,541,688.37			70,789,554.23
Total of corporate provision			56,541,688.37			70,789,554.23
Total			233,091,753.94			343,594,365.98

(3). There is no provision of settlement fund subject to restricted use on 31st Dec. 2022.

3. Monetary bond receivable

Item	Closing balance	Opening balance
Shanghai Future Exchange	79,204,789.95	312,807,771.18
Zhengzhou Commodity Exchange	256,550,846.37	272,930,488.39
Dalian Commodity Exchange	203,495,781.67	194,758,373.44
China Financial Future Exchange	217,750,460.65	313,752,315.88
Shanghai International Energy Transaction Center Inc.	85,844,884.45	41,090,741.05
Guangzhou Future Exchange Inc.	12,078,098.33	
Total	854,924,861.42	1,135,339,689.94

4. Pledge bond receivable

Item	Closing balance	Opening balance
Shanghai Future Exchange	218,026,112.00	51,875,580.00
Shanghai International Energy Transaction Center Inc.	16,035,200.00	
Zhengzhou Commodity Exchange	2,342,400.00	
Total	236,403,712.00	51,875,580.00

5. Outward deposit

(1) By type

Type	Closing balance	Opening balance
Transaction bond	58,105,580.17	78,827,741.41
Credit bond	6,053,257.59	7,055,627.47
Outward security bond	1,009,187.18	2,200,760.18
Total	65,168,024.94	88,084,129.06

(2) By currency

Item	Closing balance			Opening balance		
	In original currency	Exchange ratio	Renminbi	In original currency	Exchange ratio	Renminbi
Transaction bond						
Renminbi	56,266,002.49	1.0000	56,266,002.49	77,143,780.65	1.0000	77,143,780.65
USD	200,003.06	6.9646	1,392,941.31	200,003.06	6.3757	1,275,159.51
HKD	500,001.53	0.8933	446,636.37	500,001.53	0.8176	408,801.25
Subtotal			58,105,580.17			78,827,741.41
Credit bond						
Renminbi	6,053,257.59	1.0000	6,053,257.59	7,055,627.47	1.0000	7,055,627.47
Subtotal			6,053,257.59			7,055,627.47
Outward guarantee bond						
Renminbi	1,009,187.18	1.0000	1,009,187.18	2,200,760.18	1.0000	2,200,760.18
Subtotal			1,009,187.18	2,200,760.18		2,200,760.18
Total			65,168,024.94			88,084,129.06

6. Fund lent

Item	Closing balance	Opening balance
Hengqin Huatong Financial Lease Co., Ltd	990,000,000.00	1,100,000,000.00
Subtotal	990,000,000.00	1,100,000,000.00
Minus: impairment reserve	712,800.00	792,000.00
Total	989,287,200.00	1,099,208,000.00

7. Fund under outward finance

(1) By type

Item	Closing balance	Opening balance
Fund lent for securities margin trading	2,341,541,317.24	2,519,597,590.49
Minus: impairment reserve	4,121,314.14	1,098,655.03
Total	2,337,420,003.10	2,518,498,935.46

(2) By entities

Item	Closing balance	Opening balance
Individual	1,430,016,132.76	1,419,579,223.54
Institutions	911,525,184.48	1,100,018,366.95
Subtotal	2,341,541,317.24	2,519,597,590.49
Minus: Impairment reserve	4,121,314.14	1,098,655.03
Total	2,337,420,003.10	2,518,498,935.46

(3) By age

Age	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
<1 month	331,412,530.66	14.15	735,471,968.06	29.19
1-3 months	237,951,693.54	10.16	330,793,456.03	13.13
3-6 months	751,765,523.41	32.11	477,268,360.06	18.94
6 months-1 year	377,766,664.80	16.13	475,683,045.47	18.88
>1 year	642,644,904.83	27.45	500,380,760.87	19.86
Subtotal	2,341,541,317.24	100.00	2,519,597,590.49	100.00
Minus: impairment reserve	4,121,314.14		1,098,655.03	
Total	2,337,420,003.10		2,518,498,935.46	

(2) Fair value of collateral

Type of collateral	Closing fair value	Opening fair value
Stock	5,958,842,083.55	7,913,348,292.89
Capital	373,133,293.02	326,121,997.89
Fund	69,250,036.27	33,593,931.78
Bond	1,371,100.29	14,920,775.07
Total	6,402,596,513.13	8,287,984,997.63

Note: Above collateral is the collateral for fund lent.

(5) Fund lent with commitment conditions

The Company has no fund under outward finance designated as collateral for the "sold for repurchase" business on 31st Dec. 2022.

8. Transaction financial asset

Item	Closing fair value	Opening fair value
Financial asset classified as “measured by fair value and with its change being included into the Current Profit and Loss”	5,786,580,130.44	5,348,302,328.72
Incl: debt instrument investment	3,388,720,893.72	3,806,471,557.84
equity instrument investment	777,516,665.67	646,734,111.73
Other	1,620,342,571.05	895,096,659.15
Financial assets designated as “measured by fair value and with its change being included into the Current Profit and Loss”		
Incl:debt instrument investment		
Total	5,786,580,130.44	5,348,302,328.72

By 31st Dec. 2022, bond investment in an sum of RMB 2,791,470,778.86 in the transaction financial assets of the subsidiary Huajin Securities was pledged for the business of “sold for repurchase”, and RMB 81,937,471.54 in the transaction financial assets of the subsidiary Digitone was pledged for the loan.

By 31st Dec. 2022, bond investment in a sum of RMB 52,367,200.00 in the transaction financial assets of the Company was frozen for sale-back.

9. Derivative financial assets

Item	Closing balance			Opening balance		
	Non-hedging instrument			Non-hedging instrument		
	Nominal amount	Fair value		Nominal amount	Fair value	
		Asset	Liabilities		Asset	Liabilities
Income swap instrument				125,144,454.58	5,849,281.12	
Interest swap instrument	462,622,000.00					
Futures contract		37,746,491.20			13,157,094.40	
Total	462,622,000.00	37,746,491.20		125,144,454.58	19,006,375.52	

10. Notes receivables

(1) Notes by category

Type of notes	Closing balance			Opening balance		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
Bank acceptance bill	276,938,616.07		276,938,616.07	306,603,965.68		306,603,965.68
Commercial acceptance bill	56,200,137.50	3,310,723.87	52,889,413.63	181,765,062.00	3,477,704.57	178,287,357.43
Letter of credit				1,592,304.22		1,592,304.22
Total	333,138,753.57	3,310,723.87	329,828,029.70	489,961,331.90	3,477,704.57	486,483,627.33

(2). Withdrawal of bad debt reserve

Notes receivable by the method to withdraw bad debt reserve

Type	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items					
Bad debt reserve withdrawn by combinations	333,138,753.57	100.00	3,310,723.87	0.99	329,828,029.70
Combination of commercial acceptance bill	56,200,137.50	16.87	3,310,723.87	5.89	52,889,413.63
Combination of bank acceptance bill	276,938,616.07	83.13			276,938,616.07
Combination of letter of credit					-
Total	333,138,753.57	100.00	3,310,723.87	0.99	329,828,029.70

Notes receivable by the method to withdraw bad debt reserve (continued)

Type	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items					
Bad debt reserve withdrawn by combinations	489,961,331.90	100.00	3,477,704.57	0.71	486,483,627.33
Combination of commercial acceptance bill	181,765,062.00	37.10	3,477,704.57	1.91	178,287,357.43
Combination of bank acceptance bill	306,603,965.68	62.58			306,603,965.68
Combination of letter of credit	1,592,304.22	0.32			1,592,304.22
Total	489,961,331.90	100.00	3,477,704.57	0.71	486,483,627.33

(3)Bad debt reserve for notes receivable withdrawn, recovered or reversed in the current period

Type	Opening balance	Change in 2022					Closing balance
		Withdrawn	Increased from combination	Reversed	Canceled	Decrease from combination	
Notes receivables for which anticipated credit loss is withdrawn by single-item							
Notes receivables for which anticipated credit loss is withdrawn by combinations	3,477,704.57	43,135.86	652,195.31	862,311.87			3,310,723.87
Incl: combination of commercial acceptance bill	3,477,704.57	43,135.86	652,195.31	862,311.87			3,310,723.87
Total	3,477,704.57	43,135.86	652,195.31	862,311.87			3,310,723.87

(4). Closing balance of notes receivable already pledged

Type of notes	Closing balance already pledged
Bank acceptance bill	88,398,814.36
Letter of credit	96,527.00
Total	88,495,341.36

(5). Closing balance of notes receivable already endorsed or discounted but undue on the day of balance sheet

Type	Closing balance no longer recognized	Closing balance still recognized
Bank acceptance bill	2,000,000.00	112,323,720.82
Commercial acceptance bill		1,058,456.44
Total	2,000,000.00	113,382,177.26

(6). The closing balance of notes that are converted to account receivable since the issuer hasn't performed the contractual obligation

Type of notes	Closing balance of notes converted to account receivable
Commercial acceptance bill	20,335,060.52

(7). There is no notes receivable canceled after verification in the current period.

11. Account receivable

(1). By age

Age	Closing balance	Opening balance
< 1 year	5,494,475,850.22	7,494,191,237.82
1 to 2 years	2,219,620,097.06	926,122,675.96
2 to 3 years	798,431,987.38	2,072,836,963.49
> 3 years	2,473,495,206.83	911,940,304.05
Subtotal	10,986,023,141.49	11,405,091,181.32
Minus: bad debt reserve	1,219,644,651.98	913,244,099.50
Total	9,766,378,489.51	10,491,847,081.82

(2). Account receivable by the withdrawal method of bad debt reserve

Type	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items	469,977,947.04	4.28	374,209,205.01	79.62	95,768,742.03
Bad debt reserve withdrawn by combinations	10,516,045,194.45	95.72	845,435,446.97	8.04	9,670,609,747.48
Incl: combination of cooperative and joint operation enterprises	200,388,505.24	1.82			200,388,505.24
government payment	3,545,873,797.15	32.28	549,095.39	0.02	3,545,324,701.76
Combination of that within the Group	180,820,893.41	1.65			180,820,893.41
Combination of age	6,588,961,998.65	59.98	844,886,351.58	12.82	5,744,075,647.07
Total	10,986,023,141.49	100.00	1,219,644,651.98	11.10	9,766,378,489.51

Continued:

Type	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items	509,322,039.68	4.47	316,855,942.42	62.21	192,466,097.26
Bad debt reserve withdrawn by combinations	10,895,769,141.64	95.53	596,388,157.08	5.47	10,299,380,984.56
Incl: combination of	278,260,450.23	2.44			278,260,450.23

Type	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	%	Amount	Anticipated credit loss rate (%)	
cooperative and joint operation enterprises					
government payment	3,383,373,036.09	29.67	444,319.87	0.01	3,382,928,716.22
Combination of that within the Group	284,232,764.52	2.49			284,232,764.52
Combination of age	6,949,902,890.80	60.94	595,943,837.21	8.57	6,353,959,053.59
Total	11,405,091,181.32	100.00	913,244,099.50	8.01	10,491,847,081.82

Closing bad debt reserve withdrawn by single items

Debtor	Book balance	Bad debt reserve	Age	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Shanghai Zelun Petrochemical Co., Ltd	143,286,297.64	71,643,148.82	>3 years	50.00	amount anticipated to recover
Suzhou Paiteng Electronic Co., Ltd	35,991,528.31	35,991,528.31	>3 years	100.00	difficult to recover as anticipated
Shenzhen Ligete Photoelectric Co., Ltd	33,541,774.77	33,541,774.77	>3 years	100.00	difficult to recover as anticipated
Zhangjiajie Guanjun Real Estate Development Co., Ltd	29,448,888.88	29,448,888.88	>3 years	100.00	difficult to recover as anticipated
Shenzhen Xuri Zhixin Technology Co., Ltd	28,792,871.98	28,792,871.98	>3 years	100.00	difficult to recover as anticipated
Shenzhen Yuhao Photoelectric Co., Ltd	18,518,584.48	18,518,584.48	>3 years	100.00	difficult to recover as anticipated
Gezhouba Group Logistics Co., Ltd	17,026,734.31	11,918,714.02	>3 years	70.00	amount anticipated to recover
Shenzhen Youxinguang Technology Co., Ltd	15,373,605.31	15,373,605.31	>3 years	100.00	difficult to recover as anticipated
Sichuan Baishi Photoelectric Technology Co., Ltd	12,112,156.14	12,112,156.14	>3 years	100.00	difficult to recover as anticipated
Liuzhou Zeshen Investment Management Co., Ltd	10,876,377.45	10,876,377.45	>3 years	100.00	difficult to recover as anticipated
Tianjin Haihang Architectural Design Co., Ltd	8,769,696.21	7,015,756.97	>3 years	80.00	amount anticipated to recover

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Debtor	Book balance	Bad debt reserve	Age	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Zhaoxin Photoelectric Technology Inc.	7,255,549.65	5,299,970.05	2-3y: RMB 3,269,927.78 >3 y: RMB3,985,621.87	73.05	amount anticipated to recover
Guangdong Founder Suozheng Photoelectric Lighting Co., Ltd	6,849,854.23	6,849,854.23	>3 years	100.00	difficult to recover as anticipated
Guobang Optical Technology Inc.	5,930,212.18	5,930,212.18	>3 years	100.00	difficult to recover as anticipated
Jinzhou Liaoxi Cancer Hospital Co., Ltd	5,800,000.00	4,640,000.00	>3 years	80.00	amount anticipated to recover
Caohu Baosheng Tourism Development Co., Ltd	5,047,686.35	5,047,686.35	>3 years	100.00	difficult to recover as anticipated
Zhuhai Weiyuehui F&B & Entertainment Co., Ltd	4,884,201.31	4,884,201.31	2-3y:RMB1,705,276.43 ,>3y:RMB 3,178,924.88	100.00	difficult to recover as anticipated
Henan Zhongli International Hotel Development Co., Ltd	4,518,000.00	2,259,000.00	>3 years	50.00	amount anticipated to recover
Sanya Huayin Construction Engineering Co., Ltd	4,491,450.52	3,593,160.42	>3 years	80.00	amount anticipated to recover
Xi'an Loushitong Network Technology Inc.	4,444,023.55	4,444,023.55	>3 years	100.00	difficult to recover as anticipated
Jiangsu Miyou Photoelectric Technology Co., Ltd	4,116,245.10	4,116,245.10	>3 years	100.00	difficult to recover as anticipated
Wuhan Aoshan Donggao Real Estate Co., Ltd	3,874,644.56	1,937,322.28	>3 years	50.00	amount anticipated to recover
Zhuhai Yueye Bar Management Co., Ltd	3,378,565.12	2,205,799.91	1-2y: RMB 209,549.65 ,2-3y: RMB2,248,704.25 >3 y:RMB 920,311.22	65.29	amount anticipated to recover
Dalian Meiming Epitaxial Wafer Technology Co., Ltd	3,253,158.11	3,253,158.11	>3 years	100.00	difficult to recover as anticipated

Debtor	Book balance	Bad debt reserve	Age	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Sanya Suokun Tour Development Co., Ltd Golden Phoenix Seaview Hotel	3,183,438.16	3,183,438.16	>3 years	100.00	difficult to recover as anticipated
Shenzhen Jiguangwang Technology Inc.	3,152,042.06	3,152,042.06	>3 years	100.00	difficult to recover as anticipated
Foshan Nanhai Juncheng Real Estate Development Co., Ltd	2,904,414.94	2,904,414.94	>3 years	100.00	difficult to recover as anticipated
Zhongtai Construction Group Inc.	2,791,299.21	2,233,039.37	>3 years	80.00	amount anticipated to recover
Wanning Nanshan Rongchuang Industrial Co., Ltd	2,597,530.47	779,259.14	>3 years	30.00	amount anticipated to recover
Zhongbei Runliang New Energy Automobile (Xuzhou) Inc.	2,489,224.14	2,489,224.14	>3 years	100.00	difficult to recover as anticipated
Shanxi Yuyuan Real Estate Development Co., Ltd	2,450,000.00	1,960,000.00	>3 years	80.00	amount anticipated to recover
Wuhan Longyuan Cultural Tourism Ecology Construction Co., Ltd	2,370,816.28	711,244.88	>3 years	30.00	amount anticipated to recover
Ganzhou Old Fruit Farmer Agricultural and Sideline Products Co., Ltd	2,321,260.00	2,321,260.00	2-3years	100.00	difficult to recover as anticipated
Shenzhen Dikaite Battery Technology Co., Ltd	2,194,652.49	2,194,652.49	2-3years	100.00	difficult to recover as anticipated
Fujian Shengshi Lianbang Real Estate Development Co., Ltd	2,134,008.44	1,067,004.22	>3 years	50.00	amount anticipated to recover
Xinjiang Baoneng Investment Co., Ltd	1,848,641.83	1,478,913.46	>3 years	80.00	amount anticipated to recover
Shanxi International Power Group Real Estate Development Co., Ltd	1,777,154.07	1,421,723.26	>3 years	80.00	amount anticipated to recover
Huizhou Kanghong Real Estate Development Co., Ltd	1,715,993.93	1,715,993.93	>3 years	100.00	difficult to recover as anticipated

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Debtor	Book balance	Bad debt reserve	Age	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Zhejiang Zhongzhou Lighting Technology Co., Ltd	1,714,955.89	1,714,955.89	>3 years	100.00	difficult to recover as anticipated
Huizhou Tangpu Industry Co., Ltd	1,415,272.54	707,636.27	>3 years	50.00	amount anticipated to recover
Mingjing Real Estate (Shenyang) Co., Ltd	1,355,200.00	1,355,200.00	>3 years	100.00	difficult to recover as anticipated
Ruijie Technology Inc.	1,205,572.26	1,205,572.26	>3 years	100.00	difficult to recover as anticipated
Henan Yuanfang Trading City Development Co., Ltd	1,166,458.12	1,166,458.12	>3 years	100.00	difficult to recover as anticipated
Zhengzhou Bike Battery Co., Ltd	1,126,468.96	1,126,468.96	2-3y: RMB 153,944.06 ,>3y: RMB 972,524.9	100.00	difficult to recover as anticipated
Hainan Baotingyi Hot Spring Resort Co., Ltd	996,000.00	996,000.00	>3 years	100.00	difficult to recover as anticipated
Anhui Shenshan Tourism Development Co., Ltd	905,996.00	724,796.80	>3 years	80.00	amount anticipated to recover
Shenzhen Jinlihao Technology Co., Ltd	890,719.19	890,719.19	>3 years	100.00	difficult to recover as anticipated
Longguang Engineering Construction Co., Ltd	880,196.26	880,196.26	>3 years	100.00	difficult to recover as anticipated
Jiangsu Zhihang New Energy Co., Ltd	768,000.00	768,000.00	>3 years	100.00	difficult to recover as anticipated
Sanya Xi Island Dazhou Tourism Co., Ltd	654,499.90	654,499.90	>3 years	100.00	difficult to recover as anticipated
Zhuhai Maoye Merchandise Co., Ltd	605,905.43	605,905.43	>3 years	100.00	difficult to recover as anticipated
Jiangxi Hezhixin Investment Co., Ltd	591,763.93	295,881.97	>3 years	50.00	amount anticipated to recover
LGINNOTEKCO.,LTD.	535,275.55	535,275.55	>3 years	100.00	difficult to recover as anticipated
Liang Jie	513,937.17	513,937.17	>3 years	100.00	difficult to recover as anticipated
Yunnan Heyue Zongbang Hotel Management Co., Ltd	487,500.00	487,500.00	>3 years	100.00	difficult to recover as anticipated
Oppel Lighting Inc.	299,928.30	299,928.30	>3 years	100.00	difficult to recover as anticipated

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Debtor	Book balance	Bad debt reserve	Age	Anticipated credit loss rate (%)	Anticipated credit loss rate (%)
Taishan Yihe Hot Spring City Real Estate Development Co., Ltd	250,424.60	200,339.68	>3 years	80.00	amount anticipated to recover
Wuhu Dehao Runda Photoelectric Technology Co., Ltd	248,733.82	248,733.82	>3 years	100.00	difficult to recover as anticipated
Nancang Shuntai Real Estate Co., Ltd	246,680.78	123,340.39	>3 years	50.00	amount anticipated to recover
Shanghai Aoshan Industrial Co., Ltd	170,693.41	85,346.71	>3 years	50.00	amount anticipated to recover
Shenzhen Xiyerong Technology Inc.	152,500.00	152,500.00	>3 years	100.00	difficult to recover as anticipated
Fengbin Electronic (Shenzhen) Co., Ltd	121,158.99	121,158.99	>3 years	100.00	difficult to recover as anticipated
Fujian Jinboyi Energy Technology Co., Ltd	120,000.00	120,000.00	>3 years	100.00	difficult to recover as anticipated
Nancang Lizhou Real Estate Co., Ltd	96,416.60	48,208.30	>3 years	50.00	amount anticipated to recover
Jiangxi Hongcang Automobile Development Co., Ltd	54,171.29	27,085.65	>3 years	50.00	amount anticipated to recover
Nancang Junda Real Estate Development Co., Ltd	52,104.40	26,052.20	>3 years	50.00	amount anticipated to recover
Nancang Weiting Real Estate Co., Ltd	35,149.88	17,574.94	>3 years	50.00	amount anticipated to recover
Other	803,681.59	803,681.59	>3 years	100.00	difficult to recover as anticipated
TOTAL	469,977,947.04	374,209,205.01			

Closing bad debt reserve by combinations

Combination withdrawal items: combination of cooperative and joint operation enterprises

Age	Closing balance		
	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)
Within 1 year	187,985,531.27		
1-2 years	12,402,973.97		
2-3 years			
>3 years			
Total	200,388,505.24		

Continued:

Age	Opening balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Within 1 year	271,362,346.63		
1-2 years	6,579,368.34		
2-3 years	318,735.26		
Total	278,260,450.23		

Combination withdrawal items: combination of government payment

Age	Closing balance		
	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)
Less than 1 year	799,113,442.60	83,459.16	0.01
1-2 years	881,289,462.16	53,783.69	0.01
2-3 years	400,238,570.22	21,881.65	0.01
> 3 years	1,465,232,322.17	389,970.89	0.03
Total	3,545,873,797.15	549,095.39	0.02

Continued

Age	Opening balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Less than 1 year	930,693,211.52	113,229.30	0.01
1-2 years	472,009,666.11	63,027.64	0.01
2-3 years	1,824,988,588.42	247,045.96	0.01
> 3 years	155,681,570.04	21,016.97	0.01
Total	3,383,373,036.09	444,319.87	0.01

Combination withdrawal items: combination of that within the Group

Age	Closing balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Combination of that within the group	180,820,893.41		
Total	180,820,893.41		

continued

Age	Opening balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Combination of that within the group	284,232,764.52		
Total	284,232,764.52		

Combination withdrawal items: age combination

	Closing balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Less than 1 year	4,326,555,982.94	169,472,464.22	3.92
1 to 2 years	1,325,455,986.71	265,531,824.02	20.03
2 to 3 years	386,047,839.55	127,608,820.37	33.06
> 3 years	550,902,189.45	282,273,242.97	51.24
Total	6,588,961,998.65	844,886,351.58	12.82

Continued:

Age	Opening balance		
	Receivable	Bad debt reserve	Anticipated credit loss rate (%)
Less than 1 year	5,899,092,259.50	117,111,121.91	1.99
1 to 2 years	442,731,591.77	95,184,667.10	21.50
2 to 3 years	236,910,166.77	152,645,958.80	64.43
> 3 years	371,168,872.76	231,002,089.40	62.24
Total	6,949,902,890.80	595,943,837.21	8.57

(3) Receivables of top five debtors in terms of closing balance

Debtor	Book balance	Percentage of total receivable	Bad debt reserve
Zhuhai Jinwan District Finance Bureau	2,178,208,769.88	19.83	316,467.74
Zhuhai Bonded Area Administrative Committee	1,068,042,578.10	9.72	144,185.75
Shaoxing Chengbei Construction Engineering Co., Ltd	303,331,297.50	2.76	15,166,564.88
Zhuhai Finance Bureau	187,828,506.96	1.71	24,894.56
Guizhou Chuanda Telecommunication Equipment Co., Ltd	158,188,486.24	1.44	7,389,296.96
Total	3,895,599,638.68	35.46	23,041,409.89

(4). By 31st Dec. 2022, the amount of account receivable pledged for loan is RMB 735,761,813.82.

(5). There is no account receivable not longer recognized due to transfer of financial asset In the current period.

(6) There is no asset or liabilities resulting from that the Company has transferred the account receivable but continues to involve in.

12. Account receivable finance

(1). Account receivable finance

Type	Closing balance	Opening balance
Notes receivable	368,990,003.87	504,435,477.01
Account receivable	144,639,492.95	305,779,339.04
Total	513,629,496.82	810,214,816.05

(2). There is no account receivable finance pledged at end of the current period.

Type of notes	Closing balance already pledged
Bank acceptance bill	170,668,868.25
Total	170,668,868.25

(3) Closing balance of notes receivable already endorsed or discounted but undue on the date of balance sheet.

Type of notes	Closing balance no longer recognized
Bank acceptance bill	8,656,529,696.48
letter of credit	74,000,000.00
Total	8,730,529,696.48

13. Prepayment

(1) Prepayment by age

Age	Closing balance		Opening balance	
	Book balance		Book balance	
	Amount	Percentage	Amount	Percentage
Less than 1 year	2,308,035,752.18	32.20	3,689,446,515.43	48.74
Above 1 year	4,859,787,634.60	67.80	3,880,535,066.24	51.26
Total	7,167,823,386.78	100.00	7,569,981,581.67	100.00

(2) Large-amount prepayment with an age more than 1 year

Creditor	Debtor	Closing balance	Age	Reason of not settled
Zhuhai Huafa Urban Center Construction Holding Co., Ltd. Zhuhai Huafa Huasheng Construction Co., Ltd	Zhuhai Xiangzhou District Finance Bureau	2,758,600,104.25	2- 3y: RMB 2.7486billion >3y: other	relocation compensation payment is not settled yet
Huafa Inc.	Wuhan Land Transaction Center	805,000,000.00	>3years	win the land bid, but the land is not delivered yet
Huafa Inc.	Wuhan Public Resource Transaction Supervision and Management Bureau	769,457,326.00	1 to 2 years	win the land bid, but the land is not delivered yet
Zhuhai Huafa Huasheng Construction Co., Ltd	CAAC Zhuhai Air Traffic Control Station	71,686,070.89	>3years	relocation compensation payment is not settled yet
Huafa Inc.	Tongli Elevator Co., Ltd	52,979,479.25	1 to 2 years	Payment not settled yet
Total		4,457,722,980.39		

(3) Prepayment of top five debtors in terms of closing balance

Debtor	Book balance	Percentage of total prepayment (%)
Zhuhai Xiangzhou District Finance Bureau	2,758,600,104.25	38.49
Wuhan Public Resource Transaction Supervision and Management Bureau	1,781,911,693.21	24.86
Wuhan Land Transaction Center	805,000,000.00	11.23
Tongli Elevator Co., Ltd	157,336,849.30	2.20
Shanghai Mitsubishi Elevator Co., Ltd	90,593,449.81	1.26
Total	5,593,442,096.57	78.04

14. Other receivable

Item	Closing balance	Opening balance
Interest receivable	10,852,215.51	10,432,704.41
Dividend receivable	125,560,000.00	277,768,490.96
Other receivables	5,649,269,807.28	4,787,892,456.27
Total	5,785,682,022.79	5,076,093,651.64

(1) Interest receivable

Item	Closing balance	Opening balance
Interest receivable	10,852,215.51	10,432,704.41
Subtotal	10,852,215.51	10,432,704.41
Minus: bad debt reserve		
Total	10,852,215.51	10,432,704.41

(2) Dividend receivable

Item	Closing balance	Opening balance	Reason for not recovered	Whether impaired
Dividend receivable with an age less than 1 year	125,560,000.00	277,768,490.96		NO
Subtotal	125,560,000.00	277,768,490.96		
Minus: bad debt reserve				
Total	125,560,000.00	277,768,490.96		

(3) Other receivables

Age	Closing balance	Opening balance
less than 1 year	2,844,747,158.09	3,624,474,924.40
1 to 2 years	2,305,721,499.03	715,238,965.71
2 to 3 years	188,197,648.02	348,694,291.34
> 3 years	1,157,902,713.56	837,097,220.34
Subtotal	6,496,569,018.70	5,525,505,401.79
Minus: bad debt reserve	847,299,211.42	737,612,945.52
Total	5,649,269,807.28	4,787,892,456.27

A Classification by nature of funds

Nature of payment	Closing balance	Opening balance
Paid on behalf of others	1,055,914,003.27	319,045,592.56
Security deposit, deposit and provision	1,122,416,109.46	874,861,844.84
Trust guarantee fund	476,947,014.89	739,927,700.00
Government subsidy	154,357,500.00	186,709,492.10
Current account	3,134,899,348.23	3,217,765,215.80
Other	552,035,042.85	187,195,556.49
Total	6,496,569,018.70	5,525,505,401.79

B By withdrawal method of bad debt reserve

Category	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	Percentage %	Amount	Anticipated credit loss rate %	
Other receivable for which anticipated credit loss is withdrawn by single items	451,255,151.88	6.95	172,374,179.02	38.20	278,880,972.86

Category	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	Percentage %	Amount	Anticipated credit loss rate %	
Other receivable for which anticipated credit loss is withdrawn by combinations	6,045,313,866.82	93.05	674,925,032.40	11.16	5,370,388,834.42
Incl: combination of cooperative and joint operation enterprises	248,593,748.79	3.83			248,593,748.79
combination of government payment	980,347,454.26	15.09	1,323,469.06	0.13	979,023,985.20
Combination of internal staff account, provision and security bond	1,497,110,886.71	23.04	163,873,140.59	10.95	1,333,237,746.12
Age combination	3,319,261,777.06	51.09	509,728,422.75	15.36	2,809,533,354.31
Total	6,496,569,018.70	100.00	847,299,211.42	13.04	5,649,269,807.28

Continued:

Category	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	Percentage %	Amount	Anticipated credit loss rate %	
Other receivable for which anticipated credit loss is withdrawn by single items	104,052,895.27	1.88	104,052,895.27	100.00	
Other receivable for which anticipated credit loss is withdrawn by combinations	5,421,452,506.52	98.12	633,560,050.25	11.69	4,787,892,456.27
Incl: combination of cooperative and joint operation enterprises	588,747,958.93	10.66			588,747,958.93
combination of government payment	573,590,703.43	10.38	52,499.66	0.01	573,538,203.77
Combination of internal staff account, provision and security bond	948,510,611.48	17.17	52,812,951.69	5.57	895,697,659.79
Age combination	3,310,603,232.68	59.91	580,694,598.90	17.54	2,729,908,633.78
Total	5,525,505,401.79	100.00	737,612,945.52	13.35	4,787,892,456.27

(1). Other receivable for which anticipated credit loss is withdrawn by single items

Closing balance				
Unit	Book balance	Bad debt reserve	Withdrawal ratio %	Reason of withdrawal
Qinhuangdao Agency Logistics Co., Ltd	188,589,796.23	24,649,397.44	13.07	anticipated amount to recover
Zhuhai Founder Technology Multi-layer Circuit Board Co., Ltd	100,000,000.00			anticipated amount to recover
Zhuhai Economic Special Zone Nanping Enterprise Group Company	52,000,000.00	37,059,425.93	71.27	anticipated amount to recover
Zhuhai Finance Bureau	46,577,208.15	46,577,208.15	100.00	difficult to recover as anticipated
Zhuhai Economic Special Zone Yuehua Textile Dying Company	13,656,068.00	13,656,068.00	100.00	difficult to recover as anticipated
Project management fee paid on behalf of others	13,260,049.76	13,260,049.76	100.00	difficult to recover as anticipated
Zhuhai Shijia Cultural Broadcast Development Co., Ltd	10,000,000.00	10,000,000.00	100.00	difficult to recover as anticipated
Zhuhai Huichang Traffic Investment Co., Ltd	9,464,542.64	9,464,542.64	100.00	difficult to recover as anticipated
Zhuhai Economic Special Zone Huate Textile Plant	8,649,420.39	8,649,420.39	100.00	difficult to recover as anticipated
Zhuhai Huacheng Chemical Fiber Co., Ltd	2,381,000.00	2,381,000.00	100.00	difficult to recover as anticipated
Zhuhai Fashion Co., Ltd	2,000,000.00	2,000,000.00	100.00	difficult to recover as anticipated
Luo Jiancai	549,785.00	549,785.00	100.00	difficult to recover as anticipated
Chen Zhaosheng	113,000.00	113,000.00	100.00	difficult to recover as anticipated
Hubei Mengshi New Energy Technology Co., Ltd	100,000.00	100,000.00	100.00	difficult to recover as anticipated
Shenzhen Anbeir Technology Co., Ltd	81,900.00	81,900.00	100.00	difficult to recover as anticipated
Zhuhai Jinding Ruisixiang Shopping Mall	73,680.00	73,680.00	100.00	difficult to recover as anticipated
Dongfang Village Committee	63,000.00	63,000.00	100.00	difficult to recover as anticipated

Shenzhen Baoan District Guanlan Hongchang Metal Foundry	50,014.00	50,014.00	100.00	difficult to recover as anticipated
Xiangquan Vegetable Distribution Center	46,925.13	46,925.13	100.00	difficult to recover as anticipated
Xinhui Precision Hardware Plant	20,000.00	20,000.00	100.00	difficult to recover as anticipated
Songgang Town Water Supply Co., Ltd	15,000.00	15,000.00	100.00	difficult to recover as anticipated
Guangzhou Shanxing Precision Machinery Co., Ltd	13,302.00	13,302.00	100.00	difficult to recover as anticipated
Other	3,550,460.58	3,550,460.58	100.00	difficult to recover as anticipated
Total	451,255,151.88	172,374,179.02	38.20	difficult to recover as anticipated

(2). Other receivable for which bad debt reserve is withdrawn based on the combination of credit risk features.

Combination of current account with cooperative and joint operation enterprises

Age	Closing balance			Opening balance		
	Book balance		Bad debt reserve	Book balance		Bad debt reserve
	Amount	Percentage %		Amount	Percentage %	
<1 year	6,386,253.15	2.57		346,396,943.73	58.84	
1-2 years	108,645,382.82	43.70		72,454,522.60	12.31	
2-3 years	9,984,082.82	4.02		60,577,123.50	10.29	
>3 years	123,578,030.00	49.71		109,319,369.10	18.56	
Total	248,593,748.79	100.00		588,747,958.93	100.00	

Combination of government payment

Age	Closing balance			Opening balance		
	Book balance		Bad debt reserve	Book balance		Bad debt reserve
	Amount	Percentage %		Amount	Percentage %	
<1 year	626,971,237.00	63.95	846,411.17	542,762,810.99	94.63	49,678.04
1-2 years	333,548,919.89	34.03	450,291.04	8,328,839.96	1.45	762.32
2-3 years	7,556,622.43	0.77	10,201.44	11,425,104.70	1.99	1,045.72
>3 years	12,270,674.94	1.25	16,565.41	11,073,947.78	1.93	1,013.58
Total	980,347,454.26	100.00	1,323,469.06	573,590,703.43	100.00	52,499.66

Combination of security bond, internal staff account and provision

Age	Closing balance			Opening balance		
	Book balance		Bad debt reserve	Book balance		Bad debt reserve
	Amount	Percentage		Amount	Percentage	
<1 year	716,369,215.41	47.85	52,225,654.52	889,581,181.78	93.79	48,042,707.96
1-2 years	722,625,762.82	48.27	85,775,678.05	41,591,878.69	4.38	2,198,420.92
2-3 years	40,174,379.64	2.68	14,462,776.67	11,030,603.53	1.16	1,142,280.85
>3 years	17,941,528.84	1.20	11,409,031.35	6,306,947.48	0.67	1,429,541.96
Total	1,497,110,886.71	100.00	163,873,140.59	948,510,611.48	100.00	52,812,951.69

Age combination

Age	Closing balance			Opening balance		
	Book balance		Bad debt reserve	Book balance		Bad debt reserve
	Amount	Percentage		Amount	Percentage	
<1 year	1,287,495,262.63	38.79	64,433,354.02	2,145,733,987.90	64.82	209,533,208.99
1-2 years	1,038,100,912.97	31.28	185,323,537.77	202,055,724.46	6.10	33,366,918.00
2-3 years	125,084,725.10	3.77	31,438,044.33	265,661,459.61	8.02	93,102,836.05
>3 years	868,580,876.36	26.16	228,533,486.63	697,152,060.71	21.06	244,691,635.86
Total	3,319,261,777.06	100.00	509,728,422.75	3,310,603,232.68	100.00	580,694,598.90

(3). Closing balance of other receivable of top five debtors

Debtor	Nature	Book balance	Age	Percentage of total of other account receivable (%)	Bad debt reserve
Beijing Dongfei Chuangxin Trading Co., Ltd	current account	500,357,605.88	<1y: RMB 0,372,973.74; 1-2 y: RMB 488,610,936.14; >3y: RMB 1,373,696.00	7.70	16,648,338.90
Zhuhai Hi-tech Huafa Industry New Space Park Comprehensive Service Co., Ltd	Paid for construction of municipal works on agency basis	335,928,184.02	<1y	5.17	
Zhuhai Finance Bureau	Paid for construction of municipal works on agency basis	332,854,959.82	<1y: RMB 3,723,276.60, 1-2y: RMB 2,976,701.85, 2-3y: RMB 286,406,033.24, >3y: RMB 39,748,948.13	5.12	46,623,750.44
Shenzhen Dixin Juhe Telecommunication Technology Co., Ltd	current account	300,298,852.39	2-3: RMB 28,798,852.39, > 3y: other	4.62	16,385,902.19
Inter-bank Market Clearing House Inc.	current account	250,000,000.00	<1y: RMB150,000,000.00, 1-2y: 100,000,000.00	3.85	
Total		1,719,439,602.11		26.46	79,657,991.53

(4). The amount of other receivable pledged for “sold for repurchase” financial asset was RMB 250,000,000.00 by 31st Dec. 2022.

(5). There is no other receivable no longer recognized due to transfer of financial assets in the current period.

(6) There is no assets and liabilities arising from continual involvement after transfer of account receivable in the current period.

15. Redemptory financial asset for sale

(1) By target

Item	Closing balance	Opening balance
Stocks	82,239,230.84	369,972,127.43
Bonds	3,905,177,000.00	2,493,829,141.39
Incl: Corporate bonds		250,333,141.39
Financial bonds	1,284,815,000.00	256,500,000.00
Deposit certificates	2,620,362,000.00	1,986,996,000.00
Standard bonds		
Subtotal	3,987,416,230.84	2,863,801,268.82
Minus: Impairment reserve	59,546,975.71	88,283,076.24
Total	3,927,869,255.13	2,775,518,192.58

(2) By business

Item	Closing balance	Opening balance
Bond pledge-type repurchase		250,333,141.39
Securities agreed to repurchase	3,905,177,000.00	2,243,496,000.00
Bond pledge repurchase	82,239,230.84	369,972,127.43
Minus: Impairment reserve	59,546,975.71	88,283,076.24
Total	3,927,869,255.13	2,775,518,192.58

(3) By residual period

Residual period	Closing balance	Opening balance
< 1 months	3,987,416,230.84	2,723,531,768.82
1- 3 months		
3 months to 1 year		140,269,500.00
> 1 year		
Minus: impairment reserve	59,546,975.71	88,283,076.24
Total	3,927,869,255.13	2,775,518,192.58

(4). Redemptory financial asset for sales with commitment conditions

The Company has no redemptory financial assets for sale through bond buyout to pledge for the sale and repurchase business by 31st Dec. 2022.

16. Stock

(1) By category

Item	Closing balance			Opening balance		
	Book balance	falling price reserve/ contract performance cost impairment reserve	Book value	book balance	falling price reserve/ contract performance cost impairment reserve	Book value
Raw material	455,585,430.04	17,929,425.45	437,656,004.59	511,468,715.35	3,742,918.75	507,725,796.60
Circulation material	63,324,951.66	1,028,695.45	62,296,256.21	83,785,974.37	655,912.39	83,130,061.98
Inventory commodity	2,718,888,010.48	222,012,045.23	2,496,875,965.25	2,772,967,584.10	104,197,931.70	2,668,769,652.40
Product in process	220,755,025.67	5,746,395.42	215,008,630.25	127,458,088.01	4,188,843.02	123,269,244.99
Self-produced semi-finished product	383,253,739.57	88,550,785.57	294,702,954.00	310,753,648.47	36,719,573.60	274,034,074.87
Entrusted to process materials	183,953.75		183,953.75	98,127.94		98,127.94
Biological asset	12,961,998.96		12,961,998.96			
Development cost	252,288,122,660.71	382,465,476.80	251,905,657,183.91	233,381,229,909.26		233,381,229,909.26
Development products	61,884,078,498.57	375,843,190.72	61,508,235,307.85	45,133,585,335.15	9,136,598.58	45,124,448,736.57
Lease products	1,615,283,942.79		1,615,283,942.79	950,894,833.42		950,894,833.42
Lease commodity	93,692.68		93,692.68			
Commodity dispatched	301,774,048.42	1,103,697.35	300,670,351.07	209,685,503.51		209,685,503.51
Goods in transit	32,691,598.42		32,691,598.42	147,691,223.82		147,691,223.82
Project construction	1,485,526.59		1,485,526.59	1,329,315.97		1,329,315.97
Cost to perform the contract	619,158,548.25	7,837,388.52	611,321,159.73	374,258,307.84	8,604,764.83	365,653,543.01
Total	320,597,641,626.56	1,102,517,100.51	319,495,124,526.05	284,005,206,567.21	167,246,542.87	283,837,960,024.34

(2). Stock falling price reserve and contract performance cost impairment reserve

Stock	Opening	Current increment			Current decrease		Closing
		Withdrawal	Other	Reversed	Written-off	Other	
Raw material	3,742,918.75	14,268,721.01	1,858,478.41	3,306.21	1,937,386.51		17,929,425.45
Circulation material	655,912.39	1,028,695.45			655,912.39		1,028,695.45
Inventory commodity	104,197,931.70	189,716,335.59	1,908,081.24	124,818.85	73,685,484.45		222,012,045.23

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Stock	Opening	Current increment			Current decrease		Closing
		Withdrawal	Other	Reversed	Written-off	Other	
Product in process	4,188,843.02	2,632,697.99	3,413,661.33		4,488,806.92		5,746,395.42
Self-produced semi-finished product	36,719,573.60	66,927,773.56			15,096,561.59		88,550,785.57
Development cost		382,465,476.80					382,465,476.80
Development product	9,136,598.58	375,843,190.72			9,136,598.58		375,843,190.72
Commodity dispatched			1,487,434.58	250,432.67	133,304.56		1,103,697.35
Cost to perform the contract	8,604,764.83	1,084,331.63		1,851,707.94			7,837,388.52
Total	167,246,542.87	1,033,967,222.75	8,667,655.56	2,230,265.67	105,134,055.00		1,102,517,100.51

Remarks on stock falling price reserve

- 1). The Company determines the realizable net value of the development cost based on the balance of the estimated sales price of a single real estate project after completion minus the estimated cost to occur until completion, estimated sales expense and relevant tax and expense until completion.
- 2). The Company determines the realizable net value of the development product based on the balance of the estimated sales price minus the estimated sales expense and relevant tax and expense.
- 3). The Company determines the realizable net value of the inventory commodity and commodity dispatched based on the balance of the estimated sales price minus the estimated sales expense and relevant tax and expense.
- 4). The Company determines the realizable net value of the the contract performance cost based on the anticipated recoverable amount through settlement for single contracts.
- 5). The Company determines the value of raw materials, products in process and self-produced semi-finished products by the balance of the estimated price minus the cost estimated to occur to completion, estimated sales expense and related tax and charges.

(3) Details of development cost

	Project Name	Start-up time	Estimated completion time	Estimated total investment	Closing balance	Opening balance
1	Zhuhai Huafa Aquatic Villa Garden	2013	2023	1,253,193.67	1,802,877,271.55	2,514,992,890.41
2	Zhongshan Huafa Guan Shan Shui	2013	2024	549,829.98	1,559,974,248.38	867,773,496.43
3	Dalian Huafa Green Ocean Villa	2014	2023	236,627.00	1,478,050,485.44	1,269,172,471.69
4	Shenyang Huafa New City	2014	2022	633,262.06		492,962,441.23
5	Weihai Huafa Jiulong Bay	2014	2025	1,074,820.00	1,596,620,951.96	1,570,170,770.96
6	Zhuhai Green Ocean Bay Garden	2014	2022	495,384.84		546,739,141.53
7	Zhuhai Huafa Fengjing Bay Garden	2014	2025	323,499.57	595,565,921.77	424,714,720.99
8	Zhuhai Huafa Shizimen International Garden	2014	2024	759,817.03	2,784,164,260.84	2,436,635,740.31
9	Wuhan Huafa Bund Mansion	2016	2023	579,563.45	2,510,402,967.31	2,862,928,615.89

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	Project Name	Start-up time	Estimated completion time	Estimated total investment	Closing balance	Opening balance
10	Suzhou Gushu Garden	2016	2023	548,773.00	1,721,444,676.08	
11	Suzhou Taicang Courtyard	2017	2022	350,000.00		159,398,918.97
12	Wuhan Huafa Central Park	2017	2023	148,920.12	1,232,892,743.66	1,067,921,072.05
13	Nanjing Huafa Zilin Mansion	2017	2022	253,677.00		100,013,196.00
14	Wuxi Xinyue Mansion	2018	2023	625,439.00	530,199,800.99	1,847,440,051.80
15	Qingdao Huafa Four Season	2018	2022	224,946.00		592,961,997.01
16	Ezhou Wutong Lake International Community	2018	2026	653,849.94	2,024,140,484.70	4,283,594,231.30
17	Zhuhai Urban Construction International Coastal Garden	2017	2024	846,599.00	2,086,607,142.68	1,422,914,334.60
18	Zhuhai Bonded Area R&D Center	2019	2025	288,236.00	542,465,726.11	541,104,303.14
19	Hangzhou Jiulongcang Huafa Tianhui Mansion	2019	2022	517,034.00		4,700,374,013.04
20	Beijing Huafa Central Park	2019	2025	482,792.00	1,298,565,933.74	3,900,314,895.83
21	Huafa Jinmao International Community	2019	2023	443,915.05	1,687,676,703.85	3,005,605,313.75
22	Tianjin Huafa Future Mansion	2019	2022	76,360.00		676,509,966.42
23	Zhuhai Huafa Future City Garden	2019	2022	189,381.81		1,604,047,900.67
24	Shanghai Huafa Merchant Yiyun Four Season	2019	2022	248,598.62		1,020,976,668.41
25	Jiangmen Huafa Fengjing Bay	2019	2022	110,659.27		885,136,501.38
26	Zhanjiang Huafa New City Garden	2019	2024	1,500,000.00	3,734,162,260.75	4,337,626,209.26
27	Yantai Huafa Guan Shan Shui	2019	2023	72,874.72	603,347,915.09	421,355,749.99
28	Shanghai Sishui Heming	2019	2022	480,368.64		3,741,203,794.63
29	Shanghai Xingguang Mansion	2019	2022	142,246.19		1,341,713,496.35
30	Zhuhai Huafa Yuegu Mansion	2019	2022	137,911.88		1,323,842,318.11
31	Jiangmen Huafa Four Season Phase 2	2019	2022	207,526.24		1,723,465,169.55
32	Dalian Huafa Villa	2020	2022	122,243.00		963,199,572.04
33	Shenyang Heping Capital	2020	2025	590,254.00	1,417,375,305.06	4,165,345,385.50
34	Zhongshan Huafa Capital	2020	2022	97,184.59		872,255,483.11
35	Chongqing Huafa Four Season Peninsula	2020	2023	190,133.68	1,181,778,104.18	1,596,669,173.81
36	Zhengzhou Huafa Fengjing Bay	2020	2023	356,485.00	2,472,097,049.47	2,160,092,461.40
37	Changshu Artificial Smart Industry Park	2020	2023	438,207.00	1,165,891,838.60	2,509,252,993.03
38	Shaoxing International Financial Vitality City	2020	2024	1,909,367.00	11,404,380,206.02	10,501,526,061.47
39	Zhuhai Huafa Tianmao Peninsula Garden	2020	2023	374,759.08	3,278,660,318.12	2,687,436,798.80
40	Suzhou Qianyue Jingting Mansion	2020	2023	559,051.34	2,185,096,509.25	4,670,551,444.78
41	Shanghai Huafa Four Season Peninsula	2020	2023	919,474.00	8,203,070,200.74	7,644,240,881.56
42	Nanjing Zhongshan Fengjing Mansion	2020	2023	1,038,446.02	6,785,458,727.54	8,038,583,382.80
43	Hangzhou Huafa Feng Hui	2020	2023	299,000.00	2,361,545,063.20	2,093,442,902.24
44	Zhuhai Metropolitan Four Season	2020	2023	369,592.38	3,417,956,457.06	2,899,960,033.28
45	Guangzhou Huafa Yuexiu Heyue Mansion	2020	2024	1,100,679.00	9,425,453,139.97	8,711,124,513.98
46	Suzhou Star Ocean	2020	2023	180,000.00	1,414,845,233.04	1,053,899,468.80

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	Project Name	Start-up time	Estimated completion time	Estimated total investment	Closing balance	Opening balance
47	Kunming Rongchuang Huafa Cultural Tourist City	2020	2025	1,764,124.86	8,406,364,171.05	7,071,274,592.28
48	Wuxi Central Capital	2021	2024	911,217.00	6,667,679,806.79	5,685,196,396.21
49	Zhuhai Huafa New Economy Headquarter Building	2020	2026	531,149.00	847,308,078.95	845,231,416.13
50	Wuhan Midtown Mansion Phase 2	2019	2023	884,367.29	2,508,759,002.42	6,102,073,766.14
51	Wuhan Huafa Park Capital	2021	2025	1,671,225.00	11,615,330,551.64	10,438,241,837.55
52	Wuhan Huafa Duhui Horizon	2021	2028	1,499,494.57	5,095,435,920.30	4,202,456,595.79
53	Chengdu Jinjiang Courtyard (Chongde)	2021	2023	147,408.14	1,390,388,098.06	1,109,596,524.05
54	Chengdu Jinjiang Courtyard (Zhanghua)	2021	2023	159,313.68	1,547,975,922.96	1,353,378,597.70
55	Nanjing Huafa Meidi Yunzhu	2021	2024	298,143.00	2,390,251,118.69	2,154,095,221.84
56	Xi'an Huafa Chang'an Capital	2021	2023	402,047.56	3,064,299,516.39	2,583,403,266.84
57	Taicang Haiyun Dam	2021	2022	32,714.00		127,342,975.52
58	Foshan Huafa Riverside Mansion	2021	2024	1,083,859.72	2,383,486,295.54	1,876,038,316.53
59	Xuzhou Qingcui Four Season Garden	2021	2024	160,999.62	1,326,882,461.23	1,156,649,023.86
60	Yiwu Huafa Jiangyingyue	2021	2023	479,986.97	3,995,573,060.25	3,475,708,938.00
61	Wuxi Huafa Four Season	2021	2024	223,481.00	1,708,607,601.09	1,431,259,613.85
62	Shenyang Huafa Longhu Tianyao Mansion	2022	2024	461,614.00	3,175,104,274.25	2,599,077,140.47
63	Shenyang Huafa Four Season	2022	2024	123,645.00	1,092,709,346.36	773,050,766.02
64	Nanjing Four Season Yazhu Mansion	2021	2024	485,630.95	3,541,113,218.31	2,973,614,401.76
65	Jiangmen Huafa Riverside	2021	2023	58,372.90	484,785,307.17	366,537,665.42
66	Huizhou Bozuan Four Season	2020	2023	390,200.63	2,257,042,413.14	
67	Nanjing Zijing Four Season Garden	2021	2024	485,000.00	3,354,197,017.39	
68	Shanghai Suhe Century	2021	2024	645,887.00	5,017,507,584.69	
69	Weihai Jindi Huafa Fengfan Mansion	2021	2023	128,395.00	782,828,326.10	
70	Zhuhai Huafa Tianhui Saqre	2022	2024	810,393.56	3,409,835,541.38	
71	Zhuhai Huafa Xianghai Lake	2022	2024	135,746.14	889,959,676.69	
72	Shanghai Huafa Manyun Mansion	2022	2024	451,035.02	3,315,364,368.15	
73	Hangzhou Huafa Riverside	2022	2025	548,315.55	4,660,929,223.26	
74	Zhongshan Huafa Mansion No.1	2022	2024	141,189.46	765,707,687.80	
75	Shanghai Huafa Four Season Riverside	2022	2024	565,000.00	3,360,873,680.57	
76	Shanghai Huafa Peninsula Mansion	2022	2025	695,000.00	4,813,742,843.56	
77	Hangzhou Huafa Yuewang Mansion	2022	2025	209,400.00	1,232,066,087.69	
78	Shanghai Huafa Gumei Mansion	2022	2025	341,108.33	3,064,041,402.63	
79	Shanghai Huafa Manyue Mansion	2022	2024	146,317.50	1,021,733,243.22	
80	Shanghai Jing'an Film Studio Project	2023	2025	650,000.00	4,573,396,932.77	
81	Chengdu Sansheng Village 32mu plot	2023	2025	124,143.06	665,497,361.15	
82	Hongyuntai	2010	/	1,500.00	13,839,122.63	13,839,122.63

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83	Shizimen Central Business District (secondary development)	2009	2025	5,815,993.00	18,035,505,046.21	22,897,202,598.83
84	Shizimen Central Business District (primary development)	2009	2025	770,693.00	1,494,878,786.73	1,908,199,638.92
85	Zhuhai Hall of Arts	2012	2022	41,414.69		347,814,954.79
86	Fushan Industrial New City	2015	2022	600,000.00		899,640,990.37
87	Huafa Future Chengyue Garden	2020	/	53,079.00	50,101,037.16	45,791,442.23
88	Huafa Future Four Season Garden	2020	/	42,276.00	38,513,811.10	36,457,263.24
89	Huafa Future Diecui Garden	2020	2023	110,111.00	587,125,724.48	393,726,693.08
90	Technical Innovation Coast (Beiwei) Area Project	2015	2025	593,000.00	323,914,808.31	263,314,775.26
91	Doumen "One River Two Banks" Comprehensive Development Project	2015	2022	200,000.00		9,760,039.65
92	Jinwan Aviation City Project	2013	2024	350,000.00	73,300,933.38	17,483,211.03
93	Urban Center Phase 1 Project	2020	2028	1,924,900.00	2,280,806,992.67	1,558,459,429.90
94	Zhuhai People's Hospital North Second Zone	2021	2023	82,838.20	281,597,826.92	197,656,079.73
95	City Funeral Service Relocation Project	2021	2023	43,000.00	130,356,206.51	53,811,672.68
96	Hengqin International Financial Building Project	2013	2023	309,692.00	139,959,739.11	
97	Bonded Area Phase 2 Land Development	2014	2025	351,378.00	51,676,302.10	43,476,024.85
98	Hi-tech Tangjia Headquarter Base A, C1 Plot	/	/	/	1,120,771,004.54	1,119,883,036.85
99	Nanping Tech Industrial Park Complementary Works	2016	2023	12,871.00	103,983,592.98	94,293,431.69
100	Beishan District City Upgrade	2019	2027	1,510,000.00	3,094,793,823.69	2,426,729,696.57
101	Zhuhai Hengqin International Transaction Square	2018	2024	301,981.20	1,258,100,749.18	1,081,256,547.19
102	Henglin Insurance Financial Headquarter Building	2019	2025	237,026.00	1,061,464,917.46	1,017,641,651.77
103	Huafa Zhigu Wafer Square	2018	2023	176,255.30	158,953,820.95	1,033,110,554.20
104	Fushan Industrial Park Industrial Service Center	2018	2022	48,891.00		151,292,165.47
105	Zhuhai Fushan Industrial Park Startup Zone Innovation Center	2018	/	129,303.00	494,986,538.29	444,427,318.63
106	Zhuhai Fushan Industrial Park Startup Zone Neighborhood Center	2020	/	10,282.00	86,988,689.90	83,056,612.52
107	Fushan Industrial Park Smart Manufacture Town Residential Center	2019	2024	236,785.00	1,584,023,134.16	1,901,943,769.21
108	Gongbei Inspection Building	/	/	/	3,612,798.77	4,421,248.15
109	Shengboli Innovation Park Project	2019	2023	62,000.00	68,778,303.70	417,264,964.74
110	Worker Cultural Hall Complex Project	2020	2024	550,000.00	3,899,461,996.49	3,582,490,236.89

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	Project Name	Start-up time	Estimated completion time	Estimated total investment	Closing balance	Opening balance
111	Zhuhai Citizen Service Center	2021	2024	192,124.00	246,675,508.66	43,850,926.30
112	Zhuhai People's Hospital Main Building Project (Phase 1)	2021	2025	77,600.00	34,022,404.69	18,027,177.33
113	Yuhua Polyester reform project	2022	2025	1,871,000.00	134,133,090.04	76,271,433.84
114	Tangjia Houhuan Land Development	/	/	/	19,050,693,999.49	17,637,338,236.67
115	Huafa QinAO Four Season Garden Plot No. 4	2023	2025	102,000.00	562,997,549.67	
116	Shizimen Neighborhood Center	2023	2025	106,905.00	529,778,120.53	
117	Qin'ao Bay Garden	2022	2023	286,924.00	1,313,675,345.83	
118	ZZRZC 2022-23 Plot	/	/	777,142.00	3,466,351,369.50	
119	Kechuang Beiwei Xingzhou Road Southern Plot	2023	2025	253,100.00	1,336,355,604.23	
120	Other	/	/	/	2,246,399,171.86	4,985,878,959.79
Total	Total				252,288,122,660.71	233,381,229,909.26

(4) Details of development products

No.	Project Name	First phase completion time	Opening balance	Current increment	Current decrease	Closing balance
1	Baotou Huafa New City	2012	894,491,494.34	35,072,900.88	126,718,799.65	802,845,595.57
2	Dalian Huafa New City	2012	394,516,788.05		44,252,767.55	350,264,020.50
3	Zhuhai Huafa Aquatic Villa Garden	2015	1,076,384,865.41	1,816,037,921.77	1,050,778,809.96	1,841,643,977.22
4	Zhuhai Huafa Riverside Garden	2015	647,288,819.96		18,319,285.22	628,969,534.74
5	Zhuhai Huafa Villa	2016	1,421,952,173.52		383,305,816.84	1,038,646,356.68
6	Weihai Huafa Jiulong Bay	2017	463,997,946.86	105,973,080.64	53,729,340.38	516,241,687.12
7	Zhuhai Huafa Capital	2017	2,226,870,624.34		115,978,983.50	2,110,891,640.84
8	Zhongshan Huafa Guan Shan Shui	2017	1,421,867,250.11		280,423,247.71	1,141,444,002.40
9	Guangzhou Li Wan Hui Project	2017	522,591,205.29		38,815,297.50	483,775,907.79
10	Wuhan Huafa Future Mansion	2018	925,976,516.85		5,058,448.85	920,918,068.00
11	Zhuhai Huafa Shizimen International Garden	2018	499,165,160.09		125,382,112.40	373,783,047.69
12	Zhuhai Huafa Hillside Villa	2018	613,523,080.81		247,701,001.03	365,822,079.78
13	Zhuhai Jinwan International Business Center	2019	1,815,884,230.97		18,003,832.07	1,797,880,398.90
14	Wuhan Huafa Bund Capital	2019	557,071,914.86		101,717,132.91	455,354,781.95
15	Suzhou Gushu Garden	2019		1,078,076,444.27	818,387,345.90	259,689,098.37
16	Wuxi Xinyue Mansion	2020	650,349,124.77	1,485,998,957.11	2,112,297,125.81	24,050,956.07

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No.	Project Name	First phase completion time	Opening balance	Current increment	Current decrease	Closing balance
17	Dalian Wanke Huafa Guanxian Mansion	2020	2,243,968,213.72		866,173,264.58	1,377,794,949.14
18	Wuhan Huafa Fengshang	2020	421,838,089.55		148,580.79	421,689,508.76
19	Shenyang Huafa New City	2020	1,254,901,714.39	756,328,278.62	676,608,351.45	1,334,621,641.56
20	Foshan Huafa Four Season	2020	2,427,429,120.49		1,992,503,810.83	434,925,309.66
21	Zhuhai Green Ocean Bay Garden	2020	1,995,906,085.90	565,252,611.98	1,153,177,503.75	1,407,981,194.13
22	Wuhan Huafa Jinmaoyi Villa	2020	185,649,139.55	1,392,182,599.62	886,726,529.40	691,105,209.77
23	Rongcheng Huafa Sakura Lake	2020	915,887,839.35		72,421,369.57	843,466,469.78
24	Huafa Yidao Mansion	2021	539,591,143.44	44,616,117.91		584,207,261.35
25	Zhuhai Huafa Entrepreneur Building	2021	1,350,009,438.42		125,130,967.90	1,224,878,470.52
26	Nanjing Huafa Zilin Mansion	2021	2,048,410,202.17	109,591,512.41	1,085,503,256.89	1,072,498,457.69
27	Qingdao Huafa Four Season	2021	484,140,171.82	764,349,887.42	211,771,189.37	1,036,718,869.87
28	Dalian Huafa Hua Jian Yue	2021	570,254,006.92		14,759,539.64	555,494,467.28
29	Zhuhai Zhongyi Industrial Center	2021	1,528,479,408.62		990,288,573.10	538,190,835.52
30	Wuhan Huafa Four Season	2021	1,842,467,156.45		6,747,483.86	1,835,719,672.59
31	Wuhan Huafa Times	2021	1,564,075,661.95		2,441,090.86	1,561,634,571.09
32	Wuhan Midtown Mansion Phase 2	2021	11,590,183.30	4,188,641,841.91	3,878,582,291.59	321,649,733.62
33	Chengdu Jinjiang Capital	2021	1,734,362,086.52		1,574,600,360.76	159,761,725.76
34	Zhanjiang Huafa New City Garden	2021	61,187,896.83	1,171,818,416.53	1,190,458,964.95	42,547,348.41
35	Shanghai Huafa Merchant Yiyun Four Season	2021	100,562,099.84	1,250,911,937.50	1,233,369,278.67	118,104,758.67
36	Beijing Huafa Central Park	2022		2,901,883,777.77	2,589,453,110.03	312,430,667.74
37	Tianjin Huafa Future Mansion	2022		764,514,067.59	444,485,400.75	320,028,666.84
38	Chongqing Huafa Four Season Peninsula	2022		590,383,427.28	504,244,574.94	86,138,852.34
39	Zhongshan Huafa Capital	2022		958,511,158.57	897,859,246.65	60,651,911.92
40	Shanghai Xingguang Mansion	2022		1,434,790,784.18	1,194,559,148.43	240,231,635.75
41	Hangzhou Jiulongcang Huafa Tianhui Mansion	2022		4,889,896,202.64	4,736,286,582.91	153,609,619.73
42	Hangzhou Jinlin Yunhui Mansion	2022		3,665,995,667.19	3,536,853,297.27	129,142,369.92
43	Tianjin Huafa Jingruiyue Horizon	2022		579,797,153.53	323,926,024.09	255,871,129.44
44	Shaoxing International Financial Vitality City	2022		1,508,964,520.56	1,440,368,561.09	68,595,959.47
45	Zengcheng Huafa Fengshang Garden	2022		1,650,696,359.37	1,415,230.97	1,649,281,128.40
46	Shanghai Sishui Heming	2022		3,863,763,768.41	3,061,984,601.72	801,779,166.69
47	Zhuhai Huafa Future New City	2022		2,079,662,672.73	23,072,117.54	2,056,590,555.19

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No.	Project Name	First phase completion time	Opening balance	Current increment	Current decrease	Closing balance
48	Changshu Artificial Smart Industry Park	2022		1,841,001,954.95	499,434,799.54	1,341,567,155.41
49	Zhuhai Huafa Yuegu Mansion	2022		1,427,765,895.03		1,427,765,895.03
50	Wuhan Huafa Bund Mansion	2022		956,823,682.46	331,781,678.91	625,042,003.55
51	Wuhan Huafa Jinmao International Community	2022		2,057,411,315.36	1,146,253,153.75	911,158,161.61
52	Ezhou Wutong Lake International Community	2022		1,531,276,763.06	91,945,613.03	1,439,331,150.03
53	Dalian Huafa Villa	2022		1,273,208,822.68	411,105,753.88	862,103,068.80
54	Jiangmen Huafa Four Season Phase 2	2022		2,152,592,498.94	1,475,094.08	2,151,117,404.86
55	Suzhou Qianyue Jingting Mansion	2022		3,255,859,923.45	1,992,948,485.01	1,262,911,438.44
56	Taicang Haiyun Dam project	2022		451,882,017.68		451,882,017.68
57	Nanjing Zhongshan Fengjing Mansion	2022		3,154,085,215.27		3,154,085,215.27
58	Shenyang Heping Capital	2022		3,352,243,927.50	1,790,566,451.43	1,561,677,476.07
59	Macao Daily Zhuhai Office Project	2010	114,828,755.17		114,828,755.17	
60	Huafa International Coast Garden	2021	105,810,987.39	5,462,795,065.91	3,237,866,671.24	2,330,739,382.06
61	Hengqin International Financial Building Project	2020	1,722,651,173.27	2,112,684.03	671,247,667.15	1,053,516,190.15
62	Fushan Industrial Park Industrial Service Center	2021	29,466,415.13	166,468,618.85	195,935,033.98	
63	Fushan Industrial Park Smart Manufacture Town Residential Center	2022		790,915,451.17	790,915,451.17	
64	Headquarter Base Blue Bay Smart Island Phase 2	2021	454,300,001.45	7,880,803.00	32,817,475.84	429,363,328.61
65	Hengqin Huafa Global Building	2022		2,529,125,790.70	790,444,326.66	1,738,681,464.04
66	Zhu'ao Professional Service Innovation Community	2022		670,275,989.30	630,429,598.56	39,846,390.74
67	Zhu'ao Wafer R&D and Information Technology Innovation Community	2022		1,109,052,187.43	614,976,527.77	494,075,659.66
68	Zhu'ao Special Finance Innovation Community	2022		1,204,876,179.77	1,042,308,489.62	162,567,690.15
69	Huafa Zhigu Wafer Square	2022		627,088,913.39	260,074,611.64	367,014,301.75
70	Shengboli Innovation Park	2022		153,024,637.52	116,022,588.51	37,002,049.01
71	Other		7,293,887,147.28	768,158,278.10	2,828,977,641.95	5,233,067,783.43
Total	Total		45,133,585,335.15	74,599,638,683.94	57,849,145,520.52	61,884,078,498.57

(5) Details of leased development product

	Lease Project	Opening balance	Current increment	Current decrease	Closing balance
1	Panjin Huafa New City	183,697,418.66		183,697,418.66	
2	Baotou Huafa New City	34,060,486.49		34,060,486.49	
3	Shenyang Huafa Capital Phase 1	78,719,191.74		78,719,191.74	
4	Shenyang Huafa Capital Phase 2	68,672,669.73		68,672,669.73	
5	Shenyang Huafa Lingnan Hui Mansion	62,322,425.87		62,322,425.87	
6	Zhuhai Huafa Century City Phase 2	13,257,636.21		13,257,636.21	
7	Zhuhai Huafa Century City Phase 3	9,529,783.11		9,529,783.11	
8	Zhuhai Huafa New City Phase 6	19,978,450.91		19,978,450.91	
9	Zhuhai Huafa Four Season Mansion	6,862,158.61		6,862,158.61	
10	Zhuhai Huafa Blue Castle Mansion	15,529,051.93		15,529,051.93	
11	Zhuhai Huafa Aquatic Villa Garden	9,490,272.01		9,490,272.01	
12	Hengqin International Financial Building Project	84,358,890.25	198,258,928.94	7,811,252.86	274,806,566.33
13	Fushan Industrial Park Industrial Service Center	264,715,514.07		264,715,514.07	
14	Qinyuan Affordable Housing	54,188,787.69		1,651,733.16	52,537,054.53
15	Headquarter Base Blue Bay Smart Island Phase 2	13,694,367.87	2,671,852.56	8,060,582.91	8,305,637.52
16	Hengqin Huafa Global Building		82,584,870.03	130,759.37	82,454,110.66
17	Huafa International Coast Garden		46,812,789.78	74,120.25	46,738,669.53
18	Fushan Industrial Park Smart Manufacture Town Residential Center		790,915,451.17	12,103,942.44	778,811,508.73
19	Huafa Zhigu Wafer Square		258,799,336.05	2,554,157.90	256,245,178.15
20	Shengboli Innovation Park		116,022,588.51	637,371.17	115,385,217.34
21	Other	31,817,728.27		31,817,728.27	
Total		950,894,833.42	1,496,065,817.04	831,676,707.67	1,615,283,942.79

Note: Among above stocks, the stock in an amount of RMB 64,140,713,226.38 is pledged for the loan of the Company and its subsidiaries. .

17. Contract asset

Item	Closing balance			Opening balance		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Construction, decoration and land development project payment	5,104,426,789.25	241,931,584.16	4,862,495,205.09	3,865,269,352.71	186,000,525.36	3,679,268,827.35

18. Non-current assets due within one year

Item	Closing balance	Opening balance
Long-term receivable due within one year		5,550,000.00
Creditor's right investment due within one year	4,821,412,434.21	2,995,593,322.40
Total	4,821,412,434.21	3,001,143,322.40

19. Other current assets

Item	Closing balance	Opening balance
loan by mandate	744,686,666.82	836,540,408.73
Advance payment of tax	9,101,892,771.14	7,887,292,916.53
Pending deduct/verification VAT on purchase	958,714,319.45	1,446,704,116.25
Cost for contract acquisition	887,173,939.99	827,494,151.54
Factoring payment receivable	119,170,519.84	
Pre-sale supervision fund	445,557,181.90	
Fund lent and other	43,232,559,670.92	36,602,096,305.01
subtotal	55,489,755,070.06	47,600,127,898.06
Minus: impairment provision		
Total	55,489,755,070.06	47,600,127,898.06

20. Loan issued and advance for others

(1) Loan issued and advance for others

Item	Closing balance	Opening balance
Enterprise loan and advance payment for others	688,669,141.43	2,170,425,548.75
Incl: Discounted asset	18,853,179.90	833,582,965.45
Loan	669,815,961.53	1,336,842,583.30
Total	688,669,141.43	2,170,425,548.75
Minus: loan loss reserve	16,837,758.60	49,009,844.44
Net amount of loan and advance payment for others	671,831,382.83	2,121,415,704.31

(2) By type of guarantee

Item	Closing balance	Opening balance
Pledged loan	15,000,000.00	11,250,000.00
Mortgaged loan	27,070,647.40	23,070,000.00
Guaranteed loan	508,450,000.00	933,790,000.00
Credit loan	119,295,314.13	368,732,583.30
Total	669,815,961.53	1,336,842,583.30
Minus: loan loss reserve	16,837,758.60	49,009,844.44
Loan book value	652,978,202.93	1,287,832,738.86

(3). The Company has no overdue loan at end of current period.

21. Creditor's right investment

Item	Closing balance			Opening balance		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Trust plan				446,000,000.00	6,357,925.00	439,642,075.00
Investment and finance consultancy service product	5,559,654,394.51	56,046,385.88	5,503,608,008.63	6,449,977,777.78	24,236,219.70	6,425,741,558.08
Deposit certificate	597,912,049.75	107,624.17	597,804,425.58	2,082,705,324.36	374,886.96	2,082,330,437.40
Bond				500,000.00		500,000.00
Other	130,000,000.00	5,893,680.00	124,106,320.00			
Subtotal	6,287,566,444.26	62,047,690.05	6,225,518,754.21	8,979,183,102.14	30,969,031.66	8,948,214,070.48
Minus: creditor's right investment due within one year	4,877,566,444.26	56,154,010.05	4,821,412,434.21	3,002,705,324.36	7,112,001.96	2,995,593,322.40
Total	1,410,000,000.00	5,893,680.00	1,404,106,320.00	5,976,477,777.78	23,857,029.70	5,952,620,748.08

22. Other creditor's right investment

(1). Other creditor's right investment

Item	Closing balance	Opening balance
State bond	2,149,851,150.00	2,144,954,570.00
Financial bond		50,959,700.00
Corporate bond	185,513,133.00	
Total	2,335,364,283.00	2,195,914,270.00

(2). Closing balance of important other creditor's right investment

Item	Par value	Amortized cost	Fair value	Accumulated change to fair value included into other comprehensive income	Impairment reserve already withdrawn
State bond	2,120,000,000.00	2,118,458,107.85	2,149,851,150.00	31,393,042.15	
Financial bond	186,000,000.00	187,008,488.81	185,513,133.00	-1,495,355.81	
Total	2,306,000,000.00	2,305,466,596.66	2,335,364,283.00	29,897,686.34	

23. Long-term receivable

Item	Closing balance			Opening balance		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Other	100,152,330.83		100,152,330.83	111,643,991.64		111,643,991.64
Subtotal	100,152,330.83		100,152,330.83	111,643,991.64		111,643,991.64
Minus: long-term receivable due within one year				5,550,000.00		5,550,000.00
Total	100,152,330.83		100,152,330.83	106,093,991.64		106,093,991.64

Note: Long-term receivable is the receivable and advance for others for the PPP project of reformation and expansion of Zhuhai Xiangzhou District People's Hospital and a part of construction fund for the PPP project of Zhuhai Pingsha People's Hospital .

24. Long-term equity investment

(1) Classification of long-term equity investment

Item	Closing balance			Opening balance		
	Book balance	Impairment reserve	Net value	Book balance	Impairment reserve	Net value
Joint operation enterprises	12,882,373,313.85		12,882,373,313.85	11,877,068,711.22		11,877,068,711.22
Cooperative operation enterprise	41,961,169,665.84		41,961,169,665.84	32,326,523,855.89		32,326,523,855.89
Total	54,843,542,979.69		54,843,542,979.69	44,203,592,567.11		44,203,592,567.11

(2). Investment on joint and cooperative operation enterprises

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Investee	Opening balance	Increase of investment	Decrease of investment	Change of profit and loss in the current period	Other comprehensive income/other equity change in the current period	Declare to issue cash dividend or profit	Other	Closing balance
I. Joint operation enterprise								
Xi'an Ziwei Huafa Property Management Service Co., Ltd	1,357,399.00			-120,248.95	47,124.95			1,284,275.00
Guangdong Zhongye Huafa Public Utilities Tunnel Co., Ltd	103,588,554.07			870,008.87				104,458,562.94
Zhuhai Smart Industrial Park Development Co., Ltd	21,150,374.87			97,049.11				21,247,423.98
Semicon Light (China) Company Limited	8,094.98				747.70			8,842.68
Zhuhai Chengtong Landscape Co., Ltd	2,183,517.95			-656,835.08				1,526,682.87
Zhuhai Qinfa Investment Co., Ltd	400,665,523.50			-17,827,589.55				382,837,933.95
Zhuhai Huafa Yinkeng Real Estate Development Co., Ltd *3	807,495.99			-4,243.64				803,252.35
Zhuhai Huafa Poshi Real Estate Development Co., Ltd *3	9,787.72			-12,617.79				-2,830.07
Zhuhai Huafa Guiyuan Real Estate Development Co., Ltd *3	569,145.39			-285.20				568,860.19
Zhuhai Huafa Hongye Real Estate Development Co., Ltd	2,536,560.44			-56,534.27			-2,480,026.17	
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd *3	24,600,695.53			-20,457.98				24,580,237.55

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Investee	Opening balance	Increase of investment	Decrease of investment	Change of profit and loss in the current period	Other comprehensive income/other equity change in the current period	Declare to issue cash dividend or profit	Other	Closing balance
Zhuhai Zhengnan Real Estate Co., Ltd	374,645,622.26			-7,941,586.60				366,704,035.66
Zhuhai Huafa Wufu Real Estate Development Co., Ltd *3	499,305.42			-6,977.65				492,327.77
Zhuhai Huafa Phoenix Real Estate Development Co., Ltd *3	3,867,050.90			-27,899.45				3,839,151.45
Nanjing Huasong Real Estate Development Co., Ltd	804,933,575.92			-162,267.55			28,026,217.66	832,797,526.03
Nanjing Huihe Real Estate Co., Ltd *2	227,615,493.22			-513,048.00		-28,560,000.00		198,542,445.22
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	483,000,737.90			-4,968,940.10				478,031,797.80
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	80,928,832.28			816,690.61				81,745,522.89
Zhuhai Bihu Real Estate Development Co., Ltd	419,301,041.33			-44,014,157.85				375,286,883.48
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	37,879,304.17			27,592,616.89				65,471,921.06
Zhuhai Huafa Yuetang Real Estate Development Co., Ltd *3	1,035,303.49			-31,967.09				1,003,336.40
Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	2,687,875.35			111,645.55				2,799,520.90
Shanghai Xinpu East Bank Real Estate Co., Ltd	160,751,459.43	652,500,000.00		781,593.41				814,033,052.84

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Investee	Opening balance	Increase of investment	Decrease of investment	Change of profit and loss in the current period	Other comprehensive income/other equity change in the current period	Declare to issue cash dividend or profit	Other	Closing balance
Zhuhai Huafang Property Operation & Management Co., Ltd	447,503.25			-447,503.25				
Nanjing Yusheng Real Estate Co., Ltd				363,216,788.14				363,216,788.14
Huizhou Rongtuo Real Estate Co., Ltd	42,256,286.42			109,534,543.53				151,790,829.95
Guangzhou Guanghong Real Estate Development Co., Ltd	135,579,269.07			-1,129,155.28				134,450,113.79
Zhuhai Construction Safety Science Research Institute Co., Ltd	8,478,175.05			-1,162,733.69				7,315,441.36
Zhuhai Huafa Niwan Real Estate Development Co., Ltd *3	-1,531.35			-304.51				-1,835.86
Zhuhai Haihao Industrial Investment Co., Ltd	23,325,685.55			-1,457,493.52				21,868,192.03
Guangzhou Huafa Times Industrial Co., Ltd *3	4,972,393.17			-22,995.64				4,949,397.53
Suzhou Renfa Investment Co., Ltd	94,604,900.11			-3,606.63			8,755,653.58	103,356,947.06
Fu'an Business Co., Ltd *3				4,496,513.93		-4,240,178.12	-231,199.66	25,136.15
Zhongshan Huaxi Urban Upgrade Co., Ltd	735,253.85			-312,761.10				422,492.75
Taicang Huaren Real Estate Development Co., Ltd	-3,408,180.22			-750,642.00			4,158,822.22	
Taicang Shangsheng Business Consultancy Co., Ltd	361,039,450.85			244,638,318.26				605,677,769.11
Shenzhen Runzhao Real Estate Co., Ltd	270,379,973.39			191,078,708.85				461,458,682.24
Suzhou Hefa Real Estate Development Co., Ltd	665,091,745.80			-56,457,325.26			-608,634,420.54	

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Beijing Xingtai Tongfu Real Estate Co., Ltd	13,508,171.24			-6,876,279.32				6,631,891.92
Huizhou Hehui Real Estate Co., Ltd	595,339,677.94			122,162,854.63		-97,032,238.11	-620,470,294.46	
Hangzhou Jinghui Commerce & Trading Co., Ltd	559,095,316.34			1,360,329.21			-560,455,645.55	
Shanghai Huabao Real Estate Co., Ltd	632,714,232.96			10,899,427.22				643,613,660.18
Nanjing Huaduo Real Estate Development Co., Ltd	1,835,330,775.71			23,968,736.89				1,859,299,512.60
Zhuhai Henghua Education Investment Co., Ltd *3	7,992,893.76			6,147.54				7,999,041.30
Zhuhai Yongjing Huayue Real Estate Co., Ltd	105,831,275.13			-2,066,612.60				103,764,662.53
Zhuhai Jinghua Real Estate Co., Ltd	199,157,613.88			-4,069,312.40				195,088,301.48
Hunan Dream Waterfront Bay Real Estate Co., Ltd *3	24,384,044.36			-16,391,660.28				7,992,384.08
Wuhan Central Business District Investment & Development Co., Ltd *3	949,921,367.45			-90,557,863.67				859,363,503.78
Nanjing Huayu Real Estate Development Co., Ltd	441,000,000.00						-441,000,000.00	
HUA AO SPORTS GROUP CO LTD*3	324.27						30.01	354.28
Taicang Renhua Real Estate Development Co., Ltd	1,691,850,171.56			-64,215,087.67				1,627,635,083.89
Ezhou Binhu Real Estate Co., Ltd		62,230,715.86		-1,608,299.51			323,044,399.76	383,666,816.11
Guangzhou Huaxiao Real Estate Development Co., Ltd		6,600,000.00		-6,600,000.00				

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Hangzhou Zhaoyi Enterprise Management Co., Ltd *2		1,415,120,000.00		-25,733,952.49				1,389,386,047.51
Hubei Port Industry Investment Co., Ltd		32,884,899.51		22,488.77			39,122,400.02	72,029,788.30
Nanjing Huamei Decoration Engineering Co., Ltd				21,701.85				21,701.85
Nanjing Huayu Decoration Engineering Co., Ltd		1,000,000.00		57,962.93				1,057,962.93
Xi'an Zihua Real Estate Co., Ltd *2		7,894,736.84		-3,522,274.62				4,372,462.22
Suzhou Xinhuaheng Construction & Development Co., Ltd *2		300,000.00		-20.99				299,979.01
Zhuhai Huafa New City Real Estate Co., Ltd *3		55,000,000.00		3,358,622.12				58,358,622.12
Guangzhou Zhongqi Energy Technology Co., Ltd	10,463,252.00			-5,418,793.19				5,044,458.81
Shenzhen Chuanshi Electronic Technology Co., Ltd	44,067,075.56			-7,498,072.69				36,569,002.87
Zhonghai Smart Equipment Manufacture (Shenzhen) Co., Ltd *3	8,288,843.01			-701,484.12				7,587,358.89
Subtotal	11,877,068,711.22	2,233,530,352.21		731,722,857.13	47,872.65	-129,832,416.23	-1,830,164,063.13	12,882,373,313.85
II. Cooperative operation enterprise								
Zhuhai Huajin Huiyuan Equity Investment Fund (Limited Partnership) *3	69,833,130.80			-208,869.29				69,624,261.51
Zhuhai Rural Commercial Bank Inc. *2	750,307,043.70	365,999,998.00		57,902,621.01	-3,376,522.46	-21,276,315.12		1,149,556,825.13
Guangdong Financial Asset Transaction Center Co., Ltd	35,204,603.58			-5,804,603.58			-29,400,000.00	

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Guangdong Financial Asset Transaction Center Co., Ltd		34,299,723.00		1,667,125.78				35,966,848.78
Zhuhai Runhai Investment Co., Ltd	178,456,282.64		-337,334,703.00	257,575,184.63		-50,899,343.53		47,797,420.74
Zhuhai Hengqin Rare and Valuable Trading Co., Ltd	15,588,119.54			433,250.97				16,021,370.51
Hengqin Huatong Financial Lease Co., Ltd	866,111,707.03	373,085,538.00		38,246,408.78				1,277,443,653.81
Zhuhai Hualong Investment Co., Ltd	29,381,947.08			-48,623.36				29,333,323.72
Guangdong United Property Right Transaction Center Co., Ltd	15,815,181.90	147,190,826.00		2,443,500.93				165,449,508.83
Zhongzi (Beijing) Private Equity Fund Management Co., Ltd		3,000,000.00		-255,571.15				2,744,428.85
Zhuhai Huarun Bank Inc.	4,528,231,344.33			399,168,326.88	-130,897,856.57			4,796,501,814.64
Future Membership Qualification Investment	1,400,000.00							1,400,000.00
Hengqin Life Insurance Co., Ltd	367,201,925.11	868,971,683.70		-49,467,432.15	-403,333,008.13			783,373,168.53
Zhuhai Hengqin Anyou Investment Holdings Co., Ltd	12,896,208.59			-1,250,110.81				11,646,097.78
Zhuhai Xiangzhou Xingfu Town Bank Inc. *2	11,585,593.94			-119,418.39				11,466,175.55
Jinpu Landscape Inc. *2	109,468,295.23			5,290,955.53		-800,000.00		113,959,250.76
Jiulong Property Insurance Co., Ltd *2	101,826,769.32			2,818,326.06				104,645,095.38
Zhuhai Huajin Ruicheng Education Industry Equity Investment Partnership (Limited Partnership)	981,281.74			-7,625.45				973,656.29

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Investee	Opening balance	Increase of investment	Decrease of investment	Change of profit and loss in the current period	Other comprehensive income/other equity change in the current period	Declare to issue cash dividend or profit	Other	Closing balance
Zhuhai Huashun Asset Management Co., Ltd	29,815,043.00			-13,791,950.29				16,023,092.71
Zhuhai Zhongyi Yingfei Emerging Industry Investment Fund (Limited Partnership) *3	301,796,801.47		-18,682,411.16	8,222,171.67	103,736,583.38	-7,337,153.41		387,735,991.95
Zhuhai Honghua New Dynamic Equity Investment Fund (Limited Partnership) *3	39,227,459.47		-15,939,070.01	-118,685,654.30	157,233,830.53			61,836,565.69
Zhuhai Huajin Chuangying No. 6 Equity Investment Fund Partnership (Limited Partnership)	204,190,420.30		-3,892,414.08	10,783,789.61	-45,581,378.06			165,500,417.77
Zhuhai Hanhu Huajin Equity Investment Fund Partnership (limited partnership)	28,636,757.13			-341,095.89				28,295,661.24
Guangdong-Zhuhai-Macao (Zhuhai) Qianyan Industrial Equity Investment Fund (Limited Partnership) *3	390,052,350.33			-4,714,966.79				385,337,383.54
Zhuhai Tech Angel Venture Capital Investment Fund Partnership (Limited Partnership) *3	542,065,970.92			6,148,315.76				548,214,286.68
Zhuhai Huajin Chuangying No.10 Equity Investment Fund Partnership (limited partnership) *3	223,597,285.28		-55,323,746.99	7,600,248.76		-21,227,671.80		154,646,115.25
Zhuhai Hegang Highway Co., Ltd *3	1,664,851,908.55	50,000,000.00		-14,851,908.55				1,700,000,000.00
Zhuhai Gejin CGB Xinde Smart Manufacture Industrial Investment Fund (Limited Partnership)	211,401,419.18			-36,081,784.26				175,319,634.92

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Zhuhai Shenhong Gejin Medical Health Industrial Investment Fund Partnership (Limited Partnership)	71,822,986.42			28,706,192.12				100,529,178.54
Zhuhai Huajin Lingyue Smart Manufacture Industrial Investment Fund (limited partnership)	430,347,663.18		-16,639,508.30	33,108,134.85		-5,660,005.30		441,156,284.43
Zhuhai Huajin Fengying No.1 Equity Investment Fund Partnership (Limited Partnership) *3	292,713,492.46			-45,423,483.79				247,290,008.67
Zhuhai Huajin Shangying No.5 Equity Investment Fund Partnership (Limited Partnership)		309,000,000.00		27,510,435.18				336,510,435.18
Huajin East No.1 Fund Partnership (Limited Partnership)	172,021,286.36			4,485,501.21	35,401,628.86			211,908,416.43
INFINITY-HB VENTURE FUND LP	21,472,922.63			-1,095,604.80	1,987,348.40			22,364,666.23
Infinity Global Fund III LP*3	31,820,750.48	104,487,131.81		-571,851.83	2,945,054.04			138,681,084.50
InfinityInvestment holdingGroup*3	176,472,880.89			2,762,973.84	6,536,486.15		4,266,520.00	190,038,860.88
Shenzhen Rongchuang Huafa Property Management Service Co., Ltd	286,978.00			164,940.00	-45,448.01			406,469.99
Zhuhai Gongbei Port Reform and Expansion Project Management Co., Ltd	10,000,000.00						-10,000,000.00	
Zhuhai Lover Coast Construction Co., Ltd	203,179,178.08						-203,179,178.08	
Yangjiang Huayang Investment Holding Co., Ltd *1	300,000,000.00							300,000,000.00

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Zhuhai Urban Construction Baoli Theatre Management Co., Ltd	3,332,338.56		-1,225,000.00	207,836.68			-695,141.80	1,620,033.44
Zhuhai Urban Rail Industrial Co., Ltd	71,645,072.17			-5,373,849.10				66,271,223.07
Zhuhai Jinwan East Power Supply Co., Ltd	78,067,283.66			713,888.27				78,781,171.93
Zhuhai Urban Rail Underground Traffic Exchange Center Construction Co., Ltd	10,034,200.00							10,034,200.00
Zhuhai Huajin Alpha No.4 Equity Investment Fund Partnership (Limited Partnership) *3	979,435,746.75		-50,000,000.00	120,614,128.48		-92,358,456.62		957,691,418.61
Zhuhai Huajin Capital Inc.	1,444,502,762.26			18,590,667.49		-5,884,684.86	22,169,135.19	1,479,377,880.08
Zhuhai Huajin Cultural Media Special Equity Investment Fund (Limited Partnership)	7,872,808.19			2,387.26				7,875,195.45
Zhuhai Huajin Shengying No. 4 Equity Investment Fund Partnership (Limited Partnership)	88,561,100.21			-140,427.08				88,420,673.13
Zhuhai Huajin Shengying No.1 Equity Investment Fund Partnership (Limited Partnership)	10,145,435.56			1,127.40				10,146,562.96
Zhuhai Fuhai Huachuang Information Technology Venture Capital Investment Fund (Limited Partnership)	305,341,365.36			-86,756,250.99				218,585,114.37
Zhuhai Lihe Huajin Emerging Industry Venture Investment Fund (Limited Partnership) *3	7,808,815.08			-3,574,027.96				4,234,787.12

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Zhuhai Kechuang Hi-tech Venture Investment Fund Partnership (Limited Partnership)	45,274,513.22			-12,409,636.83				32,864,876.39
Zhuhai Fuhai Huajin Venture Investment Fund (Limited Partnership)	184,885,327.14			-30,233,681.51				154,651,645.63
Zhuhai Xiangzhou Huajin Emerging Industry Venture Investment Fund (Limited Partnership) *3	51,998,579.35			-12,638,245.88				39,360,333.47
Zhuhai Jinkong General Industry Equity Investment Fund (Limited Partnership) *3	70,047,085.91			-18,332,747.35				51,714,338.56
Zhuhai Fuhai Huachuang Investment Co., Ltd	987,609.84			-3,011.83				984,598.01
Zhuhai Fuhai Huachuang Venture Capital Investment Fund Management Enterprise (Limited Partnership) *2	11,490,638.06			7,364.35				11,498,002.41
Zhuhai Infiniti Venture Capital Fund (Limited Partnership) *3	511,387,780.47			47,537,860.85				558,925,641.32
Zhuhai Advanced Phase 1 Integrated Circuit Equity Investment Fund (Limited Partnership)		40,000,000.00		241,293.76				40,241,293.76
Zhuhai Huajin Alpha No.1 Fund Partnership (Limited Partnership) *3	440,113,494.51		-20,349,118.62	-1,097,832.50		-10,422,186.34		408,244,357.05
Zhuhai Huajin Alpha No.2 Fund Partnership (Limited Partnership) *3	615,280,301.10		-136,464,634.87	72,213,360.56		-102,823,070.10		448,205,956.69

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Zhuhai Huajin Alpha No.3 Equity Investment Fund Partnership (Limited Partnership) *3	886,973,449.28		-5,309,555.70	29,715,764.79		-4,876,572.60		906,503,085.77
Zhuhai Huajin Alpha No.6 Equity Investment Fund Partnership (Limited Partnership) *3		700,000,000.00		-777,357.36				699,222,642.64
Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)		4,050,249,787.67		-3,697,734.20				4,046,552,053.47
Zhuhai Kairui Biotechnology Co., Ltd	11,895,035.88			549,530.48			-12,444,566.36	
Zhuhai Huajin Fengying No.3 Equity Investment Fund Partnership (Limited Partnership) *3	234,242,822.54		-38,225,062.10	573,073,057.65	357,591,121.64	-435,021,149.30		691,660,790.43
Zhuhai Huafa Xingen Qianyan Industrial Equity Investment & Management Co., Ltd*2	572,600.00			5,273.00				577,873.00
Zhuhai Huajin Alpha No.5 Equity Investment Fund Partnership (Limited Partnership) *3	1,991,557,818.67			-18,944,968.93				1,972,612,849.74
Infinity No. 2 (Zhuhai) Venture Capital Investment Partnership (Limited Partnership) *3	203,346,035.39	350,000,000.00		52,092,784.76				605,438,820.15
Zhuhai Huajin Tongda Equity Investment Fund Partnership (Limited Partnership) *3	467,011,098.78		-33,635,235.76	15,095,841.72		-25,280,755.06		423,190,949.68
Zhuhai Huashi Entrepreneur Physical Industry Development Investment Fund (Limited Partnership)	585,933,118.40			-5,656,543.37				580,276,575.03

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Zhuhai Pulo Lingqi Equity Investment Partnership (Limited Partnership)	131,002,258.96			192,888.01				131,195,146.97
Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	-1,743,501.22			-146,655.28				-1,890,156.50
Zhuhai Huajin Lingyi Emerging Technology Industrial Investment Fund (Limited Partnership)	159,722,477.40	80,000,000.00		-651,328.34				239,071,149.06
Zhuhai Huajin Gongying Equity Investment Fund Partnership (Limited Partnership) *3	169,099,509.11			43,527.03				169,143,036.14
Zhuhai Tax-exempt Enterprise Group Co., Ltd	736,338,213.82			82,402,106.98	-25,173,184.91			793,567,135.89
Zhuhai Zhuguang Urban Construction Hezhou South Investment Development Co., Ltd	1,035,294.46			8,406.33				1,043,700.79
Zhuhai Zhongying Urban Construction Cinema City Co., Ltd	4,974,736.62			-2,970,573.82				2,004,162.80
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	2,449,679,879.24			72,163,819.91		-24,995,000.00		2,496,848,699.15
Guangdong Huafa Zhongjian New Technology Investment Holding Co., Ltd	26,756,984.19			9,385,612.33			-36,142,596.52	
YANLORD ECO ISLAND INVESTMENTS PTE.LTD				172,454,564.58			7,627,485.96	180,082,050.54
Ningbo Zhaohai Real Estate Co., Ltd	423,856,861.60			14,213,459.50		-90,000,000.00		348,070,321.10

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Wuhan Conghong Yuye Real Estate Development Co., Ltd *2	11,668,764.63			-7,425,450.33				4,243,314.30
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	370,508,822.11			-4,185,055.78				366,323,766.33
Tianjin Ruijun Business Management Co., Ltd	150,764,518.86			2,996,322.10				153,760,840.96
Guangzhou Runhua Real Estate Co., Ltd	328,739,440.15			-3,645,466.84				325,093,973.31
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	381,601,192.57			130,294,796.74				511,895,989.31
Xi'an Zihai Real Estate Co., Ltd	21,136,068.27			1,280,877.00				22,416,945.27
Xi'an Zitao Real Estate Co., Ltd *4	20,766,224.35			2,633,906.67				23,400,131.02
Changsha Yide Real Estate Co., Ltd	534,681,300.71			43,986,365.47				578,667,666.18
Changsha Yongjing Real Estate Co., Ltd	85,665,659.42			6,429,605.61				92,095,265.03
Suzhou Shenglan Meike Real Estate Co., Ltd	1,977,103.21			-7,861.14				1,969,242.07
Shenzhen Ronghua Real Estate Investment Co., Ltd	3,410,474,771.09			-17,250,904.95				3,393,223,866.14
Zhuhai Hualin Life Service Co., Ltd	399,640.62			-22,700.36				376,940.26
DREAMY CITY LTD	32,704,000.00			-3,835,443.82			2,857,162.32	31,725,718.50
Nantong Zhaotong Real Estate Co., Ltd	867,739,365.42			236,691,532.29				1,104,430,897.71
Chengdu Huajin Minghong Industrial Co., Ltd		677,280,000.00		-197,468.98				677,082,531.02
Hubei Lianchen Real Estate Development Co., Ltd		63,013,833.00		-620,595.91				62,393,237.09
Nanjing Yihuaju Real Estate Co., Ltd		80,000,000.00		-4,021,264.30				75,978,735.70

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Investee	Opening balance	Increase of investment	Decrease of investment	Change of profit and loss in the current period	Other comprehensive income/other equity change in the current period	Declare to issue cash dividend or profit	Other	Closing balance
Shanghai Gufeng Real Estate Development Co., Ltd		1,302,371,000.00		-3,817,802.04				1,298,553,197.96
Tongfu Commercial Factoring Co., Ltd	28,080,763.22			956,828.10				29,037,591.32
Shanghai Diju Information Technology Co., Ltd	475,750.91			-62,614.93				413,135.98
Shenzhen Aizuji Technology Co., Ltd *2	16,150,633.43			1,459,694.76				17,610,328.19
Dimi Technology (Thailand) Co., Ltd	5,940,813.61			-62,651.17				5,878,162.44
Yangzhou Digitone Technology Information Co., Ltd	30,801.01			-30,255.97				545.04
Beijing Jingdixin Technology Co., Ltd	196,488,283.12			8,647,509.09			-205,135,792.21	
Subtotal	32,326,523,855.89	9,598,949,521.18	-733,020,460.59	2,070,631,430.04	57,024,654.86	-898,862,364.04	-460,076,971.50	41,961,169,665.84
Total	44,203,592,567.11	11,832,479,873.39	-733,020,460.59	2,802,354,287.17	57,072,527.51	-1,028,694,780.27	-2,290,241,034.63	54,843,542,979.69

*1 is the civil work projects on agency basis. The fund for such projects comes from the fiscal department. The Company doesn't enjoy operating benefits nor shoulder the operating risk. Thus, it is not included into the scope of consolidation of the financial statement.

*2 The judgment and assumption for "holding less than 20% of voting rights in other entity but having significant impact on such entity": Since the Company appoints a representative in such company's Board of Directors or Investment Decision Committee and participates in the decision-making of financial and operational policies for the above-mentioned company, it can exercise significant influence on the above-mentioned company.

*3 Basis for "holding more than 50% voting rights but don't control the investee": According to the investment cooperation agreement and the Articles of Association of the Company, the Company and the subsidiary's voting rights in the Board of Shareholders and the Board of Directors of the investee hasn't reached the control condition, and thus they can't exercise control on its financial and operational decisions;

*4 Subsidiaries of the Company pledges their equity of joint and cooperative operation enterprises for their long-term loan. The value of equity pledged is RMB 1,262,495,841.64.

25. Other equity instrument investment

Item	Closing balance	Opening balance
Equity instrument investment	768,274,800.70	714,251,634.20

Note: This is investment held by the Company for a long term for strategic purpose. Thus, the Company designates it as the financial asset measured by fair value and with its change being included into other comprehensive income.

26. Other non-current financial assets

Item	Closing fair value	Opening fair value
Financial asset measured by fair value and with its change being included into the Current Profit and Loss.	30,742,079,427.39	18,944,312,069.15
Incl: debt instrument investment	12,420,458,607.74	5,003,484,248.17
Equity instrument investment	18,321,620,819.65	13,940,827,820.98
Total	30,742,079,427.39	18,944,312,069.15

Note: An amount of RMB10,806,392.56 in other non-current financial assets of the Company has been provided as mortgage for the loan.

27. Investment real estate

(1) Investment real estate

Item	Opening fair value	Current increase				Current decrease	
		Purchase	Transferred from self-use real estate or stock	Profit and loss from change of fair value	Disposal	Other decrease	Closing fair value
I. Total cost	16,996,410,602.05		5,745,998,924.17		16,262,169.10	16,516,483.16	22,709,630,873.96
Incl: real estate, buildings	16,996,410,602.05		5,745,998,924.17		16,262,169.10	16,516,483.16	22,709,630,873.96
2. Total change of fair value	386,993,476.98			165,800,663.96			552,794,140.94
Incl: real estate, buildings	386,993,476.98			165,800,663.96	-		552,794,140.94
3. Total book value	17,383,404,079.03						23,262,425,014.90
Incl: real estate, buildings	17,383,404,079.03						23,262,425,014.90

*1 The Company's investment real estate are located in core urban areas, with an active market for transaction of real estate and favorable commercial environment. The Company could obtain the market price and other relevant information of same or similar real estate from the real estate transaction market and it is operable.

*2 When deciding the fair value of an investment real estate, the Company refers to current market price of same or similar real estate in an active market. If it is impossible to obtain the current market price of same or similar real estate, the Company refers to the latest transaction price of same or similar real estate in an active market and takes also into account the asset situation, location, transaction situation, transaction date, and other factors in order to estimate reasonably the fair value of the investment real estate. Alternately, the Company could determine its fair value based on the estimated future rental and present value of relevant cash flow.

*3 In order to reflect more objectively and fairly the value of investment real estate, the Company has engaged professional appraisers to appraise the fair value on the investment real estate at the end of 2022 and has obtained the appraisal report. The Company takes the appraisal result confirmed by the appraisal report as the fair value for subsequent measurement.

(2) Remarks on the investment real estate

A. Among the Company's investment real estate, an amount of RMB 17,049,619,314.90 is provided as mortgage for the loan.

B. Investment real estate for which no title documents have been obtained yet

Item	Book value	Reason
Industrial Service Center Phase 1 and Phase 2	456,504,515.00	In process
Zhigu Wafer Square	451,187,392.00	In process
Shengboli Project	254,971,545.00	In process
Jing'an Mansion T8 Office Building and underground 145 parking space	695,073,394.50	In process
Property delivered by the government	206,464,993.11	No title documents has been applied yet.
Property delivered by the government	354,341,683.00	Title certificate hasn't been transferred yet.
Subtotal	2,418,543,522.61	

Notes: the title certificate for T8 office building and 145 underground parking spaces in Jing'an Mansion was obtained in April 2023.

28. Fixed assets

Item	Closing book value	Opening book value
Fixed asset	17,624,234,739.05	15,782,277,921.89
Cleanup of fixed assets	146,639,383.67	1,995,881.52
Total	17,770,874,122.72	15,784,273,803.41

(1). Fixed assets

Item	Opening balance	Changeover from consolidation	Current increase	Current decrease	Closing balance
1.Total original value of fixed asset	22,283,405,606.19	388,867,189.03	3,653,252,705.90	1,282,071,449.80	25,043,454,051.32
Incl: real estate, buildings	14,042,449,746.77	324,826,588.73	2,703,656,380.04	1,200,195,606.63	15,870,737,108.91
Equipment	6,229,197,628.69	14,741,050.39	782,745,231.25	37,209,987.21	6,989,473,923.12
Vehicles	473,046,806.98	1,577,750.80	9,268,869.85	15,615,487.48	468,277,940.15
Electronic equipment and etc	1,538,711,423.75	47,721,799.11	157,582,224.76	29,050,368.48	1,714,965,079.14
2.Total accumulated depreciation	6,472,265,302.82	76,773,390.44	1,270,356,191.16	428,747,614.47	7,390,647,269.95
Incl: real estate, buildings	2,356,939,933.00	52,785,645.15	491,091,598.38	373,395,138.43	2,527,422,038.10
Equipment	3,036,695,587.88	4,734,645.14	590,485,024.65	20,512,547.27	3,611,402,710.40
Vehicles	273,430,400.73	785,407.24	55,655,887.85	15,364,235.91	314,507,459.91
Electronic equipment and etc	805,199,381.21	18,467,692.91	133,123,680.28	19,475,692.86	937,315,061.54
3.Total net book value of fixed asset	15,811,140,303.37	312,093,798.59			17,652,806,781.37
Incl: real estate, buildings	11,685,509,813.77	272,040,943.57			13,343,315,070.81
Equipment	3,192,502,040.81	10,006,405.26			3,378,071,212.72
Vehicles	199,616,406.25	792,343.56			153,770,480.24
Electronic equipment and etc	733,512,042.54	29,254,106.20			777,650,017.60
4.Total impairment reserve of fixed assets	28,862,381.48	608,457.78	44,237.54	943,034.48	28,572,042.32
Incl: real estate, buildings	20,884,482.54	608,457.78	-		21,492,940.32
Equipment	6,868,460.73				6,868,460.73
Vehicles	374,700.96			257,966.69	116,734.27
Electronic equipment and etc	734,737.25		44,237.54	685,067.79	93,907.00
6. Total book value of fixed asset	15,782,277,921.89	311,485,340.81			17,624,234,739.05
Incl: real estate, buildings	11,664,625,331.23	271,432,485.79			13,321,822,130.49
Equipment	3,185,633,580.08	10,006,405.26			3,371,202,751.99
Vehicles	199,241,705.29	792,343.56			153,653,745.97
Electronic equipment and etc	732,777,305.29	29,254,106.20			777,556,110.60

2). Other remarks on fixed assets

A. Among the Company's fixed assets, an amount of RMB 7,273,751,489.10 in terms of book value is provided as mortgage for the loan, among which, RMB 75,014,011.04 was provided as mortgage for talent housing with limited property right and financing credit.

B. Fixed assets for which no title documents have been obtained.

Item	Book value	Reason that no title documents haven't been obtained
Real estate and buildings	548,780,495.82	talent housing has limited property right, other title documents are in process
Total	548,780,495.82	

(3) Cleanup of fixed assets

Item	Closing book value	Opening book value	Reason for cleanup
House and building	149,364,670.63		Disposal
Equipment and etc	-2,725,286.96	1,995,881.52	Disposal
Total	146,639,383.67	1,995,881.52	

29. Construction in process

Item	Closing balance			Opening balance		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
Construction in process	7,046,040,670.42		7,046,040,670.42	4,493,615,940.21		4,493,615,940.21
Project materials						
Total	7,046,040,670.42		7,046,040,670.42	4,493,615,940.21		4,493,615,940.21

Construction in process

Item	Closing			Opening		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
Project construction on agency basis	1,395,668,923.10		1,395,668,923.10	637,376,558.99		637,376,558.99
Pingsha Electronic & Electric Industrial Park	1,345,660,666.24		1,345,660,666.24			
Office building decoration	541,939,552.44		541,939,552.44	360,312,398.92		360,312,398.92
Smart city project	505,070,528.39		505,070,528.39	359,687,605.81		359,687,605.81
Zhuhai Hengqin International Tennis Center Project	421,125,712.39		421,125,712.39	209,546,978.77		209,546,978.77
Zhejiang Huachan Phase	385,404,042.55		385,404,042.55	701,734,780.10		701,734,780.10

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Item	Closing			Opening		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
2 Project						
Big Data Center Phase 2	343,663,144.11		343,663,144.11	2,133,507.15		2,133,507.15
Zhuhai Xiangzhou District Nanping Baishatou Affordable Housing Project	270,342,371.03		270,342,371.03	196,036,130.58		196,036,130.58
Dawanshan Island Jintang Bay Resort Hotel Project	260,550,423.18		260,550,423.18	247,115,739.64		247,115,739.64
Huafa Dongao Island Hotel Project	254,912,099.57		254,912,099.57	250,309,795.19		250,309,795.19
Zhuhai Seaside Building Reform	215,054,572.03		215,054,572.03	139,770,213.79		139,770,213.79
Huachan mini Phase 2 Expansion Project	208,419,745.93		208,419,745.93			
Huachan micro and Zhejiang Huachan Phase 1 project	137,148,626.14		137,148,626.14	194,692,662.10		194,692,662.10
Guangku lithium niobate high-speed modulator chip R&D and industrialization project infrastructure works	104,175,112.41		104,175,112.41	69,306,952.56		69,306,952.56
Huachan Red-Yellow Mini Expansion Project	69,113,687.32		69,113,687.32	68,106,236.63		68,106,236.63
Huachan 35 million substrate slice phase 1 project	64,742,541.57		64,742,541.57	74,750,454.51		74,750,454.51
Dismantle and reconstruction of office building No. 491 in Meihua East Road	63,284,450.93		63,284,450.93			
Zhejiang Huachan GaN Power and Electronic Appliance	52,445,923.11		52,445,923.11	674,216.09		674,216.09
Huachan Zhangjiagang Chip Phase 4 Project	41,787,802.45		41,787,802.45	294,200,822.50		294,200,822.50
Zhuhai Grand Hall Reconstruction Parking Lot Project	29,533,937.84		29,533,937.84			

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Item	Closing			Opening		
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value
Huachan Zhangjiagang Chip Phase 3 Project	23,883,892.99		23,883,892.99	14,862,084.69		14,862,084.69
Dawan District Smart Manufacture Industry Park Workshop and Complementary Works	23,674,535.25		23,674,535.25			
Construction cost of Brand Hall Cluster	11,888,018.33		11,888,018.33			
Public Health Food Doumen Hezhou Demonstration Base				319,101,605.45		319,101,605.45
Huafa (Nyingchi) Commerce Logistics Park				64,183,882.08		64,183,882.08
Other	276,550,361.12		276,550,361.12	289,713,314.66		289,713,314.66
Total	7,046,040,670.42		7,046,040,670.42	4,493,615,940.21		4,493,615,940.21

30. Use right assets

Item	Opening balance	Transfer from Consolidation	Current increase	Current decrease	Closing balance
I. Total original book value	2,756,694,782.64	242,367,695.38	119,521,477.79	2,879,541,000.23	2,756,694,782.64
Buildings	2,633,115,331.01	224,059,902.62	118,366,140.81	2,738,809,092.82	2,633,115,331.01
Other	123,579,451.63	18,307,792.76	1,155,336.98	140,731,907.41	123,579,451.63
II. Total accumulated depreciation	796,921,845.08	465,597,603.57	64,456,275.12	1,198,063,173.53	796,921,845.08
Buildings	753,287,023.96	433,831,238.44	63,618,778.86	1,123,499,483.54	753,287,023.96
Other	43,634,821.12	31,766,365.13	837,496.26	74,563,689.99	43,634,821.12
III. Total book value of land use right asset	1,959,772,937.56			1,681,477,826.70	1,959,772,937.56
Buildings	1,879,828,307.05			1,615,309,609.28	1,879,828,307.05
Other	79,944,630.51			66,168,217.42	79,944,630.51
IV. Total impairment reserve	514,683.77	842,386.59		1,357,070.36	514,683.77
Buildings	514,683.77	842,386.59		1,357,070.36	514,683.77
Other					
IV. Total book value of use right asset	1,959,258,253.79			1,680,120,756.34	1,959,258,253.79
Buildings	1,879,313,623.28			1,613,952,538.92	1,879,313,623.28
Other	79,944,630.51			66,168,217.42	79,944,630.51

Note: An amount of RMB 18,832,559.42 (buildings) of the use right asset in terms of book value is provided as mortgage for the loan by 31st Dec. 2022.

31. Intangible assets

(1). Intangible assets

Item	Opening balance	Carryover from consolidation	Current increase	Current decrease	Closing balance
I. Total original value	3,731,829,592.95	133,874,191.69	30,163,761,299.37	30,439,248,780.66	3,590,216,303.35
Land use right	2,656,835,049.51	106,803,805.26	29,856,561,583.45	30,406,600,999.95	2,213,599,438.27
Software	512,904,999.05	3,366,866.72	118,990,883.30	32,647,780.71	602,614,968.36
Patent right	507,534,140.96	5,709,387.07	181,663,225.85		694,906,753.88
Other	54,555,403.43	17,994,132.64	6,545,606.77		79,095,142.84
2.Total accumulated amortization	853,217,494.64	14,068,871.30	195,851,427.63	154,499,245.39	908,638,548.18
Land use right	439,751,264.44	5,794,794.48	64,825,679.81	153,927,547.67	356,444,191.06
Software	191,387,550.06	1,967,727.13	66,510,291.51	571,697.72	259,293,870.98
Patent right	210,053,261.52	5,678,647.39	63,960,905.72		279,692,814.63
Other	12,025,418.62	627,702.30	554,550.59		13,207,671.51
3.Total Intangible asset impairment reserve	7,107,089.79				7,107,089.79
Land use right					
Software					
Patent right	4,998,058.05				4,998,058.05
Other	2,109,031.74				2,109,031.74
4.Total book value	2,871,505,008.52	-			2,674,470,665.38
Land use right	2,217,083,785.07				1,857,155,247.21
Software	321,517,448.99				343,321,097.38
Patent right	292,482,821.39				410,215,881.20
Other	40,420,953.07				63,778,439.59

(2). Other remarks on intangible asset

By 31st Dec. 2022, the land use right in a sum of RMB 187,325,749.54 in terms of book value in the Company's intangible asset has been pledged for the loan.

32. Development cost

Item	Opening balance	Current increase		Current decrease			Closing balance
		R&D expense	Other	Recognized as intangible asset	Transferred to current profit and loss	Other	
Information Platform Project	22,679,243.74	15,533,924.95		20,064,914.62			18,148,254.07
New display Micro-LED epitaxial technology development and industrialization project	21,869,346.50	13,157,426.30		35,026,772.80			
MiniLED blue-green epitaxial technology R&D	14,424,389.90	2,060,383.73		16,484,773.63			
Red-light MiniLED chip technology development	15,670,146.63	6,871,946.41		22,542,093.04			
Ag process inverted LED chip technology R&D	3,430,854.06	3,713,318.35		7,144,172.41			
Blue-green MiniLED chip reliability improvement technology	4,555,450.06	6,519,290.75					11,074,740.81
TV and handphone backlight LED chip technological development		3,757,077.60					3,757,077.60
DBR Flip Product ESD Improvement Technical Development		2,381,187.08					2,381,187.08
Third-generation chemical semi-conductor GaN power device development		4,662,351.38					4,662,351.38
280nm deep ultra-violet LED epitaxial technology development	11,299,255.47	23,102.10		11,322,357.57			
New display LED component core technology development and industrialization study	16,270,868.55	200,864.52		16,471,733.07			

Item	Opening balance	Current increase		Current decrease			Closing balance
		R&D expense	Other	Recognized as intangible asset	Transferred to current profit and loss	Other	
New generation display semi-conductor MicroLED core technology development and industrialization study	11,231,433.49	268,360.17		11,499,793.66			
New generation new display semiconductor LED chip manufacture technology	9,801,487.49	10,178,103.33		19,979,590.82			
Third-generation semi-conductor GaN substrate epitaxial material and device R&D industrialization	2,638,172.97	8,631,568.56		11,269,741.53			
Large GaN epitaxial material and component manufacture key technology development 2021C01168		17,630,930.97					17,630,930.97
Large band gap semiconductor photo-electronic material and its key performance component key technology 2021C01030		14,318,524.07					14,318,524.07
Micro-order ultra-small size inverted LED chip technical development		18,013,882.85					18,013,882.85

Item	Opening balance	Current increase		Current decrease			Closing balance
		R&D expense	Other	Recognized as intangible asset	Transferred to current profit and loss	Other	
New display application-oriented third-generation semi-conductor material MicroLED epitaxial growth and chip preparation key technology research		8,786,679.02					8,786,679.02
6" ingot excircle process R&D	3,471,123.71	228,082.23		3,699,205.94			
R&D of double-rail full-automatic waxing machine 6" waxing technology	4,346,497.08	212,851.22		4,559,348.30			
6" sapphire wafer polishing technology R&D	8,846,990.01	188,115.87		9,035,105.88			
6" sapphire wafer double-side grinding key technology	3,109,955.23	198,175.78		3,308,131.01			
4" sapphire monocrystal crack improvement R&D	2,286,873.97	965,474.69					3,252,348.66
6" equal-diameter sapphire monocrystal growth technology R&D	2,579,114.03	437,722.50		3,016,836.53			
Notch processing	560,375.44	461,658.59		1,022,034.03			
Polishing consistency concave type process R&D	712,572.34	529,181.51		1,241,753.85			
Sapphire double-side grinding double-side thinning energy-saving emission-reduction key technology	652,501.73	690,752.70		1,343,254.43			

Item	Opening balance	Current increase		Current decrease			Closing balance
		R&D expense	Other	Recognized as intangible asset	Transferred to current profit and loss	Other	
MicroLED cleaning process R&D	1,643,597.26	1,995,025.99					3,638,623.25
R&D for improving apphire crystal growth speed with vertical gradient freeze method	178,833.07	853,237.85		1,032,070.92			
5" wafer bevel treatment key technical R&D	254,111.02	818,764.91		1,072,875.93			
6" sapphire sapphire wafer processing key technology R&D		1,484,311.51					1,484,311.51
Industrial Park Smart Park System		9,450,701.31					9,450,701.31
Corporate Digital Management System		15,490,632.05		938,679.23			14,551,952.82
Other		107,766,995.89			107,766,995.89		
Total	162,513,193.75	278,480,606.74		202,075,239.20	107,766,995.89		131,151,565.40

33. Goodwill

(1). Book value of goodwill

Name of investee or matters that results in goodwill	Opening balance	Current increase	Current decrease	Closing balance
Huacan Photo-electronic Inc.	1,822,888,752.06			1,822,888,752.06
Beijing Digitone Trading Inc.	1,003,688,355.41			1,003,688,355.41
Zhuhai Guangku Technology Inc.	778,398,836.52			778,398,836.52
Shenzhen Weiye Decoration Group Inc.	390,106,457.35			390,106,457.35
Yunnan Aquamarine Asset Portfolio	253,767,565.36			253,767,565.36
Huafa Property Service Group Co., Ltd *1	165,554,371.67	15,322,283.89		180,876,655.56
Zhuhai Jiahua Weijie Technology Co., Ltd	109,822,083.83			109,822,083.83
Johnson Investment Holding Co., Ltd *1	104,327,607.77	9,655,663.02		113,983,270.79
Huajin Securities	64,901,152.30			64,901,152.30
Huajin Futures Co., Ltd	64,744,368.67			64,744,368.67
Fujian Mindong Jiangong Investment Co., Ltd	58,110,815.64			58,110,815.64
Zhuhai Huafa Industrial Inc.	32,226,739.37			32,226,739.37
Huafa Property Management Service (Hong Kong) Co., Ltd	25,135,791.89			25,135,791.89
Zhuhai Hi-tech Headquarter Base Construction & Development Co., Ltd	18,181,742.15			18,181,742.15
Huajin Finance (International) Co., Ltd	8,944,721.04			8,944,721.04
Zhuhai Huafa Dehe Automobile Co., Ltd	477,880.57			477,880.57
Zhuhai Guangchen Technology Co., Ltd	35,066.34			35,066.34
Zhuhai Haichuan Real Estate Co., Ltd	1,363.43			1,363.43
Zhuhai Huaguan Technology Inc. *2		8,087,513.96		8,087,513.96
Total	4,901,313,671.37	33,065,460.87		4,934,379,132.24

(2). Goodwill impairment reserve

Name of investee or matters that results in goodwill	Opening balance	Current increase	Current decrease	Closing balance
Yunnan Aquamarine Asset Portfolio	253,767,565.36			253,767,565.36
Fujian Mindong Jiangong Investment Co., Ltd	5,858,196.40	18,650,000.00		24,508,196.40
Total	259,625,761.76	18,650,000.00		278,275,761.76

*1 The current increase is the translation difference.

*2 The current increase is the goodwill arising from acquisition of Huanguan Technology not under the same control in 2022.

34. Long-term deferred expense

Item	Opening balance	Current increase	Current amortization	Other decrease	Closing balance
Decoration expense	295,323,007.59	165,470,353.85	140,748,882.80	11,992,206.49	308,052,272.15
Other	39,535,157.18	18,155,082.76	15,957,036.41	8,766.24	41,724,437.29
Total	334,858,164.77	183,625,436.61	156,705,919.21	12,000,972.73	349,776,709.44

35. Deferred income tax asset and deferred income tax liabilities

(1) Un-offset deferred income tax asset

Item	Closing balance		Opening balance	
	Deferred income tax asset	Deductible/taxable temporary difference	Deferred income tax asset	Deductible/taxable temporary difference
Land value-added tax reserve	1,003,560,244.05	4,014,240,976.26	972,215,352.44	3,888,861,409.76
Stock internal profit	223,750,856.80	903,889,200.82	183,496,212.63	733,984,850.52
Asset impairment reserve	518,191,775.82	2,876,563,949.43	231,913,938.38	1,325,161,947.16
Fixed asset depreciation difference	8,084,676.55	34,848,471.49	22,402,702.42	89,610,809.68
Anticipated profit of advance receipt of payment	1,977,819,968.49	7,911,279,873.96	1,624,732,006.48	6,498,928,025.92
Withholding expense	4,282,751.61	19,276,241.46	2,413,726.94	9,654,907.75
Recoverable loss	2,214,156,030.97	9,562,231,333.98	1,912,677,877.56	7,650,711,510.24
Equity incentive expense	6,529,110.08	43,053,496.75	5,560,647.20	22,242,588.80
Payroll payable	10,807,925.71	55,528,824.65	5,621,521.94	22,486,087.76
Deferred income	41,751,666.60	255,289,024.48	40,535,608.83	162,142,435.32
Other	93,135,819.10	377,614,619.66	63,805,919.44	256,424,557.82
Total	6,102,070,825.78	26,053,816,012.94	5,065,375,514.26	20,660,209,130.73

(2) Un-offset deferred income tax liability

Item	Closing balance		Opening balance	
	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference
Cost to obtain the contract	157,981,850.49	631,927,401.95	148,157,694.95	592,630,779.81
Change to fair value of financial asset	262,502,309.44	1,050,119,539.08	160,553,053.71	642,212,214.87
Change to fair value of Investment real estate	379,137,460.55	1,516,549,842.16	262,328,291.41	1,049,313,165.65
Book value of the stock higher than the taxable basis	630,826,927.51	2,525,476,950.53	320,825,357.35	1,283,301,429.39
Value-added for merger of enterprises not under the same control	109,394,727.62	620,793,943.86	92,235,921.06	368,943,684.24
Fixed asset depreciation difference	160,022,422.05	1,066,816,147.18	145,590,525.78	970,603,505.27
Other	624,511,693.45	2,563,911,030.06	380,989,827.66	1,523,959,310.64
Total	2,324,377,391.11	9,975,594,854.82	1,510,680,671.92	6,430,964,089.87

(3) Deferred income tax or liabilities presented as offset net amount

Item	Offset amount of deferred income tax asset and liabilities on 31 st Dec. 2022	Offset balance of deferred income tax asset or liabilities on 31 st Dec. 2022	Offset amount of deferred income tax asset and liabilities on 31 st Dec. 2021	Offset balance of deferred income tax asset or liabilities on 31 st Dec. 2021
Deferred income tax asset	801,396,396.48	5,300,674,429.30	475,116,310.26	4,590,259,204.00
Deferred income tax liability	801,396,396.48	1,522,980,994.63	475,116,310.26	1,035,564,361.66

36. Other non-current assets

Item	Closing balance	Opening balance
Automobile 4S Shop Construction	3,989,199.73	5,439,817.82
Pre-paid long-term asset purchase payment	396,183,039.20	284,238,013.46
Pre-paid equity transfer payment	3,024,971,173.02	
Debt Instrument Investment *1	34,117,600.00	50,588,200.00
Use right of land for civil works *2	195,185,469.65	195,185,469.65
Land use right subject to development	800,000,000.00	800,000,000.00

Item	Closing balance	Opening balance
restrictions *3		
Cost of contract acquisition	229,582,606.34	269,511,277.39
Factoring Receivable	275,595,527.14	403,649,563.88
Entrusted loan and other	260,133,091.03	1,488,818.40
Total	5,219,757,706.11	2,010,101,160.60

Non-current asset of Zhuhai Development Investment Fund (Limited Partnership) was the investment in Zhuhai Longli Tengfeng Industrial Investment Fund Enterprise (Limited Partnership) in 2019, which will be transferred to long-term debt investment to Longli Tengfeng's shareholders in accordance with the agreement concluded this year. The balance amount was RMB 34,117,600.00 on 31st Dec. 2022,

*2. The land use right for the municipal works is the land use right of Yeli Island used for Zhuhai Opera House.

Land use right for municipal works:

Land use right	Area (sqm)	Title deed No.	Date of registration	Title period	Usage
Zhuhai Xiangzhou District Yeli Island Northwest Plot A	7,121.43	YFDQZZ No.0100183161	2013-01-31	Other purpose from 2013-01-10 to 2063-01-10	Other purpose from 2013-01-10 to 2063-01-10 Land usage is "square" and the land use period is 50 years from 10 th Jan. 2013.
Zhuhai Xiangzhou District Yeli Island Northwest Plot B1	20,645.23	YFDQZZ No.0100183162	2013-01-31	Entertainment from 2013-01-10 to 2063-01-10	Entertainment from 2013-01-10 to 2063-01-10 Land usage is "entertainment" (opera house) and the land use period is 50 years from 10 th Jan. 2013.
Zhuhai Xiangzhou District Yeli Island Northwest Plot B2	33,014.93	YFDQZZ No. 0100183163	2013-01-31	Entertainment from 2013-01-10 to 2063-01-10	Entertainment from 2013-01-10 to 2063-01-10. Land usage is "entertainment" (opera house) and the land use period is 50 years from 10 th Jan. 2013.

*3. The land use right with restrictions on development is the investment of Zhuhai People's Government State Asset Supervision and Administration Committee into the Company and shall not be used for actual development. It is only used by the Company to provide the land use right as mortgage for guarantee of bank loans.

Details of land use right with restrictions on development:

Land use right	Area (sqm)	Title deed No.	Date of registration	Title period	Usage
Zhuhai Xiangzhou District Tangjia Houhuan Coastal Area	500,000.00	YFDQZZ No 0100032846	2009-09-18	Commercial service (from 2002-11-28 to 2042-11-28), residential (from 2002-11-28 to 2072-11-28)	Commercial service (from 2002-11-28 to 2042-11-28), residential (from 2002-11-28 to 2072-11-28)

37. Short-term loan

(1). Type of short-term loan

Type of loan	Closing balance	Opening balance
Pledged loan	3,132,706,993.49	1,831,635,052.51
Mortgaged loan	6,935,519,000.00	5,690,071,985.01
Guaranteed loan	12,098,250,805.89	11,432,298,093.81
Credit loan	8,631,005,311.47	7,582,579,091.49
Interest payable of outstanding loan	51,325,279.78	28,785,124.16
Total	30,848,807,390.63	26,565,369,346.98

(2). There is no overdue short-term loan.

(3). Refer to Note 8.1, Note 8.8, Note 8.10, Note 8.11, Note 8.12, Note 8.14, Note 8.16, Note 8.24, Note 8.26, Note 8.27, Note 8.28, Note 8.30, Note 8.31, Note 7.1 and Note 9.2 for mortgage, pledge and guarantees.

38. Loan

(1) By entry

Type	Closing balance	Opening balance
Fund borrowed and then financed	150,000,000.00	150,000,000.00
Subtotal	150,000,000.00	150,000,000.00
Add: Interest payable	175,000.00	256,666.67
Total	150,175,000.00	150,256,666.67

(2) Balance period of fund borrowed and then financed

Balance period	Closing		Opening	
	Closing balance	Interest rate	Opening balance	Interest rate
<3 months			150,256,666.67	2.80%
3-6 months	150,175,000.00	2.10%		
Total	150,175,000.00		150,256,666.67	

39. Transaction financial liability

Item	Closing fair value	Opening fair value
Financial liability that is designated to be measured by fair value and with its change being included into the current profit & loss		63,258,784.88
Total		63,258,784.88

40. Derivative financial liabilities

Item	Closing balance	Opening balance
Overseas operation net investment hedging instrument	4,828,454.88	124,416,581.00
Future contract	53,476,520.00	29,904,540.00
Total	58,304,974.88	154,321,121.00

41. Notes payable

Type	Closing balance	Opening balance
Commercial acceptance bill	770,793,367.18	1,433,089,157.91
Bank acceptance bill	1,009,085,704.35	1,971,449,801.08
Letter of credit	32,157,491.00	173,342,594.97
Total	1,812,036,562.53	3,577,881,553.96

Note: The Company doesn't have notes payable due but not paid yet in the current period.

42. Account payable

Age	Closing balance	Opening balance
< 1 year (including 1 year)	36,065,283,243.80	38,423,702,929.04
>1 year	3,055,301,866.99	2,272,290,634.08
Total	39,120,585,110.79	40,695,993,563.12

Note: The Company's account payable is mainly project and material payable related with real estate development.

Important account payable with an age above 1 year

Creditor	Closing balance	Reason of not paid
Zhuhai Jinwan International Business Center	479,559,891.14	No final account yet for the project payment
Weihai Huafa Jiulong Bay	267,682,566.63	No final account yet for the project payment
Zhanjiang Huafa New City Garden	249,980,422.67	No final account yet for the project payment

Creditor	Closing balance	Reason of not paid
Zhuhai Zhongye Real Estate Co., Ltd	240,025,627.13	No final account yet for the project payment
Bonded Area Phase 2 Land Development Project Payment	239,133,822.58	No final account yet for the project payment
Zhuhai Huafa Aquatic Villa Garden	220,615,420.03	No final account yet for the project payment
Zhuhai Green Ocean Bay Garden	208,110,329.52	No final account yet for the project payment
Cmsemicon (Xiamen) Co., Ltd	86,103,030.71	No final account yet for the project payment
Shenzhen Yulong Construction Labor Subcontract Co., Ltd	40,024,433.00	No final account yet for the project payment
Guangdong Yuanhui Construction Co., Ltd	34,779,405.25	No final account yet for the project payment
Tibet Logistics Park Phase 1 Project Payment	29,633,657.13	No final account yet for the project payment
Shenzhou Digital System Integration Service Co., Ltd	24,707,747.90	No final account yet for the project payment
CSCEC 8th Bureau 1st Construction Co., Ltd	24,228,924.62	No final account yet for the project payment
UNICOM Digital Technology Co., Ltd Guangdong Branch	23,994,753.13	No final account yet for the project payment
Shanghai Baoye Group Co., Ltd	21,966,946.78	No final account yet for the project payment
Guangzhou Jiajie Technology Co., Ltd	19,225,230.15	No final account yet for the project payment
Qinyuan Affordable Housing Project Payment	16,960,727.19	No final account yet for the project payment
SBS Stage Equipment Technology (Hangzhou) Co., Ltd	14,998,515.00	No final account yet for the project payment
Shenzhen Lang'Ao Clean Technology Inc.	14,741,656.88	No final account yet for the project payment
Pingsha Hospital Project payment	13,861,117.83	No final account yet for the project payment
Zhuhai Yuansheng Labor Service Co., Ltd	13,622,177.06	No final account yet for the project payment
Doumen "One River Two Banks" Project Payment	12,190,405.64	No final account yet for the project payment
Shenzhen Zhongpuxin Construction Group Co., Ltd	11,056,134.15	No final account yet for the project payment
Total	2,307,202,942.12	

43. Advance receipt of payment

Item	Closing balance	Opening balance
Advance receipt of rental, property management fee and etc.	519,056,254.31	490,671,430.39

Note: The Company has no important advance receipt of payment with an age above 1 year at end of the current period.

44. Contract liabilities

(1) Type of contract liabilities

Item	Closing balance	Opening balance
Advance receipt of real estate payment	88,795,384,784.72	74,661,225,737.79
Investment for project cooperation and development	60,037,833.64	741,141,655.66
Advance receipt of goods payment	485,922,477.20	188,394,521.26
Land transfer payment		194,703,014.48
Advance receipt of factoring interests	5,000,000.00	126,807,770.64
Advance receipt of project payment	1,013,767,632.12	282,261,003.86
Other	486,457,424.61	312,973,151.41
Total	90,846,570,152.29	76,507,506,855.10

(2) Advance receipt of real estate payment

Project Name	Closing balance	Opening balance	Anticipated first phase completion time	Advance sales percentage %
Shanghai Huafa Four Season Peninsula	9,024,872,251.37	1,278,887,327.52	2023	100
Guangzhou Huafa Yuexiu Heyue Mansion	6,944,828,541.16	3,507,412,684.11	2023	86.68
Hengqin Area Residential Project	6,915,134,269.54	6,331,553,996.06	2023	69.13
Shaoxing International Financial Vitality City	6,413,270,049.40	4,995,580,758.79	2022	85.61
Nanjing Zhongshan Fengjing Mansion	5,138,660,428.49	2,927,592,369.90	2023	62.53
Shanghai Huafa Manyun Mansion	4,915,372,246.79		2024	100
Hangzhou Huafa Riverside	4,681,379,189.91		2025	100
Shanghai Suhe Century	3,955,668,659.63		2024	100
Zhuhai Metropolitan Four Season	2,459,999,680.95	1,860,135,482.99	2023	82.91
Kunming Rongchuang Huafa Cultural Tourist City	2,391,616,477.06	891,065,198.95	2023	80.28
Suzhou Qianyue Jingting Mansion	1,992,334,748.86	3,206,094,388.07	2022	80
Four Season Fengjing Project	1,864,213,891.70	5,676,572,567.59	2022	79.38
Hangzhou Huafa Feng Hui	1,744,458,785.62	926,258,274.31	2023	73.27
Wuhan Huafa Park Capital	1,735,607,209.35	207,861,917.43	2025	49.72
Suzhou Gushu Garden	1,710,322,589.08		2020	92.36
Nanjing Four Season Yazhu Mansion	1,708,869,584.41		2024	64.16
Zhuhai Urban Construction International Coastal Garden	1,613,598,591.41	138,106,652.08	2020	74.87
Nanjing Huafa Meidi Yunzhu	1,548,678,523.85	153,858,724.77	2024	63.72

Project Name	Closing balance	Opening balance	Anticipated first phase completion time	Advance sales percentage %
Chengdu Jinjiang Courtyard (Zhanghua)	1,531,913,522.57	373,593,861.47	2023	98.74
Wuxi Central Capital	1,388,241,842.20	273,509,780.73	2021	54.3
Zhuhai Huafa Shizimen International Garden	1,370,663,668.47	1,499,229,359.83	2020	71.13
Wuhan Huafa Jinmao International Community	1,345,481,048.62	1,641,163,341.37	2021	88.93
Chengdu Jinjiang Courtyard (Chongde)	1,341,587,295.00	72,696,623.85	2023	98.54
Huizhou Bozuan Four Season	1,321,432,526.16		2022	81.82
Yiwu Huafa Jiangyingyue	1,102,708,807.34	40,024,730.27	2023	49.84
Wuhan Huafa Duhui Horizon	1,060,488,303.07	57,132,975.29	2024	72.34
Zhuhai Huafa Aquatic Villa Garden	831,216,774.10	1,070,014,027.68	2015	90.32
Zhuhai Huafa Tianmao Peninsula Garden	729,710,016.33	303,735,830.09	2021	58.35
Xuzhou Qingcui Four Season Garden	699,073,441.28		2024	67.31
Shenyang Huafa Longhu Tianyao Mansion	661,291,452.29		2023	51.26
Wuhan Huafa Bund Mansion	656,674,050.45	859,019,003.67	2022	57.25
Nanjing Zijing Four Season Garden	653,110,892.66		2024	41.87
Zhengzhou Huafa Fengjing Bay	650,003,751.38	529,827,867.89	2023	59.06
Xi'an Huafa Chang'an Capital	591,962,251.38	82,802,996.33	2023	28.33
Yantai Huafa Guan Shan Shui	540,837,240.51	450,770,450.61	2023	75.61
Weihai Jindi Huafa Fengfan Mansion	533,930,722.94		2023	46.2
Foshan Huafa Riverside Mansion	506,000,705.50		2024	51.04
Zhanjiang Huafa New City Garden	476,836,748.62	1,136,271,697.32	2021	84.56
Suzhou Star Ocean	437,359,242.75	24,286,037.25	2023	88.9
Hengqin International Financial Center	45,965,190.50	88,805,523.81	2018	54.33
Blue Bay Smart Island Phase	5,078,278.76	6,721,194.49	2021	20.08
Hangzhou Jiulongcang Huafa Tianhui Mansion		5,759,934,614.68	2021	97.58
Shanghai Sishui Heming		4,345,884,209.24	2022	100
Shanghai Guangxing Mansion		1,745,043,030.27	2022	100
Other	3,554,931,293.26	22,199,778,239.08		
Total	88,795,384,784.72	74,661,225,737.79	—	

45. Financial assets sold for repurchase

(1) By type

Type	Closing balance	Opening balance
Bond	2,632,293,927.73	1,301,225,204.94
Corporate bond	1,429,819,098.64	1,301,225,204.94
Government bond	239,092,735.40	
Financial bond	963,382,093.69	
Standard bond	145,003,382.33	214,007,964.37
Total	2,777,297,310.06	1,515,233,169.31

(2) By business

Type	Closing balance	Opening balance
Bond pledge-type repurchase	2,777,297,310.06	1,515,233,169.31
Bond buyout-type repurchase		
Total	2,777,297,310.06	1,515,233,169.31

(3) Collateral for financial assets sold for repurchase

Type of collateral	Closing collateral	Opening collateral
Bond	2,582,487,320.00	1,329,393,584.00
Standard bond	208,983,458.86	269,314,500.12
Large-sum deposit certificate	250,000,000.00	100,000,000.00
Total	3,041,470,778.86	1,698,708,084.12

(4) Collateral provided

Refer to Note 8.8 for the Company's bond pledged for the "sold for repurchase" business by 31st Dec. 2022.

The Company has no asset management plan designated as guarantee for "sold for repurchase" business by 31st Dec. 2022.

46. Deposit received and interbank placement

Item	Closing balance	Opening balance
Deposit received	2,965,530,768.63	1,994,065,399.36
Interbank placement	990,923,960.08	1,106,262,002.00
Total	3,956,454,728.71	3,100,327,401.36

47. Fund for securities transaction under agency agreement

(1) By type

Item	Closing balance	Opening balance
Individual client	1,220,341,359.29	1,169,066,414.87
Institutional client	400,373,994.31	684,264,905.20
Total	1,620,715,353.60	1,853,331,320.07

(2) By currency

Item	Closing balance			Opening balance		
	Original currency	Exchange ratio	Converted to Renminbi	Original currency	Exchange ratio	Converted to Renminbi
Individual client						
Incl: Renminbi	1,146,769,306.50	1.0000	1,146,769,306.50	1,114,938,374.61	1.0000	1,114,938,374.61
US \$	1,733,909.25	6.9646	12,075,984.36	1,191,101.27	6.3757	7,594,104.37
HK \$	68,843,763.25	0.8933	61,496,068.43	56,915,283.62	0.8176	46,533,935.89
Subtotal			1,220,341,359.29			1,169,066,414.87
Institutional client						
Incl: Renminbi	394,322,301.91	1.0000	394,322,301.91	645,526,002.01	1.0000	645,526,002.01
HK \$	6,774,762.84	0.8933	6,051,692.40	47,381,241.67	0.8176	38,738,903.19
Subtotal			400,373,994.31			684,264,905.20
Total			1,620,715,353.60			1,853,331,320.07

48. Monetary bond payable

Item	Closing		Opening	
	Quantity	Amount	Quantity	Amount
Natural person	10,904.00	1,101,280,644.72	8,965.00	1,069,856,891.79
Legal person	560	1,299,867,152.95	438	1,107,798,762.57
Total	11,464.00	2,401,147,797.67	9,403.00	2,177,655,654.36

49. Pledge bond payable

Item	Closing		Opening	
	Quantity	Amount	Quantity	Amount
Legal person	6	236,403,712.00	3	51,875,580.00
Total	6	236,403,712.00	3	51,875,580.00

50. Future risk reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Future risk reserve	9,553,252.91	2,538,785.95		12,092,038.86
Total	9,553,252.91	2,538,785.95		12,092,038.86

50. Payroll payable

(1). By payroll payable

Item	Opening balance	Changeover from consolidation	Current increase	Current decrease	Closing balance
Short-term payroll	1,446,188,740.96	9,549,739,979.78	9,720,149,596.80	1,275,779,123.94	1,446,188,740.96

Item	Opening balance	Changeover from consolidation	Current increase	Current decrease	Closing balance
Welfare after severance- defined contribution plans	101,044,686.95	530,755,035.60	515,211,005.25	116,588,717.30	101,044,686.95
Termination welfare	123,924.60	22,824,835.05	18,789,815.51	4,158,944.14	123,924.60
Total	1,547,357,352.51	10,103,319,850.43	10,254,150,417.56	1,396,526,785.38	1,547,357,352.51

(2) By short-term payroll

Item	Opening balance	Current increase	Current decrease	Closing balance
Salary, bonus, subsidy and allowance	1,354,502,857.61	8,450,835,923.39	8,593,781,237.47	1,211,557,543.53
Staff welfare	12,841,241.64	372,871,341.40	378,384,845.91	7,327,737.13
Social insurance	22,231,178.71	201,965,903.98	201,755,773.64	22,441,309.05
Incl: medical insurance	21,794,053.18	190,517,060.93	190,385,268.28	21,925,845.83
Work-related injury insurance	210,046.66	6,738,089.35	6,728,239.67	219,896.34
Birth insurance	227,078.87	4,710,753.70	4,642,265.69	295,566.88
Other				
Housing contribution fund	27,588,629.91	259,753,345.75	282,386,401.20	4,955,574.46
Labor union dues and staff education fund	25,594,778.74	127,837,817.89	125,839,013.25	27,593,583.38
Short-term paid leave				
Short-term profit sharing plan				
Other short-term payroll	3,430,054.35	136,475,647.37	138,002,325.33	1,903,376.39
Total	1,446,188,740.96	9,549,739,979.78	9,720,149,596.80	1,275,779,123.94

(3) By defined contribution plan

Item	Opening balance	Current increase	Current decrease	Closing balance
Basic life insurance	6,281,617.46	390,435,163.41	387,551,688.47	9,165,092.40
Unemployment insurance premium	621,922.13	11,008,126.79	11,417,563.65	212,485.27
Corporate annuity payment	94,141,147.36	129,311,745.40	116,241,753.13	107,211,139.63
Total	101,044,686.95	530,755,035.60	515,211,005.25	116,588,717.30

52. Tax payable

Item	Closing balance	Opening balance
Value-added tax	484,715,419.23	454,189,238.42
Corporate income tax	2,078,895,630.07	2,062,587,283.64

Item	Closing balance	Opening balance
Land value-added tax	151,356,941.91	28,227,721.58
Urban maintenance and construction tax	39,744,612.02	23,471,593.08
Real estate tax	31,728,669.11	22,672,039.94
Individual income tax	31,572,553.65	33,203,956.93
Stamp duty	26,989,263.94	24,345,959.03
Education surtax	25,636,035.50	13,802,994.66
Withholding tax and etc	66,873,831.15	73,522,641.76
Total	2,937,512,956.58	2,736,023,429.04

53. Other payable

Type	Closing balance	Opening balance
Interest payable	5,947,130.84	5,650,452.85
Dividend payable	655,708.40	550,545,708.40
Other payable	27,369,063,059.19	25,103,443,326.10
Total	27,375,665,898.43	25,659,639,487.35

(1) Interest payable

Item	Closing balance	Opening balance
Other interest	5,947,130.84	5,650,452.85
Total	5,947,130.84	5,650,452.85

(2) Dividend payable

Item	Closing balance	Opening balance
Common share dividend	655,708.40	550,545,708.40
Total	655,708.40	550,545,708.40

(3) Other payable

1). By nature

Item	Closing balance	Opening balance
Deposit and bond	1,194,019,101.09	1,420,146,146.96
Current account and borrowing	18,777,288,913.75	17,140,440,560.55
Land value-added tax reserve	5,309,453,434.47	4,417,276,983.54
Account of shareholding on agency basis	1,244,767,106.60	1,121,800,000.00
Payment received on behalf of others	341,488,049.59	203,381,462.92
Payment from equity transfer	103,478,258.50	26,998,425.30
Restricted stock repurchase obligation	30,769,211.00	47,593,040.00
Withholding expense	236,393,895.92	123,145,981.23
Other	131,405,088.27	602,660,725.60
Total	27,369,063,059.19	25,103,443,326.10

2). Other important payable with an age above 1 year

Creditor	Closing balance	Reason of not repaid
Land value-added tax reserve	2,649,128,616.92	Hasn't settled the land value-added tax yet
Zhuhai Fiscal National Treasury Payment Center	733,367,106.60	Hasn't settled yet
State Taxation Administration Zhuhai Bonded Area Tax Bureau	307,786,539.70	Hasn't settled yet
Beijing Diertong Consultancy Co., Ltd	212,365,595.61	Hasn't reached the repayment period yet
Zhuhai Hi-tech Industrial Development Zone Housing, Urban and Rural Construction Bureau	87,774,989.80	Hasn't settled yet
Withholding land transfer fee	63,288,990.00	Reorganization of historical residual debt
Zhuhai Port Holding Group Co., Ltd	61,258,082.25	Reorganization of historical residual debt
Zhuhai Hengqin Tax Bureau	59,836,240.05	Hasn't settled yet
Zhuhai Small and Medium Enterprise Service Center	30,207,260.39	Hasn't settled yet
Total	4,205,013,421.32	

54. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term loan due within one year	28,528,503,808.54	21,982,259,970.50
Bond payable due within one year	12,942,889,069.87	11,369,325,807.08
Long-term payable due within one year	900,632,496.01	402,617,602.65
Lease liabilities due within one year	426,906,904.35	469,611,322.23
Other non-current liabilities due within one year	13,250,000.00	3,000,000.00
Interest payable of long-term loan due within one year	288,627,657.83	251,068,591.84
Interest payable of bond payable due within one year	1,908,975,809.08	1,612,097,227.34
Interest payable of long-term payable due within one year	9,667,038.88	9,844,625.00
Interest payable of other non-current liabilities due within one year	84,174,425.78	26,528,527.01
Total	45,103,627,210.34	36,126,353,673.65

55. Other current liabilities

Item	Closing balance	Opening balance
Undue liability reserve *1	21,405,685.20	20,602,650.62
Guarantee indemnity reserve *1	13,237,835.76	10,602,835.76
Future investor guarantee fund	139,984.46	185,032.03
Short-term financial bond *2	8,469,721,690.00	11,640,000,000.00
US overseas private placement bond *3	933,565,085.33	1,275,140,406.40
Real estate final payment phase 2 asset-backed special plan		319,426,000.00
Financial lease payable	50,000,000.00	
Factoring payment payable	953,383,761.65	
Short-term earning certificate *4	117,000,000.00	432,570,000.00
Undue notes already endorsed	110,535,797.51	206,186,852.49

Item	Closing balance	Opening balance
Tax and other to write off	8,829,951,658.09	7,187,750,297.65
Undue interest payable	95,101,630.18	138,077,169.35
Total	19,594,043,128.18	21,230,541,244.30

*1 The subsidiary Zhuhai Huajin Inclusive Finance Service Co., Ltd withdraws the undue liability reserve and guarantee indemnity reserve in accordance with rules in Guangdong Province's "Financial Guarantee Company Provisional Management Method".

*2 Closing super-short term bond is the short-term bond issued by the Company in the current term, detailed as below:

Bond	Date of Issuance	Term (days)	Amount issued	Nominal interest rate %	Closing balance
22 Huafa Group SCO005	2022-4-21	270	1,000,000,000.00	2.50	1,000,000,000.00
22 Huafa Group SCO006	2022-7-15	180	500,000,000.00	2.09	469,721,690.00
22 Huafa Group SCO007	2022-9-5	270	1,000,000,000.00	2.25	1,000,000,000.00
22 Huafa Group SCO008	2022-9-28	270	1,000,000,000.00	2.25	1,000,000,000.00
22 Huafa Group SCO009	2022-10-17	270	1,000,000,000.00	2.35	1,000,000,000.00
22 Huafa Group SCO010	2022-10-26	268	1,000,000,000.00	2.34	1,000,000,000.00
22 Huafa Group SCO011	2022-12-13	92	1,000,000,000.00	3.53	1,000,000,000.00
22 Huafa Group SCO012	2022-12-15	166	1,000,000,000.00	3.82	1,000,000,000.00
22 Huafa Group CP001	2022-3-29	330	1,000,000,000.00	2.69	1,000,000,000.00
Total			8,500,000,000.00		8,469,721,690.00

* 3. GUANG TAO INVESTMENT LIMITED, the subsidiary of Huafa Inc. issued a bond of USD 0.2 billion publicly on 27th Jan. 2022 with a term of 364 days and the nominal annual interest rate of 4.2%;

*4 Closing short-term yield certificate is the short-term yield certificate issued by the subsidiary Huajin Securities, detailed as below:

Bond Name	Date of issuance	Bond term	Amount issued	Nominal interest rate	Closing balance
Huajin Securities Xinrui No.66 Income Certificate	2022-7-25	258	100,000,000.00	3.25	100,000,000.00
Huajin Securities Jinshi No. 77 Income Certificate	2022-12-5	30	4,990,000.00	2.90	4,990,000.00
Huajin Securities Jinshi No. 78 Income Certificate	2022-12-13	30	5,000,000.00	2.90	5,000,000.00
Huajin Securities Jinshi No. 79 Income Certificate	2022-12-19	30	5,000,000.00	2.90	5,000,000.00

Bond Name	Date of issuance	Bond term	Amount issued	Nominal interest rate	Closing balance
Huajin Securities Jincheng No. 109 Income Certificate	2022-12-20	14	1,800,000.00	5.38	1,800,000.00
Huajin Securities Jincheng No. 110 Income Certificate	2022-12-27	14	210,000.00	5.38	210,000.00
Total			117,000,000.00		117,000,000.00

56. Long-term loan

Type of loan	Closing balance	Opening balance
Pledged loan	2,632,630,000.00	3,488,165,879.10
Mortgaged loan	40,479,042,786.63	36,104,219,769.42
Guaranteed loan	83,251,690,466.02	75,000,134,659.78
Credit loan	20,316,140,428.10	15,368,751,981.15
Undue interest payable	291,272,271.84	259,475,475.31
Subtotal	146,970,775,952.59	130,220,747,764.76
Minus: long-term loan due within one year	28,817,131,466.37	22,233,328,562.34
Total	118,153,644,486.22	107,987,419,202.42

Refer to Note 8.1, Note 8.8, Note 8.10, Note 8.11, Note 8.12, Note 8.14, Note 8.16, Note 8.24, Note 8.26, Note 8.27, Note 8.28, Note 8.30, Note 8.31, Note 7.(1) and Note 9 (2) for mortgage, pledge and guarantees.

57. Bond payable

(1) Bond payable

Item	Closing balance	Opening balance
Corporate bond	86,027,435,987.34	76,354,186,622.50
Undue interest payable	1,908,975,809.08	1,612,097,227.33
Subtotal	87,936,411,796.42	77,966,283,849.84
Minus: bonds payable due within one year	14,851,864,878.95	12,981,423,034.43
Total	73,084,546,917.47	64,984,860,815.41

(2) Increase and decrease of bond payable

Bond	Face value	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
17 Huafa Industry MTN001	100.00	2017-6-22	5years	10.00	999,610,556.20		25,032,500.00	389,443.80	1,000,000,000.00	
17 Huafa Industry MTN002	100.00	2017-7-27	5years	10.00	999,586,456.43		30,213,333.33	413,543.57	1,000,000,000.00	
17 Huafa Industry MTN003	100.00	2017-9-28	5years	20.00	1,998,990,433.65		80,251,666.67	1,009,566.35	2,000,000,000.00	
19 Huafa 01	100.00	2019-2-25	3+2years	7.50	748,536,503.82	708,000,000.00	36,545,833.33	191,596.18	708,000,000.00	748,728,100.00
19 Huafa 02	100.00	2019-2-25	2+1years	7.80	779,500,000.00		5,612,400.00	0.00	779,500,000.00	
19 Huafa 03	100.00	2019-8-19	3+2years	5.00	498,660,438.86	332,000,000.00	20,467,893.15	1,339,561.14	412,000,000.00	420,000,000.00
19 Huafa 04	100.00	2019-8-19	2+1years	5.00	499,841,980.53		14,153,472.22	158,019.47	500,000,000.00	
20 Yue Zhuhai Huafa ZR001	100.00	2020-1-21	3years	10.00	996,677,718.74		65,395,833.33	3,004,572.02		999,682,290.76
20 Yue Zhuhai Huafa ZR003	100.00	2020-3-31	3years	5.00	499,145,715.67		30,416,666.67	666,886.75		499,812,602.42
20 Yue Zhuhai Huafa ZR008	100.00	2020-7-15	3years	5.00	497,091,921.77		25,347,222.22	335,696.07		497,427,617.84
20 Yue Zhuhai Huafa ZR010	100.00	2020-8-11	3years	10.00	991,730,496.32		50,694,444.44	1,615,940.40		993,346,436.72
20 Huafa 02	100.00	2020-2-25	3+2years	15.80	1,578,051,108.32		54,145,722.22	3,672,992.24		1,581,724,100.56
20 Huafa 03	100.00	2020-11-5	2+2+1 years	5.20	520,207,091.64		19,422,866.67	-207,091.64	520,000,000.00	
20 Huafa 04	100.00	2020-11-12	3+2years	15.00	1,498,399,340.78		63,722,916.67	2,237,135.51		1,500,636,476.29
20 Huafa 05	100.00	2020-11-12	2+2+1 years	9.20	919,823,903.39	50,000,000.00	31,347,997.22	251,633.30	920,000,000.00	50,075,536.69
20 Huafa Industry MTN003	100.00	2020-9-29	3years	9.50	948,280,513.23		44,114,305.56	983,214.97		949,263,728.20

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20 Huafa Industry MTN004	100.00	2020-10-29	3+2years	8.30	828,103,374.44		34,755,097.22	1,137,595.41		829,240,969.85
20 Huafa Industry PPN001	100.00	2020-8-31	3years	5.50	549,353,225.14		24,846,060.00	396,279.53	80,315,880.00	469,433,624.67
20 Huafa Industry PPN002	100.00	2020-9-25	3years	5.00	499,367,278.71		23,103,100.00	364,086.69	50,140,220.00	449,591,145.40
20 Yue Huaguo Commerce & Trade ZR001	100.00	2020-9-11	2years	2.00	197,647,282.84		7,027,777.78	2,352,717.16	200,000,000.00	
20 Yue Huaguo Commerce & Trade ZR005	100.00	2020-11-20	2years	5.00	497,651,119.33		22,430,555.56	2,348,880.67	500,000,000.00	
20 Yue Huaguo Commerce & Trade ZR006	100.00	2020-12-24	3years	4.20	418,694,030.40		27,253,333.33	235,473.74		418,929,504.14
20 Yue Huaguo Commerce & Trade ZR007	100.00	2020-12-25	2years	2.00	199,162,052.05		755,555.56	837,947.95	200,000,000.00	
20 Yue Huaguo Commerce & Trade ZR008	100.00	2020-12-29	1.98+1+1+1years	6.00	0.00	600,000,000.00	1,116,666.67	182,266.18		600,182,266.18
Land 2020 Phase 1 Directional Finance Plan	100.00	2020-9-29	3years	1.00	98,473,042.13		5,373,611.11	1,526,957.87	100,000,000.00	
2021 Phase 1 Creditor Right Finance Plan	100.00	2021-1-13	2years	1.50	149,545,221.69		7,604,166.67	415,011.06		149,960,232.75
21 Huafa 01	100.00	2021-1-18	2+2+1 years	19.20	1,868,411,395.76		94,576,800.00	391,882.15		1,868,803,277.91
21 Huafa 03	100.00	2021-9-13	2+2+1 years	20.00	1,998,533,396.17		95,032,747.78	257,971.05	5,018,600.00	1,993,772,767.22
21 Huafa 05	100.00	2021-12-17	2+2+1 years	15.00	1,500,000,000.00		75,736,463.33		80,477,400.00	1,419,522,600.00

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21 Huafa Industry PPN001	100.00	2021-2-4	2+2+1 years	8.40	686,873,226.32		35,442,436.86	949,248.26	30,386.40	687,792,088.18
21 Huafa Industry MTN001	100.00	2021-4-26	3years	5.10	438,886,814.79		22,063,076.50	478,327.51		439,365,142.30
21 Huafa Industry MTN002	100.00	2021-6-24	2+2+1 years	6.90	688,834,915.64		34,718,896.67	775,094.04	10,085,940.00	679,524,069.68
21 Huafa Industry MTN003	100.00	2021-9-2	2+1years	10.40	1,038,070,501.77		47,302,060.00	97,513.23	10,059,200.00	1,028,108,815.00
21 Huafa Industry MTN004	100.00	2021-11-29	2+1years	5.00	430,000,000.00		24,918,383.33	-462,854.76	5,029,325.00	424,507,820.24
21 Yue Huaguo Commerce & Trade ZR004	100.00	2021-7-30	3years	1.30	130,000,000.00		8,435,555.56	164,795.79		130,164,795.79
21 Yue Huaguo Commerce & Trade ZR005	100.00	2021-10-11	3years	2.50	248,056,770.89		16,931,944.44	280,415.69		248,337,186.58
21 Yue Huaguo Commerce & Trade ZR006	100.00	2021-9-28	1+1+1 years	3.50	350,000,000.00		21,291,666.67	-2,224,168.85		347,775,831.15
21 Yue Huaguo Commerce & Trade ZR007	100.00	2021-12-29	1+1+1 years	2.50	250,000,000.00		15,208,333.33	-1,989,324.48		248,010,675.52
21 Huazhu 01	100.00	2021-7-30	2+2+1 years	5.00	399,309,717.68	10,000,000.00	22,019,786.11	427,695.61		409,737,413.29
22 Huafa 01	100.00	2022-4-29	2+2+1 years	3.90		390,000,000.00	12,576,416.67			390,000,000.00
22 Huafa 02	100.00	2022-4-29	3+2years	3.00		280,000,000.00	9,454,803.76	-943,396.43		279,056,603.57
22 Huafa 03	100.00	2022-9-13	2+2+1 years	5.00		370,000,000.00	5,584,251.66	-680,166.44		369,319,833.56

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22 Huafa Industry MTN001A	100.00	2022-7-4	3+2years	12.00		1,200,000,000.00	29,640,000.00	-5,876,361.15		1,194,123,638.85
22 Huafa Industry MTN001B	100.00	2022-7-4	2+2+1 years	18.00		1,759,702,320.00	42,165,120.00	-7,374,868.77		1,752,327,451.23
22 Huafa Industry MTN002A	100.00	2022-8-8	3+2years	6.00		600,000,000.00	12,044,166.67	-1,249,333.33		598,750,666.67
22 Huafa Industry MTN002B	100.00	2022-8-8	2+2+1 years	10.00		1,000,000,000.00	19,452,777.78	-1,282,222.22		998,717,777.78
22 Huafa Industry MTN003	100.00	2022-10-31	2+2+1 years	10.00		840,000,000.00	7,078,988.58	-1,333,333.33		838,666,666.67
22 Yue Huaguo Commerce & Trade ZR001	100.00	2022-3-30	1+1+1 years	2.45		245,000,000.00	11,270,000.00	-732,963.99		244,267,036.01
Green Bond G18 Huazong 1	100.00	2018-3-30	3+2years	10.00	896,662,000.00		48,172,916.88			896,662,000.00
18Huazong 01	100.00	2018-8-17	3+2years	20.00	2,006,343,907.00		93,600,000.00	-5,755,969.09		2,000,587,937.91
Green Bond G19 Huazong 1	100.00	2019-12-4	5years	5.00	498,780,863.94		20,850,000.00	400,364.36		499,181,228.30
22Huazong 01	100.00	2022-1-24	3+2years	10.00	0.00	1,000,000,000.00	31,670,958.90	-1,981,581.98		998,018,418.02
Huafa Group 2019 I Co., Ltd USD 300 million Guaranteed Bond	USD 200,000.00	2019-7-3	5years	USD 3.00	1,911,001,696.61		91,169,128.69	178,415,241.44		2,089,416,938.05

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Bond	Face value	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
Huafa 2020 I Co., Ltd USD 250 million Guaranteed Bond	USD 200,000.00	2020-11-4	5years	USD 2.50	1,584,444,143.39		50,527,331.62	149,036,228.60		1,733,480,371.99
Huafa 2020 I Co., Ltd USD 150 million Guaranteed Bond	USD 200,000.00	2021-1-21	5years	USD 1.50	940,314,707.60		32,858,809.29	91,100,394.87		1,031,415,102.47
Huafa 2021 I Co., Ltd USD 200 million Guaranteed Bond	USD 200,000.00	2021-8-31	3.5years	USD 2.00	1,268,162,511.30		42,734,323.29	119,547,103.29		1,387,709,614.59
19 Huafa Group MTN001	100.00	2019-1-16	5years	10.00	1,000,000,000.00		41,000,000.00			1,000,000,000.00
19 Huafa Group MTN002	100.00	2019-1-23	5years	15.00	1,500,000,000.00		63,900,000.00			1,500,000,000.00
19 Huafa Group MTN003	100.00	2019-4-23	5years	10.00	1,000,000,000.00		49,300,000.00			1,000,000,000.00
19 Huafa Group MTN004	100.00	2019-4-30	3years	15.00	1,500,000,000.00		21,106,849.32		1,500,000,000.00	
19 Huafa Group MTN005	100.00	2019-9-27	5years	10.00	1,000,000,000.00		42,100,000.00			1,000,000,000.00
19 Huafa Group MTN006	100.00	2019-11-6	5years	10.00	1,000,000,000.00		43,900,000.00			1,000,000,000.00
2019 1 Huafa Group Co., Ltd Corporate Bond	100.00	2019-11-4	5+5years	10.00	1,000,000,000.00		44,300,000.00			1,000,000,000.00
20 Huafa Group MTN001	100.00	2020-8-27	5+5years	5.00	500,000,000.00		21,000,000.00			500,000,000.00
20 Huafa Group MTN003	100.00	2020-9-27	5+5years	5.00	500,000,000.00		21,850,000.00			500,000,000.00
20 Huafa Group MTN005	100.00	2020-11-26	3years	10.00	1,000,000,000.00		42,700,000.00			1,000,000,000.00
20 Huafa Group MTN006	100.00	2020-12-17	3years	10.00	1,000,000,000.00		44,600,000.00			1,000,000,000.00

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Bond	Face value	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
2020 1 Zhuhai Huafa Group Co., Ltd Corporate Bond	100.00	2020-1-17	5+5years	10.00	1,000,000,000.00		40,500,000.00			1,000,000,000.00
2020 II Zhuhai Huafa Group Co., Ltd Corporate Bond	100.00	2020-8-5	5+5years	7.00	700,000,000.00		28,210,000.00			700,000,000.00
20 Zhuhua 01	100.00	2020-12-1	3+2years	15.00	1,500,000,000.00		64,200,000.00			1,500,000,000.00
21 Zhuhua 01	100.00	2021-2-5	3+2years	15.00	1,500,000,000.00		64,800,000.00			1,500,000,000.00
21 Zhuhua 02	100.00	2021-6-1	3+2years	8.00	749,998,500.00	19,899,770.00	35,212,200.00			769,898,270.00
21 Zhuhua G1	100.00	2021-3-11	3+2years	10.00	1,000,000,000.00		43,400,000.00			1,000,000,000.00
21 Huafa Group MTN001	100.00	2021-1-6	3years	15.00	1,500,000,000.00		63,000,000.00			1,500,000,000.00
21 Huafa Group MTN003	100.00	2021-2-5	5years	5.00	350,000,000.00		17,363,619.92			350,000,000.00
21 Huafa Group GN001(Carbon Neutralization Bond)	100.00	2021-4-12	3+2years	3.00	300,000,000.00		12,510,000.00			300,000,000.00
21 Huafa Group MTN004	100.00	2021-4-23	3+2years	10.00	920,338,800.00	49,788,250.00	42,011,460.00			970,127,050.00
21 Huafa Group MTN005	100.00	2021-4-29	3+2years	5.00	500,000,000.00		21,500,000.00			500,000,000.00
21 Huafa Group MTN006	100.00	2021-6-7	3years	10.00	1,000,000,000.00		43,900,000.00			1,000,000,000.00
21 Huafa Group MTN007	100.00	2021-6-28	3years	10.00	1,000,000,000.00		46,500,000.00			1,000,000,000.00
21 Huafa Group MTN008	100.00	2021-7-22	3+2years	10.00	1,000,000,000.00		43,500,000.00			1,000,000,000.00
21 Huafa Group MTN009	100.00	2021-9-2	3+2years	10.00	950,000,000.00	50,000,000.00	44,700,000.00			1,000,000,000.00

Bond	Face value	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
21 Huafa Group MTN010(Village Revitalization)	100.00	2021-11-3	3+2years	10.00	1,000,000,000.00		46,800,000.00			1,000,000,000.00
22 Huafa Group MTN001	100.00	2022-1-18	3+2years	10.00		1,000,000,000.00	40,329,863.01			1,000,000,000.00
22 Huafa Group MTN002	100.00	2022-2-23	3+2years	10.00		1,000,000,000.00	33,336,986.30			1,000,000,000.00
22 Huafa MTN003	100.00	2022-3-2	3+2years	10.00		1,000,000,000.00	32,923,287.67			1,000,000,000.00
22 Huafa Group MTN004	100.00	2022-3-14	5years	5.00		500,000,000.00	17,419,452.05			500,000,000.00
22 Huafa Group MTN005A	100.00	2022-3-21	3+2years	7.00		630,000,000.00	19,841,450.08			630,000,000.00
22 Huafa Group MTN005B	100.00	2022-3-21	5years	3.00		210,000,000.00	7,326,461.51			210,000,000.00
22 Yue Huafa Group ZR002	100.00	2022-3-31	1.42years	8.00		800,000,000.00	30,065,095.89			800,000,000.00
22 Huafa Group MTN007	100.00	2022-4-28	5years	5.00		500,000,000.00	14,268,493.15			500,000,000.00
22 Yue Huafa Group ZR003	100.00	2022-5-20	2years	1.28		127,970,000.00	4,322,115.66			127,970,000.00
22 Yue Huafa Group ZR004	100.00	2022-5-20	2years	0.97		97,380,000.00	3,243,901.22			97,380,000.00
22 Yue Huafa Group ZR005	100.00	2022-6-8	2years	0.75		74,650,000.00	2,277,663.53			74,650,000.00
22 Huafa Group MTN008	100.00	2022-6-8	5years	10.00		1,000,000,000.00	22,968,493.15			1,000,000,000.00
22 Huafa Group MTN010(Kechuang Note)	100.00	2022-7-13	5years	10.00		1,000,000,000.00	19,084,931.51			1,000,000,000.00
22 Yue Huafa Group ZR006	100.00	2022-7-19	5years	5.00		500,000,000.00	12,506,849.32			500,000,000.00
22 Huafa Group MTN011A	100.00	2022-7-22	3+2years	5.00		500,000,000.00	7,591,780.82			500,000,000.00
22 Huafa Group MTN011B	100.00	2022-7-22	5years	5.00		470,000,000.00	8,437,475.15			470,000,000.00

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Bond	Face value	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
2022 1 Zhuhai Huafa Group Co., Ltd Corporate Bond	100.00	2022-10-20	3+2years	10.00		1,000,000,000.00	7,560,000.00			1,000,000,000.00
2019 Subordinated Bond (19 Huajin C1)	100.00	2019-7-25	3years	10.00	1,000,000,000.00		27,408,219.20		1,000,000,000.00	
2020 Subordinated Bond (20 Huajin C1)	100.00	2020-3-10	3years	7.50	750,000,000.00		29,249,999.97			750,000,000.00
2020 Corporate bond (20 Huajin 01)	100.00	2020-11-23	3years	7.40	740,000,000.00		33,151,999.95			740,000,000.00
2021 Corporate bond (21 Huajin 01)	100.00	2021-9-17	3years	7.60	760,000,000.00		29,640,000.01			760,000,000.00
2022 Subordinated Bond (22 Huajin C1)	100.00	2022-6-16	3years	10.00	0.00	1,000,000,000.00	20,717,808.22			1,000,000,000.00
19 Zhukong 01	100.00	2019-1-28	5years	25.00	2,497,609,779.67		114,750,000.00	1,066,729.91		2,498,676,509.58
19 Zhukong 02	100.00	2019-8-26	3+2years	5.00	499,372,785.14	168,000,000.00	18,285,220.69	293,127.82	168,000,000.00	499,665,912.96
19 Zhushu 02	100.00	2019-3-19	5years	20.00	1,997,963,140.91	230,000,000.00	86,520,000.04	481,922.23	230,000,000.00	1,998,445,063.14
20 Huakong 01	100.00	2020-3-16	5years	10.00	998,122,557.34		38,731,944.47	559,888.61		998,682,445.95
20 Huakong 02	100.00	2020/4/14	5years	10.00	998,084,357.33		34,943,835.61	558,719.43		998,643,076.76
21 Huakong 01	100.00	2021/1/19	3+2years	6.00	598,879,327.17		24,360,000.02	259,930.78		599,139,257.95
Zhuhai Huafa Physical Industry Investment Holding Co., Ltd2021 Phase 1 Creditor Right Finance Plan	100.00	2021-6-25	5years	13.00	1,299,000,000.00		40,236,975.19		130,000,000.00	1,169,000,000.00

Bond	Face value	Date of issuance	Term	Amount issued	Opening balance	Current issuance	Interest withdrawn on the face value	Amortization of premium and discount	Current repayment	Closing balance
Zhuhai Huafa Physical Industry Investment Holding Co., Ltd2021Phase 2 Creditor Right Finance Plan	100.00	2021-7-20	5years	2.00	200,000,000.00		5,796,525.00		20,000,000.00	180,000,000.00
Zhuhai Huafa Physical Industry Investment Holding Co., Ltd2021Phase 3 Creditor Right Finance Plan	100.00	2021-11-19	5years	5.00	500,000,000.00		16,755,340.00		50,000,000.00	450,000,000.00
Subtotal	—	—	—	—	76,354,186,622.50	21,312,390,340.00	3,723,595,439.60	539,515,976.24	12,178,656,951.40	86,027,435,987.34

*Notes: For the Company and the subsidiary's bond issuance, please refer to Note 10 of Financial Statement and the explanation to the Company's bond and debt financing instrument.

58. Lease liabilities

Item	Closing balance	Opening balance
Lease payment	2,102,511,490.25	2,401,168,950.92
Minus: unrecognized financial expense	508,063,902.35	547,543,304.28
Subtotal	1,594,447,587.90	1,853,625,646.64
Minus: lease liabilities due within one year	426,906,904.35	469,611,322.23
Total	1,167,540,683.55	1,384,014,324.41

59. Long-term payable

Item	Closing balance	Opening balance
Long-term payable	2,221,908,934.05	1,554,931,780.58
Special payable	352,732,067.96	173,003,286.99
Total	2,574,641,002.01	1,727,935,067.57

(1) Long-term payable

Item	Closing balance	Opening balance
Sale and leaseback financing	3,015,088,237.26	1,798,263,800.00
Fund raised *1	15,363,200.00	20,984,906.58
Financial lease payable	57,882,664.03	100,289,443.77
Fund for equity repurchase *2	34,207,328.77	38,011,232.88
Fund for debt reorganization *3	9,667,038.88	9,844,625.00
Undue interest payable	3,132,208,468.94	1,967,394,008.23
Subtotal	910,299,534.89	412,462,227.65
Minus: long-term payable due within one year	2,221,908,934.05	1,554,931,780.58

*1. Former Zhuhai Special Economic Zone Yuxing Polyester Chip Co., Ltd raised a fund of RMB 61,592,300.00 from its employees for its project construction in 1993. Zhuhai System Reform Committee approved to establish Zhuhai Yuhua Inc. In 1994. The fund raised in an amount of RMB 40,279,100.00 was changed to the internal employee share of Zhuhai Yuhua Inc.. from the former Zhuhai Special Economic Zone Yuxing Polyester Chip Co., Ltd in April 1994. The balance fund raised in an amount of RMB 21,313,200.00 was still kept as the creditor right and expired in Jun. 1995. Since the stock reform didn't succeed, the above-mentioned fund raised was all converted to the long-term payable of Zhuhai Yuhua Polyester Co., Ltd (Yuhua Polyester). Since Yuhua Polyester suffered from loss in years and the principal and interest can't be repaid to the fund contributors at one time for years, the board of directors of Yuhua Polyester decided to return the principal to difficult fund contributors over years. By 31st Dec. 2022, an amount of RMB 46,229,100.00 of the principal has been returned. The balance principal (including the fund raised in the internal employee share) is now RMB 15,363,200.00.

*2. Fund for the subsidiary Digitone to repurchase 25% minority equity of Chongqing Digitone Smart Technology Co., Ltd in accordance with the Civil Mediation Paper No. (2020) Yu 01 MC 1054.

(2) Special payable

Item	Opening balance	Current increase	Current decrease	Closing balance
China South Commodity Exhibition & Transaction Center Project	9,418,122.89	36,186,652.38	29,097,849.86	16,506,925.41
Sponge City Special Fund	46,299,680.18		96,290.00	46,203,390.18
Gaolan Port Comprehensive Bonded Zone Road and complementary facilities phase 1		410,111,617.77	410,100,183.00	11,434.77
Jinwan Aviation City International Business Center special fund	3,524,648.99		683,962.26	2,840,686.73
Large industry cluster special fund		200,000,000.00		200,000,000.00
Zhuhai Grand Hall Power Supply/Cooling Equipment Reform Project Special Fund	691,393.19			691,393.19
Industrial ecological construction support special fund	37,826,088.85		8,215,785.79	29,610,303.06
Zhuhai Hi-tech Industrial Development Zone Development, Reform and Finance Bureau	29,386,073.21	391,192.78	20,000,000.00	9,777,265.99
Technical innovation strategy special fund	627,304.12	500,000.00	258,735.84	868,568.28
Zhuhai public green lighting 30000 LED road lamp reform project *1	43,438,854.10			43,438,854.10
2020 Zhuhai Consumption Coupon *2	1,001,643.73			1,001,643.73
Spring Festival Coupon Activity *3	109,477.73	307,531,620.30	305,943,649.03	1,697,449.00
Fund to support development of emerging industry	600,000.00		600,000.00	0.00
Real Estate Public Service Supermarket	80,000.00			80,000.00
2022 "Benefits of Consumption" Xiangzhou Consumption Coupon *4		69,206,429.72	69,202,276.20	4,153.52
Total	173,003,286.99	1,023,927,512.95	844,198,731.98	352,732,067.96

*1 According to the "Meeting Minutes on Promoting the Application of Public Green Lighting LED Lamp" of Zhuhai Municipal Government, it has determined that the reconstruction project for Zhuhai Public Green Lighting LED Lamp adopt the contract energy management similar to BT. As one of the parties to undertake the project, the subsidiary Zhuhai Urban Construction Energy-saving Technology Co., Ltd. is responsible for investment and finance of the project and purchase of lamps; and implements the project, provides the after-sale service and recycles replaced lamps according to the contract. The payer is Zhuhai Finance Bureau and the fund received is used for special payable;

*2 According to the Letter on Distribution of Consumption Coupon of Zhuhai Municipal Government, it has determined that subsidiary Guangdong Chengzhi Science and Technology Ltd. shall undertake to distribute consumption coupon in Zhuhai and distribute, settle and write off electronic consumption coupon by Internet technology and payment and settlement service provided by the cooperation platform as required to ensure the fund of the activity be paid according to actual distribution effect. The payer is Zhuhai Finance Bureau and the fund received is used for special payable;

*3 According to the “Notice on Distribution of Spring Festival Warmhearted Coupon to Non-Zhuhai Migrant Workers and Distribution of Subsidy to Construction Workers Staying for the Construction Projects” of Zhuhai Municipal Government, it has determined that the subsidiary Guangdong Chengzhi Science and Technology Ltd. shall undertake to distribute the 2022 Spring Festival warmhearted coupon and distribute, settle and write off the Spring Festival “warmhearted coupon” to Non-Zhuhai migrant workers by Internet technology and payment and settlement service provided by the cooperation platform as required. The payer is Zhuhai Human Resources and Social Security Bureau and the fund received is used for special payable;

*4 According to the “Letter on Distribution of 2022 “Happy Consumption Improved Life” Xiangzhou Consumption Coupon” of Zhuhai Xiangzhou District Commerce Bureau, it has determined that the subsidiary Guangdong Chengzhi Science and Technology Ltd. shall undertake to distribute “Happy Consumption Improved Life” Xiangzhou consumption coupon and distribute, settle and write off distribute “Happy Consumption Improved Life” Xiangzhou consumption coupon by Internet technology and payment and settlement service provided by the cooperation platform as required. The payer is Zhuhai Xiangzhou District Commerce Bureau and the fund received is used for special payable;

60. Deferred income

Item	Opening balance	Current increase	Current decrease	Closing balance
Government subsidy	481,541,428.65	80,444,996.16	126,274,276.95	435,712,147.86
Total	481,541,428.65	80,444,996.16	126,274,276.95	435,712,147.86

In which: deferred income-government subsidy

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance	Asset/income related
Provincial modern service development pilot fund	800,000.00							800,000.00	asset related
Commercial, trading and circulation enterprise development special fund	600,000.00							600,000.00	asset related
Renewable special fund	300,000.00							300,000.00	asset related
Operational state asset free transfer	59,813,261.54			3,456,888.12	Other income			56,356,373.42	asset related
Doctorate station building subsidy	500,000.00							500,000.00	income related
Intellectual Property Operation Public Service Platform Support Fund	3,937,331.78		2,200,000.00	3,612,436.35	Other income			2,524,895.43	income related
Public Health- Vegetable Basket Project	15,000,000.00		15,018,085.98	250,518.98	Other income			29,767,567.00	asset related
Zhuzhun Project Special Fund Subsidy			4,500,000.00	3,605,228.00	Other income			894,772.00	income related
Technical Innovation and Infrastructure Construction Award	5,121,312.37			305,750.04	Other income			4,815,562.33	asset related
Seedling and Attachment Compensation	1,529,456.91			592,238.99	Other income			937,217.92	income related
Project construction reward	848,161.92			848,161.92	Other income				income related
Pre-school Education Expense	282,842.54		229,700.00	404,388.74	Other income			108,153.80	income related
Best + Smart	2,416,666.70			999,999.96	Other income			1,416,666.74	asset related
Shandong Branch Settlement Subsidy	2,802,472.50			302,970.00	Other income			2,499,502.50	income related
Changsha Office Settlement Subsidy	41,600.00			10,400.00	Other income			31,200.00	income related
Shenzhen Qianhai Branch Settlement Subsidy			2,000,000.00	11,111.11	Other income			1,988,888.89	
Investment immigration	2,559,723.12						-2,559,723.12		income related
Hi-end Laser Processing Equipment Core Optical Device R&D and Industrialization	371,611.78			371,611.78	Other income				asset related

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance	Asset/income related
Construction of Guangdong Photo-electric Component Engineering R&D Center	19,882.02			19,882.02	Other income				asset related
Hi-speed scan light source R&D and industrialization	2,073,873.91			576,367.92	Other income			1,497,505.99	asset related
Optical fiber laser component industrialization project	19,952,601.80			4,254,671.46	Other income			15,697,930.34	asset related
Unmanned vehicle LIDAR laser illuminant and core component technology	1,537,183.75			278,167.00	Other income			1,259,016.75	asset related
Optical fiber laser component industrialization project after-event subsidy	971,342.72							971,342.72	asset related
Guangdong Industrial Enterprise Technical Reform after-event reward and subsidy	349,480.80			349,480.80	Other income				asset related
high-speed parallel optical terminal based on COBO silicon photon technology	47,621.22			47,621.22	Other income				asset related
Aerospace-level Sputtering Optical Fiber Metalization Research and Industrialization	1,144,543.66			158,839.44	Other income			985,704.22	asset related
R&D and industrialization of chip and core components for 5G telecommunication	268,955.04			181,791.36	Other income			87,163.68	asset related
Photo-electric telecommunication high-end component-R&D and industrialization of lithium niobate light modulator used for 100G coherent	1,361,473.50		3,176,771.50	508,838.08	Other income			4,029,406.92	asset related
New-generation high-speed modulator chip and module R&D and industrialization	7,500,000.00			628,068.09	Other income			6,871,931.91	asset related
New-generation high-speed modulator chip and module R&D and industrialization	7,500,000.00			7,128,850.48	Other income			371,149.52	income related

Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance	Asset/income related
Purchase of industry 4.0 equipment project government subsidy	3,124,286.55		7,789,186.25	1,168,351.64	Other income			9,745,121.16	asset related
Suzhou Huachan Core Equipment Purchase Subsidy	97,793,824.15		1,744,100.00	36,882,975.69	Other income			62,654,948.46	asset related
R&D Project Subsidy	11,136,654.70			1,443,600.64	Other income			9,693,054.06	asset related
Import Equipment Trading Subsidy	18,090,112.57		8,336,205.58	4,125,489.48	Other income			22,300,828.67	asset related
Zhejiang Huachan Core Equipment Purchase Subsidy	192,393,766.01			45,823,142.82	Other income			146,570,623.19	asset related
Sapphire substrate industrialization for semiconductor lighting	819,999.34			819,999.34	Other income				asset related
Yunnan Aquamarine Technical Reform Subsidy Bonus	1,200,000.00		618,231.23	600,000.00	Other income			1,218,231.23	asset related
Yunnan Aquamarine Industry Transformation and Upgrade Subsidy	12,608,800.12			1,663,599.96	Other income			10,945,200.16	asset related
Greening Subsidy	1,559,123.56			87,020.88	Other income			1,472,102.68	asset related
Waste Water Upgrae Project Subsidy	3,163,462.07			346,625.28	Other income			2,816,836.79	asset related
Suzhou Huachan Advanced Manufacture Project Subsidy			1,647,800.00	34,118.50	Other income			1,613,681.50	asset related
Suzhou Huachan Technical Achievement Transformation Special Fund			8,800,000.00					8,800,000.00	asset related
Suzhou Huachan Industrial Transformation and Upgrade Special Fund			8,737,600.00	695,925.29	Other income			8,041,674.71	asset related
2022 integrated circuit industry development support fund			7,559,893.74	11,416.18	Other income			7,548,477.56	asset related
Optical component smart manufacture benchmark project			574,660.00	56,826.80	Other income			517,833.20	asset related

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Item	Opening balance	Carryover through consolidation	Current increase of subsidy	Amount included into current profit and loss	Presented items included into current profit and loss	Current returned amount	Other Change	Closing Balance	Asset/income related
Thin-film lithium niobate inactive and active electronic component store			267,300.00	181,193.13	Other income			86,106.87	asset related
R&D and industrialization of lithium niobate light modulator used for 200G coherent			5,296,910.26	507,150.98	Other income			4,789,759.28	asset related
2021 Production/Academy/R&D cooperation and basic and applied research projects			345,600.00	164,217.08	Other income			181,382.92	asset related
High-reliability optical fiber isolator R&D and industrialization project			747,000.00	-	Other income			747,000.00	asset related
Zhuhai 2018 Industrial Enterprise Technical Reform Reward		855,951.62		198,618.28	Other income			657,333.34	asset related
Total	481,541,428.65	855,951.62	79,589,044.54	123,714,553.83			-2,559,723.12	435,712,147.86	

61. Other non-current liabilities

Item	Closing balance	Opening balance
Huafa Rental House Asset Support Special Program *1	5,696,000,000.00	3,597,000,000.00
Commercial land mortgaged loan support note *2	3,772,700,000.00	849,000,000.00
Asset income right transfer finance	400,830,000.00	497,405,594.26
Caitong Huajin- Huafa Business Town Dawan District Asset Support Plan *3	3,500,000,000.00	
Zhongshan Huafa Square Green Asset Support Special Program	570,000,000.00	
Undue interest payable	85,284,967.39	28,782,527.02
Subtotal	14,024,814,967.39	4,972,188,121.28
Minus: other non-current liabilities due within one year	97,424,425.78	29,528,527.01
Total	13,927,390,541.61	4,942,659,594.27

*1 The subsidiary Huafa Inc. set up the Huafa Lease Property Asset-backed Special Plan by taking its rental house as the underlying asset and financed through issuance of the Lease Property Asset-backed Securities under a special plan, and has raised a total fund of RMB 5.696 billion by 31st Dec. 2022.

*2 The subsidiary Huafa Inc. issued the commercial property mortgage-backed notes in the interbank market of China. The loan period is 3x6 years or 3x7 years (of which RMB 1.25 million shall be repaid within one year). Both parties have the right to repay or recover the loan in advance and coordinate to adjust the loan interest rate every 3 years during the loan period. The loan mentioned above is pledged with Huafa Inc.'s real estate, and Huafa Inc. provides the guarantee;

*3 The subsidiary Huafa Inc. issued Caitong Huajin – Huafa Business Town Dawan District Asset-backed Special Plan in Shanghai Stock Exchange with a scale of RMB 3.5 billion and a loan period of 3x6 years. The loan mentioned above is pledged with Huafa Inc.'s real estate and Huafa Inc. provides the guarantee;

62. Paid-up capital

Investor	Opening balance		Current increase/ Current decrease	Closing balance	
	Investment amount	Percentage %		Investment amount	Percentage %
Zhuhai People's Government State Asset Supervision and Administration Commission	1,310,039,682.50	92.13	14,511,709,089.42	15,821,748,771.92	93.51

Investor	Opening balance		Current increase/ Current decrease	Closing balance	
	Investment amount	Percentage %		Investment amount	Percentage %
Guangdong Department of Finance	111,978,971.56	7.87	986,061,972.16	1,098,040,943.72	6.49
Total	1,422,018,654.06	100.00	15,497,771,061.58	16,919,789,715.64	100.00

In accordance with the “Reply on Change of Articles of Association of Zhuhai Huafa Group Co., Ltd and other Matters” ZGZ[2021] No. 342 of Zhuhai People’s Government State Asset Supervision and Administration Commission and the resolution of shareholders, it has agreed that Zhuhai People’s Government State Asset Supervision and Administration Commission shall increase its capital contribution by RMB 15.8 billion, including the increase of RMB 8 billion in 2021 and RMB 7.8 billion in 2022. The Company converted the capital reserve into registered capital in accordance with the shareholder’s resolution in 2022. Huafa’s registered capital was RMB 16,919,789,715.64 after the conversion.

63. Other equity instruments

Outstanding financial instrument/Quantity	Opening book value /quantity	Current increase book value/quantity	Current decrease book value/quantity	Closing book value/quantity
17 Huafa Group MTN001	1,983,015,953.33		1,983,015,953.33	
17 Huafa Group MTN002	3,986,666,666.67		3,986,666,666.67	
Beijing Financial Asset Exchange/Bank of Shanghai/Perpetual Creditor Right Finance Plan	38,850,000.00		38,850,000.00	
19 Huafa Group MTN007	1,000,000,000.00		1,000,000,000.00	
19 Huafa Group MTN008B	200,000,000.00			200,000,000.00
19 Huafa Group MTN008A	800,000,000.00		800,000,000.00	
Jiangsu International Trust-Perpetual Trust	4,000,000,000.00		4,000,000,000.00	
BOC Asset Management Group 2020 RMB200 million Perpetual Creditor Right Finance	200,000,000.00		200,000,000.00	
BOC/BOC Asset Management-Perpetual Creditor Right Plan	509,500,000.00		509,500,000.00	
China Railway Trust-Perpetual Trust	980,000,000.00		240,000,000.00	740,000,000.00

Outstanding financial instrument/Quantity	Opening book value /quantity	Current increase book value/quantity	Current decrease book value/quantity	Closing book value/quantity
Beijing Financial Asset Exchange/Everbright Bank-Perpetual Creditor Right Finance Plan	800,000,000.00		800,000,000.00	
20 Huafa Group MTN002	830,898,280.00	169,101,720.00		1,000,000,000.00
20 Huafa Y1	1,000,000,000.00			1,000,000,000.00
20 Huafa Y2	1,500,000,000.00			1,500,000,000.00
20 Huafa Y3	1,000,000,000.00			1,000,000,000.00
20 Huafa Group MTN004	500,000,000.00			500,000,000.00
20 Huafa Y4	1,000,000,000.00		1,000,000,000.00	
Beijing Financial Asset Exchange/Industrial Bank-Perpetual Creditor Right Finance Plan	1,476,000,000.00		24,000,000.00	1,452,000,000.00
AVIC Trust-Perpetual Trust	901,000,000.00			901,000,000.00
21 Huafa Group MTN002	432,093,070.00	9,380.00		432,102,450.00
Zhongyuan Trust- Perpetual Trust Investment	1,200,000,000.00			1,200,000,000.00
22 Zhuhua Y1		855,553,843.47		855,553,843.47
22 Huafa Group MTN006		500,000,000.00		500,000,000.00
22 Huafa Group MTN009A		499,000,000.00		499,000,000.00
22 Huafa Group MTN009B		499,000,000.00		499,000,000.00
22 Huafa Group MTN012A		579,036,219.18		579,036,219.18
22 Huafa Group MTN012B		349,029,726.03		349,029,726.03
22 Huafa Group MTN013		359,075,068.50		359,075,068.50
Total	24,338,023,970.00	3,809,805,957.18	14,582,032,620.00	13,565,797,307.18

*1 For issuance of equity instrument by the Company and its subsidiaries, please refer to Note 10 of the Financial Statement and the explanation to the Company's bond and debt financing instrument.

*2 Note: Above perpetual creditor's right has no definitive date of expiry in accordance with the contract or prospectus and could exist for a long period before the Company exercises the right of redemption. The Company has the right to defer payment of principal and interest. In accordance with the "Enterprise Accounting Standards No. 37- Presentation of Financial Instruments", the Company includes the perpetual creditor's right into other equity instruments.

64. Capital reserve

Type	Opening balance	Current increase	Current decrease	Closing balance
Stock premium	29,828,588,120.36	7,787,457,230.71	16,036,269,839.75	21,579,775,511.32
Other capital reserve	-1,019,972,870.12	277,242,684.36		-742,730,185.76
Total	28,808,615,250.24	8,064,699,915.07	16,036,269,839.75	20,837,045,325.56

(1) Main increase of capital reserve— capital stock premium this year: ① the subsidiaries of the subsidiary Huafa Inc. introduced in minority shareholders in this period and the difference between the investment price and shares of the subsidiary's net identifiable asset enjoyed by minority shareholders in accordance with the share ratio has caused the capital reserve to increase by RMB 27,362,214.12; ② according to the Reply on Zhuhai Huafa Group Co., Ltd.'s Amendment of Articles of Association (ZGZ [2021] No. 342 of Zhuhai People's Government State-owned Assets Supervision and Administration Commission and the resolution of Board of Shareholders, it's agreed that the shareholder Zhuhai People's Government State-owned Assets Supervision and Administration Commission shall increase the capital contribution to the Company by RMB 7,495,787,831.51 at a premium; ③ the subsidiary Zhuhai Urban Construction Group Co., Ltd. transferred outwards Zhuhai Infrastructure Administrative Office in this period and increased the capital reserve by RMB 5,251,940.77; ④ the subsidiary Huafa Inc. increased capital reserve by RMB 2,670,206.15 resulting from change of treasury stock in this period; ⑤ the subsidiary Huafa Technology introduced in minority shareholders in this period and the difference between the investment price and shares of net identifiable asset enjoyed by minority shareholders in accordance with the share ratio has caused the capital reserve to increase by RMB 233,466,197.19; ⑥ the subsidiary Zhuhai Urban Construction Asset Management Co., Ltd. received the asset of Zhuhai Construction Committee Parking Lot transferred (at no cost) by the government and the capital reserve was increased by RMB 14,664,024.00; ⑦ the subsidiary Huafa Property Service increased the capital reserve by RMB 6,771,911.98 through accounting on cooperative enterprises by the equity method in this period. ⑧ the subsidiary Guangku Technology exercised the option of restricted stock in this period and increased the capital reserve by RMB 1,482,904.99.

(3) Main decrease of capital reserve—capital stock premium this year: ① the Company's capital reserve was transferred to paid-up capital and the capital reserve was decreased by RMB 15,193,558,893.09 in this period; ② due to change of the holding nature, the Company included the agency-basis project Zhuhai Lover Coast Construction Co., Ltd. and Zhuhai Gongbei Port Reconstruction Project Management Co., Ltd. into the scope of consolidation in this period, and the difference between the consolidation cost and shares of net asset offset the capital reserve by RMB 317,977,243.08; ③ the Company and its subsidiary redeemed a part of perpetual bond in this period and the underwriting fee and etc offset the capital reserve by RMB 21,583,035.77; ④ The Company and its subsidiary introduced in minority shareholders' investment, bought back minority shareholders' equity or increased the capital reserve unilaterally, the difference between transaction price and shares of net identifiable asset enjoyed by the shareholders in accordance with the share ratio has reduced the

capital reserve by RMB 419,345,804.40; ⑤ the subsidiary Zhuhai Urban Construction Haiyun Asset Management Co., Ltd. made a free transfer of its equity of Zhuhai Urban Construction Poly Grand Theatre Management Co., Ltd. in this period and reduced the capital reserve by RMB 1,412,196.76; ⑥ the joint operation enterprise Zhuhai Tax-exempt Enterprise Group Co., Ltd. invested by the subsidiary Zhuhai Urban Construction Group Co., Ltd. paid the income from state-owned capital in this period and reduced the capital reserve by RMB 77,768,912.07; ⑦ the subsidiary Guangdong Fuyuan Industrial Group Co., Ltd. paid the income realized before transfer in this period and offset the capital reserve by RMB 4,623,754.58.

(3) capital reserve—other reasons for change of capital reserve: ① the subsidiary Huafa Inc. and Guangku Technology withdrew the equity incentive expense and increased the capital reserve by RMB 3,256,443.33 in this period; ② increase other capital reserve by RMB 273,986,241.03 resulting from accounting of cooperative enterprises by the equity method.

65. Other comprehensive income

Item	2021.12.31	Amount before income tax in the current year	Minus: amount previously included into other comprehensive income, transferred into current profit and loss or equity	2022			2022.12.31
				Minus: income tax expense	After-tax attributed to the parent company	After-tax attributed to minority shareholders	
I. Other comprehensive income that can't be re-classified into the profit and loss							
1. Re-measure the change of defined benefit plan							
2. Other comprehensive income that can't convert to profit and loss under the equity method	-205,769.86	16,187,963.89	-102,733,401.14		28,576,020.51	90,345,344.52	28,370,250.65
3. Change on fair value of investment of other equity instrument	-3,185,586.11	1,420,049.21		520,338.05	1,806,811.42	-907,100.26	-1,378,774.69
4. Change on fair value of the enterprise's own credit risk							
II. Other comprehensive income that will be reclassified into profit and loss.							

Item	2021.12.31	Amount before income tax in the current year	Minus: amount previously included into other comprehensive income, transferred into current profit and loss or equity	2022			2022.12.31
				Minus: income tax expense	After-tax attributed to the parent company	After-tax attributed to minority shareholders	
1. Other comprehensive income that can be transferred to profit and loss under the equity method	18,307,280.58	-367,591,673.91			-347,187,757.14	-20,403,916.77	-328,880,476.56
2. Change on fair value of other creditor right investment	24,123,852.15	-6,280,819.31		-1,570,204.83	-2,647,259.04	-2,063,355.44	21,476,593.11
3. Amount of other comprehensive income reclassified into financial asset	-4,251,120.53						-4,251,120.53
4. Credit impairment reserve on other creditor right investment	37,849.42	124,217.64		31,054.41	82,064.00	11,099.23	119,913.42
5. Cash flow hedging reserve							
6. Translation difference of financial statement in foreign currency	-62,733,358.59	-171,005,793.23			83,679,618.18	-254,685,411.41	20,946,259.59
7. Fair value of investment real estate	1,093,526,193.82	15,324,211.76		964,620.44	-3,393,062.52	17,752,653.84	1,090,133,131.30
Total of other comprehensive income	1,065,619,340.88	-511,821,843.95	-102,733,401.14	-54,191.93	-239,083,564.59	-169,950,686.29	826,535,776.29

66. Surplus reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Statutory surplus reserve	366,675,505.24			366,675,505.24
Discretionary surplus reserve	2,207,693.19			2,207,693.19
Reserve fund	3,932,313.83			3,932,313.83
Corporate development fund	1,966,156.91			1,966,156.91
Total	374,781,669.17			374,781,669.17

67. Undistributed profit

Item	2022	2021
Opening undistributed profit before the adjustment	4,453,958,323.04	4,427,055,916.02
Adjustment		78,121,137.15
Closing undistributed profit after the adjustment	4,453,958,323.04	4,505,177,053.17
Add: carryover of current year profit	2,235,644,510.99	2,122,859,067.57
Minus: withdrawal of statutory surplus reserve		
Withdrawal of general risk reserve		
Common stock dividend payable	1,812,581,301.63	847,500,764.59
Other profit distribution	1,095,704,549.19	1,321,549,507.52
Other change	27,638,948.88	5,027,525.59
Closing undistributed profit	3,753,678,034.33	4,453,958,323.04

68. Operating income, operating cost

(1) by items

Item	2022	2021
Operating income	157,635,518,326.85	141,942,539,906.30
Incl: main operating income	154,991,615,156.65	138,350,031,452.73
Other operating income	2,643,903,170.20	3,592,508,453.57
Operating cost	135,515,939,044.10	120,210,278,056.06
Incl: main operating cost	132,983,480,928.61	117,372,296,070.20
Other operating cost	2,532,458,115.49	2,837,981,985.86

(2) By main operation:

Item	2022		2021	
	Operating income	Operating cost	Operating income	Operating cost
Commodity sales	72,601,169,476.92	71,515,474,029.06	69,076,452,230.59	68,196,013,883.46
Real estate sales	68,894,024,532.47	51,003,454,703.54	56,086,772,691.37	39,886,811,214.29
Primary land development	1,130,036,192.51	1,048,272,648.15	1,738,064,346.52	1,150,952,319.31

Zhuhai Huafa Group Co., Ltd (Consolidated)
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Item	2022		2021	
	Operating income	Operating cost	Operating income	Operating cost
Property service	3,237,772,724.49	2,842,353,506.98	3,380,313,728.51	2,908,195,093.76
Financial service	2,688,498,314.77	458,929,687.54	2,627,169,532.34	310,254,333.98
Hotel, conference and exhibition	339,245,587.83	354,090,580.07	300,407,054.65	249,355,568.21
Architectural and decoration design	5,283,741,074.13	5,003,539,986.21	3,638,648,272.96	3,326,545,049.85
Other	817,127,253.53	757,365,787.06	1,502,203,595.79	1,344,168,607.34
Total	154,991,615,156.65	132,983,480,928.61	138,350,031,452.73	117,372,296,070.20

69. Tax and surtax

Item	2022	2021
Urban maintenance and construction tax	223,343,414.63	200,102,683.41
Education surtax	124,703,990.00	109,773,426.94
Land value-added tax	3,846,666,394.41	4,001,727,666.69
Property tax	153,178,419.90	155,065,472.00
Stamp duty	167,424,542.46	186,924,393.60
Other	87,762,825.64	72,405,667.38
Total	4,603,079,587.04	4,725,999,310.02

70. Financial expense

Item	2022	2021
Interest cost	3,376,825,534.34	3,800,295,264.96
Minus: interest income	1,185,909,999.70	1,545,103,281.87
Exchange gain or loss	208,193,298.25	-38,004,902.86
Charges and other	204,458,911.84	321,511,533.80
Total	2,603,567,744.73	2,538,698,614.03

71. Other income

Item	2022	2021
Government subsidy	450,473,781.50	524,375,013.11
Return of individual income tax commission charge	10,906,466.97	12,202,678.28
Value-added tax additional deduction	17,943,145.27	2,168,093.11
Total	479,323,393.74	538,745,784.50

Government subsidy included into other income

Item	Year 2022	Asset-related/income-related
Industrial development subsidy	190,029,126.77	asset related/income related
Equipment purchase subsidy	83,874,470.15	asset related

Item	Year 2022	Asset-related/income-related
R&D subsidy	31,530,202.94	asset related/income related
Job stabilization subsidy	17,260,075.24	income related
Project operation subsidy	11,738,432.64	income related
Headquarter economy reward	11,450,000.00	income related
Subsidy to promote high-quality economic growth	9,589,130.33	income related
Innovation subsidy	9,041,387.00	income related
Fiscal support subsidy	8,222,240.81	asset related/income related
Lease subsidy	6,772,870.46	income related
Electricity fee subsidy	6,239,775.26	income related
Production subsidy	5,249,066.40	income related
Technical reform subsidy	4,366,323.15	asset related/income related
Import expansion subsidy	4,125,489.48	asset related
Free transfer and amortization of operational state-owned assets	3,456,888.12	asset related
Epidemical subsidy	3,273,975.61	income related
Contest subsidy	2,736,000.00	income related
Domestic/International trade development special reward	2,618,858.00	income related
Transformation & upgrade subsidy	2,359,525.25	asset related
Tax exemption	2,093,859.30	income related
Wholesale/retail subsidy	2,000,000.00	income related
Financial enterprise reward	1,930,000.00	income related
Training subsidy	1,905,792.27	income related
Other subsidy	28,610,292.32	asset related/income related
Total	450,473,781.50	

72. Investment income

Source of investment income	2022	2021
Long-term equity investment income calculated by equity method	2,925,307,300.16	998,144,468.53
Investment income from disposal of long-term equity investment	29,740,844.47	75,089,755.19
Investment income while holding transaction financial assets	195,554,167.65	237,548,426.64
Investment income from disposal of transaction financial asset	18,914,275.37	85,612,821.27
Investment income from holding other non-current financial assets	234,756,412.37	208,858,801.42
Investment income from disposal of other non-current financial assets	19,599,409.92	
Dividend income from disposal of other		33,663,867.27

Source of investment income	2022	2021
non-current financial assets		
Interest income while holding other creditor right investment	66,691,635.09	17,977,868.05
Income from disposal of other creditor right investment		1,125,366.88
Interest income while holding creditor right investment	72,604,469.17	519,446.88
Income from disposal of creditor's right investment	-1,105,959.89	
Other	-31,989,459.51	-33,025,727.14
Total	3,530,073,094.80	1,625,515,094.99

73. Income from change of fair value

Source of income from change of fair value	2022	2021
Transaction financial asset	30,012,779.17	98,214,997.15
Other non-current financial asset	585,618,587.05	743,641,188.18
Derivative financial asset	405,515.19	-54,945,986.76
Derivative financial liabilities	-9,151,144.98	-1,362,981.24
Investment real estate measured by fair value	165,800,663.96	63,931,650.80
Total	772,686,400.39	849,478,868.13

74. Credit impairment loss

Item	2022	2021
Bad debt loss	-370,853,286.88	-220,570,194.54
Impairment loss of fund under outward finance	-3,022,659.11	-98,608.86
Impairment loss of redemptory financial asset for sale	-3,809,229.49	-45,657,875.75
Loan impairment loss	26,619,268.57	6,545,325.12
Other creditor right investment loss	-123,809.46	-62,902.01
Impairment loss of creditor right investment	-31,078,658.39	1,226,654.49
Impairment Loss of fund lent	79,200.00	-72,000.00
Impairment Loss of interbank placement	267,740.22	1,797,141.87
Factoring risk loss	-14,280,424.90	-4,780,334.84
Total	-396,201,859.44	-261,672,794.52

75. Asset impairment loss

Item	2022	2021
Stock falling price loss	-1,031,736,957.08	-65,434,168.09
Fixed asset impairment loss	-44,237.54	4,075,190.70
Intangible asset impairment loss		-292,942.67

Item	2022	2021
Use right asset impairment loss	-842,386.59	-514,683.77
Contract asset impairment loss	-55,598,321.50	11,589,955.50
Goodwill impairment loss	-18,650,000.00	
Held-for-sale asset impairment loss	-1,655,877.01	
Total	-1,108,527,779.72	-50,576,648.33

76. Income from asset disposal

Item	2022	2021	Amount included into non-recurring profit and loss in the current period
Gain from disposal of non-current asset (- for loss)	9,353,075.54	47,415,850.67	9,353,075.54
Total	9,353,075.54	47,415,850.67	9,353,075.54

77. Non-operating income

Item	2022	2021	Amount included into non-recurring profit and loss in the current period
Gain from destruction and write-off of fixed assets	643,176.42		643,176.42
Government subsidy and compensation	1,310,039.42	6,047,004.09	1,310,039.42
Income from breach of contract and penalty	96,654,628.60	38,357,993.07	96,654,628.60
Amount not need to pay	13,638,057.06	54,152,329.51	13,638,057.06
Other	45,999,602.38	16,733,855.28	45,999,602.38
Total	158,245,503.88	115,291,181.95	158,245,503.88

In which, the government subsidy is detailed as below:

Item	2022	2021
Fiscal subsidy	1,310,039.42	6,047,004.09
Total	1,310,039.42	6,047,004.09

78. Non-operating expense

Item	2022	2021	Amount included into non-recurring profit and loss in the current period
Loss from destruction and write-off of non-current assets	9,292,846.05	6,381,722.35	9,292,846.05

Item	2022	2021	Amount included into non-recurring profit and loss in the current period
Donation, sponsor expense	55,147,293.41	171,921,059.23	55,147,293.41
Liquidated damage/overdue fine	7,286,958.59	18,799,103.62	7,286,958.59
Abnormal loss	2,839,082.53	144,448.00	2,839,082.53
Other	46,032,864.93	34,764,292.27	46,032,864.93
Total	120,599,045.51	232,010,625.47	120,599,045.51

79. Income tax expense

Item	2022	2021
Current income tax expense	3,167,178,836.62	3,752,427,033.33
Adjustment of deferred income tax	74,216,004.62	-518,839,339.68
Total	3,241,394,841.24	3,233,587,693.65

80. Notes on items in the cash flow statement.

(1) Other cash received related with operating activities

Item	2022	2021
Rental, retail income, cultural broadcast income, management and service fee and interest income collected in cash	2,913,857,774.58	3,631,971,658.17
Government subsidy and liquidated damages	594,267,730.31	519,317,344.12
Current account and other	4,696,898,061.00	8,100,763,349.95
Total	8,205,023,565.89	12,252,052,352.24

(2) Other cash paid related with operating activities

Item	2022	2021
Out-of-pocket expense	4,346,027,146.24	3,543,431,306.88
Current account	5,933,559,890.17	2,922,501,329.41
Total	10,279,587,036.41	6,465,932,636.29

81. Matters related with consolidated cash flow statement

(1). Supplementary materials of the cash flow statement.

Item	2022	2021
1. Adjust the net profit into operating activity cash flow	—	—
Net profit	7,104,449,427.67	6,797,294,467.17
Add: asset impairment loss	1,108,527,779.72	50,576,648.33
Credit impairment loss	396,201,859.44	261,672,794.52
Fixed asset depreciation	1,270,356,191.16	918,394,480.47

Item	2022	2021
Intangible asset amortization	195,851,427.63	161,609,823.20
Long-term deferred expense amortization	156,705,919.21	142,052,194.00
Use right asset amortization	465,597,603.57	489,556,378.87
Loss from disposal of fixed asset, intangible asset and other long-term asset (- for gain)	-9,353,075.54	-47,415,850.67
Loss from write-off of fixed asset(- for gain)	8,649,669.63	6,381,722.35
Loss from change of fair value(- for gain)	-772,686,400.39	-849,478,868.13
Financial expense(- for gain)	3,376,825,534.34	4,066,877,390.22
Investment loss(- for gain)	-3,530,073,094.80	-1,625,515,094.99
Decrease of deferred income tax asset(- for increase)	-727,948,301.32	-742,470,107.13
Increase of deferred income tax liabilities(- for decrease)	802,164,305.94	223,630,767.45
Decrease of stock (- for increase)	15,017,661,801.85	-20,792,710,295.95
Decrease of operating receivables (- for increase)	3,080,234,356.17	-2,612,131,094.72
Increase of operating payable (- for decrease)	18,321,328,725.81	56,097,097,626.70
Other		
Net cash flow from operating activities	46,264,493,730.09	42,545,422,981.69
2. Important investment and fund-raising activities that don't involve cash receipt and expenditure		
Conversion of debt into capital		
Convertible corporate bond due within one year		
Fixed asset on financial lease		
3. Net change of cash and cash equivalent		
Closing cash balance:	60,784,137,007.58	67,133,293,109.82
Minus: Opening cash balance	67,133,293,109.82	71,813,836,213.80
Add: Closing balance of cash equivalent		
Minus: Opening balance of cash equivalent		
Net increase of cash and cash equivalent	-6,349,156,102.24	-4,680,543,103.98

(2) Constitution of cash and cash equivalent

Item	Closing balance	Opening balance
I. Cash	60,784,137,007.58	67,133,293,109.82
Incl: cash in hand	466,814.39	648,262.68
Bank deposit payable on demand	51,724,915,518.85	55,458,033,683.51
Other monetary fund payable on demand	9,401,427.93	49,550,140.00
Interbank deposit and deposit with other financial institutions	8,317,442,995.37	9,845,485,457.66
Settlement fund	232,971,385.83	343,432,139.34

Item	Closing balance	Opening balance
Future bond deposit	498,938,865.21	1,436,143,426.63
II. Cash equivalent		
Incl: bond investment due within three months		
III. Closing balance of cash and cash equivalent	60,784,137,007.58	67,133,293,109.82
Incl: restricted cash and cash equivalent of the Parent Company or Group's subsidiary		

82. Assets with restricted ownership and use right

Item	Closing book value	Reason of restriction
Monetary capital	6,583,791,016.23	Refer to Note 8.1 for monetary capital and guarantee bond subject to restricted use
Account receivable	735,761,813.82	Pledge for loan
Other receivable	250,000,000.00	Pledge for financial assets sold for repurchase
Notes receivable	88,495,341.36	Pledge for issuance of bank acceptance bill, note discounting or endorsement
Account receivable finance	170,668,868.25	Pledge for loan and issuance of bank acceptance bill
Stock	64,140,713,226.38	Pledge for loan
Other non-current asset	995,185,469.65	Land subject to restricted use
Transaction financial asset	2,925,775,450.40	Pledge for "sold for repurchase", saleback freezing, and loan
Long term equity investment	1,262,495,841.64	Pledge for loan
Other non-current financial asset	10,806,392.56	Pledge for loan
Fixed asset	7,273,751,489.10	Talent housing of limited property right, pledge for loan
Intangible asset	187,325,749.54	Pledge for loan
Use right asset	18,832,559.42	Pledge for loan
Investment real estate	17,049,619,314.90	Pledge for loan
Total	101,693,222,533.25	

Note: Refer to Note 8.1, Note 8.8, Note 8.10, Note 8.11, Note 8.12, Note 8.14, Note 8.16, Note 8.24, Note 8.26, Note 8.27, Note 8.28, Note 8.30, Note 8.31, Note 8.36 and Note 7.(1) for assets with restricted ownership.

IX. Commitment and contingencies

(1) Significant commitment

1. By 31st December 2022, the balance of unpaid amount under the land transfer contract already concluded by its subsidiaries and are being performed or ready to perform is RMB 5.164 billion. The balance amount will be paid as scheduled at the same time when the other party to the contract fulfills the contractual liabilities and obligations.

2. Huafa Inc., will provide the credit enhancement facilities including the operating capital or guarantee (same with the share ratio) for the joint and cooperative operation enterprises in accordance with the joint venture and cooperation agreement. When other shareholders of the joint and cooperative operation enterprises provide the full-amount guarantee, Huafa Inc. provides the counter guarantee to other shareholders in accordance with the share ratio.

3. Huafa Inc., has set up “Huafa Rental House Asset-backed Special Plan” . Huafa Inc. is obligated to provide the security in an amount same with the drop of the appraisal amount of the underlying initial asset, acquire all asset securities in priority level when the rating is adjusted downwards, pay the difference when the fund of the special plan is insufficient to pay the yield of asset securities in priority level, and provide the security for the whole-package rental. Meanwhile, Huafa Inc. has the buyback priority.

4. BOE Technology Group Inc.(BOE) and the subsidiary Huanchan Photo-electronic signed the Stock Subscription Agreement for A-share Stocks Issued to Specific Object Attached with Effective Conditions by Huanchan Photo-electronic Inc (Subscription Agreement Attached with Effective Conditions) on 4th Nov. 2022. BOE proposed to subscribe 372,070,935 shares of stock issued to specific object by Huanchan Photo-electronic this time with RMB2,083,597,236 in cash (the final shares issued was subject to approval by China Securities Regulatory Commission). Meanwhile, New Sure Limited (NSL) and BOE signed the Agreement on Management of Stock Voting Right, which proposed to authorize BOE irrevocably to exercise and manage the voting right, nomination right and attached rights of 56,817,391 shares of all stocks of Huanchan Photo-electronic it holds. After completion of such matter, BOE will hold 23.08% equity of the listed company and control 26.60% voting right; the subsidiary Huafa Technology will hold 19.13% equity of the listed company and control 19.13% voting right. The subsidiary Huafa Technology issued the Letter of Promise on No Pursue in Huanchan Photo-electronic’s Actual Control Right, and Yiwu Hexie Xinguang Equity Investment Partnership Enterprise (Limited Partnership) also signed the Agreement with BOE to agree on no pursue in Huanchan Photo-electronic’s control right. The controlling shareholder of the listed company is changed into BOE from the subsidiary Huafa Technology, and the actual controller of the listed company is changed into Beijing Electronics Holding Co., Ltd. from Zhuhai People’s Government State-owned Assets Supervision and Administration Commission.

Through discussion, the matters mentioned above were passed on the 18th meeting of the 5th Board of Directors of the Company. By the reporting date, the application to issue stocks to specific object is still reviewed by Shenzhen Stock Exchange.

5. Except for above commitments, the Company has no other important commitment that shall be

disclosed, but not disclosed yet by 31st December 2022.

(2) Contingency

1. Contingent liability

(1). Contingent liability and its financial influence resulting from pending litigation and arbitration

A. The plaintiff Lijiang Heye Group Real Estate Development Co., Ltd filed a lawsuit with the Intermediate People's Court of Lijiang, Yunnan in April 2021 because of its dispute arising from purchase of commodity apartments with the defendants Weiye Inc. and Yunnan Heyue Zongbang Hotel Management Co., Ltd, asking Weiye Inc. to fulfill its obligation of purchasing 168 apartments of Heye Complex developed by the plaintiff and conclude the Commodity Apartment Purchase Contract, and paying a liquidated damage of RMB 25,356,341.08 to the plaintiff for failing to purchase the apartments as scheduled, requesting Weiye Inc. and Yunnan Heyue Zongbang Hotel Management Co., Ltd to pay a rental of RMB 15,838,567.40 severally and jointly for apartments unsold since they fail to purchase from 1st May 2019 to the day when the payment for such apartments have been paid (calculated to 30th April 2021 for the time being), requesting Weiye Inc. and Yunnan Heyue Zongbang Hotel Management Co., Ltd to shoulder jointly the litigation fee, asset preservation fee, lawyer fee and other expense arising directly from the litigation, estimated as RMB 1,119,892.05. This case is still under trial by 31st Dec. 2022.

In Mar. 2021, the plaintiff Xinjiang Beixin International Engineering Construction Co., Ltd. lodged a lawsuit for contractual breach against the subsidiary Digitone and Beijing Shuojin Tonghui Biotechnology Co., Ltd. Both Digitone and Beijing Shuojin Tonghui Biotechnology Co., Ltd. were the defendant and Digitone needed to assume the joint liability in this case. According to information provided by the legal counselor, Digitone had provided the basis for claims caused by the lawsuit. Digitone withdrew estimated liabilities for this contingent liability in an amount of RMB 30,857,868.92.

On 16th June 2014, the subsidiary Huaguan Technology received the documents for the case (2014) ZXFMSZ No. 807 related with Construction Contract Dispute and lodged against the Company by Zhuhai No. 1 Construction Company from Guangdong Province Zhuhai Xiangzhou District People's Court. Zhuhai No. 1 Construction Company lodged the lawsuit for construction of No. 2 Dormitory and No. 3 Factory of Huaguan Industrial Park. In the trial of first instance, Huaguan Technology was ordered to pay the residual payment for the project of No. 2 Dormitory owed to the plaintiff Zhuhai No. 1 Construction Company, the difference in rising price of the project materials, charge for loss of working time and living cost and facility construction expenses totaling RMB 8,813,690.66. Meanwhile, the overdue fine for residual payment of the project and the interest for the difference in rising price of the project materials shall be paid and estimated to be RMB 2,180,078.12 preliminarily, totaling to RMB 10,993,768.78. By 31st Dec. 2022, the case was still in trial. The book value of Huaguan Technology's properties seized was RMB 528,702.92, and the frozen bank deposits in RMB would be unfrozen when it's due, while the defendant didn't apply for seizure again. On 16th June 2014, the subsidiary Huaguan Technology received documents for the case (2014) ZXFMSZ No. 807 Construction Project Contract Dispute from Guangdong Province Zhuhai Xiangzhou District People's Court. Zhuhai No. 1 Construction Company lodged a lawsuit for construction of No. 2 Dormitory and No. 3 Factory of Huaguan Industrial Park. In the trial of first instance, Huaguan Technology was ordered to pay the

residual payment for the project of No. 2 Dormitory owed to the Plaintiff Zhuhai No. 1 Construction Company, the difference in rising price of the project materials, charge for loss of working time and living cost and facility construction expenses totaling to RMB 8,813,690.66. Meanwhile, the overdue fine for residual payment of the project and the interest for the difference in rising price of the project materials shall be paid and estimated to be RMB 2,180,078.12, totaling to RMB 10,993,768.78. By 31st Dec. 2022, this case was still in trial. The book value of Huaguan Technology's properties seized was RMB 528,702.92, and the frozen bank deposits in RMB would be unfrozen when it's due, while the Respondent didn't apply for seizure again.

(2). Guarantee of the Group and its subsidiary

By 31st December 2022, the balance of guarantee provided by the Company and its subsidiaries (exclusive Huafa Inc. Digitone, Huacan Photo-electronic and their subsidiaries) was RMB 96,600,890,600 , HKD2,545,627,000 and USD1,497,950,900, detailed as below:

Unit: 10000

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
The Company	58,000.00	2022-4-29	2023-4-28
The Company	12,000.00	2022-9-16	2023-9-15
The Company	50,000.00	2022-11-30	2023-11-29
The Company	19,700.00	2022-3-30	2023-1-9
The Company	18,000.00	2022-1-27	2023-1-14
The Company	70,000.00	2022-2-22	2023-1-9
The Company	20,000.00	2022-5-20	2023-5-18
The Company	5,000.00	2022-1-27	2023-1-27
The Company	5,000.00	2022-1-27	2023-1-27
The Company	2,500.00	2022-1-27	2023-1-27
The Company	10,000.00	2022-4-13	2023-4-13
The Company	13,500.00	2022-4-13	2023-4-13
The Company	20,000.00	2022-4-13	2023-4-13
The Company	42,000.00	2022-6-30	2023-6-22
Zhuhai Huafa Comprehensive Development Co., Ltd	40,000.00	2022-12-16	2023-11-28
Zhuhai Huafa Comprehensive Development Co., Ltd	20,000.00	2022-6-30	2023-6-29
Zhuhai Huafa Comprehensive Development Co., Ltd	20,000.00	2022-7-21	2023-7-20
Zhuhai Huafa Comprehensive Development Co., Ltd	35,000.00	2022-5-30	2023-5-27
Zhuhai Huafa Comprehensive Development Co., Ltd	10,000.00	2022-11-30	2023-11-29
Zhuhai Huafa Comprehensive Development Co., Ltd	20,000.00	2022-3-31	2023-1-14
Zhuhai Huafa Comprehensive Development Co., Ltd	USD 1,300.00	2022-11-30	2023-11-29
Zhuhai Huafa Comprehensive Development Co., Ltd	8,000.00	2022-7-25	2023-7-25
Zhuhai Huafa Comprehensive Development Co., Ltd	8,000.00	2022-7-26	2023-7-25
Zhuhai Huafa Comprehensive Development Co., Ltd	7,000.00	2022-1-24	2023-1-24
Zhuhai Huafa Comprehensive Development Co., Ltd	7,000.00	2022-1-25	2023-1-24
Zhuhai Huafa Comprehensive Development Co., Ltd	27,160.00	2022-3-16	2025-3-11
Zhuhai Huafa Comprehensive Development Co., Ltd	6,790.00	2022-3-24	2025-3-11

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Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Huafa Comprehensive Development Co., Ltd	19,400.00	2022-3-25	2025-3-11
Zhuhai Huafa Comprehensive Development Co., Ltd	50,000.00	2022-6-29	2023-6-28
Zhuhai Huafa Comprehensive Development Co., Ltd	20,000.00	2022-6-8	2023-6-7
Zhuhai Huafa Comprehensive Development Co., Ltd	30,000.00	2022-5-25	2023-5-24
Zhuhai Huafa Comprehensive Development Co., Ltd	20,000.00	2022-4-24	2023-4-23
Zhuhai Huafa Comprehensive Development Co., Ltd	40,000.00	2021-1-25	2024-1-24
Zhuhai Huafa Comprehensive Development Co., Ltd	195,000.00	2022-7-29	2025-7-29
Zhuhai Huafa Comprehensive Development Co., Ltd	30,000.00	2022-7-28	2023-7-27
Zhuhai Huafa Comprehensive Development Co., Ltd	69,990.00	2020-2-28	2023-2-28
Zhuhai Huafa Comprehensive Development Co., Ltd	100,000.00	2020-3-27	2023-3-27
Zhuhai Huafa Comprehensive Development Co., Ltd	120,000.00	2021-4-29	2024-4-29
Zhuhai Huafa Comprehensive Development Co., Ltd	10,000.00	2021-8-25	2024-8-25
Zhuhai Huafa Comprehensive Development Co., Ltd	49,600.00	2020-3-27	2023-3-27
Zhuhai Huafa Comprehensive Development Co., Ltd	99,800.00	2020-3-31	2023-3-31
Zhuhai Huafa Comprehensive Development Co., Ltd	1,541.00	2022-12-1	2024-12-1
Zhuhai Huafa Comprehensive Development Co., Ltd	2,200.00	2022-12-22	2024-12-22
Zhuhai Huafa Comprehensive Development Co., Ltd	5,500.00	2022-12-15	2024-12-15
Zhuhai Huafa Comprehensive Development Co., Ltd	2,800.00	2022-12-12	2024-12-12
Zhuhai Huafa Comprehensive Development Co., Ltd	33,703.80	2022-5-27	2025-5-27
Zhuhai Huafa Comprehensive Development Co., Ltd	25,242.44	2022-5-30	2025-5-30
Zhuhai Huafa Comprehensive Development Co., Ltd	USD 7,780.00	2022-3-4	2023-2-21
Zhuhai Huafa Comprehensive Development Co., Ltd	20,000.00	2022-4-8	2023-4-8
Zhuhai Huafa Comprehensive Development Co., Ltd	27,500.00	2022-2-24	2023-2-24
Zhuhai Huafa Comprehensive Development Co., Ltd	89,666.20	2018-3-30	2023/3/30
Zhuhai Huafa Comprehensive Development Co., Ltd	50,000.00	2019-12-4	2024-12-4
Zhuhai Huafa Comprehensive Development Co., Ltd	200,000.00	2018-8-17	2023-8-17
Zhuhai Huafa Comprehensive Development Co., Ltd	100,000.00	2021-9-10	2024-9-10
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	10,000.00	2022-4-29	2023-4-28
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	40,000.00	2022-8-31	2023-8-30
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	50,000.00	2022-11-30	2023-11-29
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	10,000.00	2022-3-28	2023-1-14
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	7,000.00	2022-5-9	2023-1-13
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	USD 4,700.00	2022-2-25	2023-1-4
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	USD 6,900.00	2022-12-27	2023-12-13
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	50,000.00	2022-6-29	2023-6-29
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	40,000.00	2022-8-31	2023-8-30
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	49,000.00	2022-3-31	2023-3-30
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	11,000.00	2022-6-29	2023-6-28
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	36,000.00	2022-7-11	2023-7-10
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	50,000.00	2022-12-20	2023-6-20

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Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	10,000.00	2022-10-28	2023-10-27
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	20,000.00	2022-7-31	2023-7-30
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	25,000.00	2022-11-7	2023-5-5
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	30,000.00	2022-7-29	2023-7-28
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	20,000.00	2022-7-22	2023-7-21
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	30,000.00	2022-3-11	2023-3-10
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	10,000.00	2022-10-27	2023-10-26
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	20,000.00	2022-2-23	2023-2-22
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	10,000.00	2022-2-22	2023-2-21
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	10,000.00	2021-10-21	2023-10-19
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	10,000.00	2021-4-7	2023-4-4
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	10,000.00	2021-2-5	2023-1-27
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-6-30	2023-6-29
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-11-14	2023-11-13
Zhuhai Chuanghua International Trading Co., Ltd	4,950.00	2022-6-14	2023-6-13
Zhuhai Chuanghua International Trading Co., Ltd	2,050.00	2022-7-20	2023-7-19
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-10-9	2023-10-9
Zhuhai Chuanghua International Trading Co., Ltd	500.00	2022-10-9	2023-10-9
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-10-9	2023-10-9
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-10-11	2023-10-11
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-10-11	2023-10-11
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-10-11	2023-10-11
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-10-11	2023-10-11
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-10-11	2023-10-11
Zhuhai Chuanghua International Trading Co., Ltd	1,000.00	2022-10-11	2023-10-11
Zhuhai Zihua International Trading Co., Ltd	1,000.00	2022-6-30	2023-6-29
Zhuhai Zihua International Trading Co., Ltd	1,000.00	2022-11-14	2023-11-13
Zhuhai Zihua International Trading Co., Ltd	10,000.00	2022-12-14	2023-6-13
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	14,500.00	2020-11-27	2023-11-27
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	600.00	2021-5-31	2024-5-31
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	29,800.00	2021-7-1	2024-7-1
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	31,900.00	2022-5-31	2024-8-8
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	40,900.00	2022-6-30	2024-8-8
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	10,000.00	2022-7-1	2024-8-8

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	46,000.00	2020-2-13	2024-1-10
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	428.56	2018-12-14	2028-12-14
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	11,571.44	2019-1-3	2028-12-14
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	7,000.00	2022-10-27	2027-10-24
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	10,000.00	2022-11-30	2027-10-24
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	20,000.00	2022-9-30	2027-9-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	21,000.00	2021-1-1	2023-12-21
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	6,920.00	2021-2-1	2023-12-21
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	699.60	2021-7-13	2023-12-21
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	517.00	2021-8-19	2023-12-21
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	537.96	2021-10-20	2023-12-21
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	7,740.00	2021-3-24	2023-12-24
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	4,800.00	2021-4-21	2023-12-24
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	6,600.00	2021-5-25	2023-12-24
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	27,000.00	2022-1-12	2023-12-24
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	15,900.00	2021-8-30	2024-8-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	7,900.00	2021-10-29	2024-8-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	7,900.00	2021-11-25	2024-8-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	16,000.00	2022-3-18	2024-8-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	10,400.00	2022-3-18	2024-8-29

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	18,400.00	2022-2-28	2024-8-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	10,790.00	2022-7-29	2024-8-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	2,772.00	2022-9-30	2024-8-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	3,366.00	2022-9-30	2024-8-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	3,762.00	2022-9-30	2024-8-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	13,750.00	2021-1-1	2023-12-31
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	28,500.00	2021-5-31	2024-5-31
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	38,000.00	2021-9-27	2024-9-26
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	15,664.00	2022-1-21	2025-1-20
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	50,000.00	2022-8-31	2024-11-14
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	50,000.00	2022-8-22	2025-4-21
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	35,000.00	2021-4-26	2026-4-26
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	35,000.00	2021-5-27	2026-5-27
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	51,200.00	2018-2-13	2037-7-28
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	33,306.67	2018-4-12	2037-7-28
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	42,666.67	2018-4-18	2037-7-28
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	24,000.00	2020-12-30	2023-12-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	49,700.00	2021-4-30	2024-4-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	19,800.00	2021-9-30	2024-9-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	57,100.00	2021-5-31	2024-5-31

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Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	34,800.00	2021-11-30	2024-11-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	37,107.86	2022-1-1	2025-1-1
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	89,900.00	2022-3-31	2025-3-31
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	500.00	2020-12-30	2023-12-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	500.00	2020-12-30	2023-12-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	19,700.00	2021-1-29	2024-1-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	14,700.00	2021-6-29	2024-6-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	29,700.00	2021-6-29	2024-6-29
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	24,700.00	2021-8-27	2024-8-27
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	19,800.00	2021-8-31	2024-8-31
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	29,800.00	2021-9-30	2024-9-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	29,800.00	2021-10-22	2024-10-22
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	4,800.00	2021-7-1	2024-6-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	28,467.20	2022-1-1	2025-1-1
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	3,324.94	2022-1-1	2025-1-1
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	41,900.00	2022-2-28	2025-2-28
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	29,900.00	2022-3-31	2025-3-31
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	57,900.00	2022-5-31	2025-5-31
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	36,000.00	2022-9-30	2025-9-30
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	50,000.00	2022-10-31	2025-9-30

Zhuhai Huafa Group Co., Ltd (Consolidated)
 Annotation to Financial Statements
 Year 2022 (The Currency Unit is RMB unless it is otherwise designated).

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	12,000.00	2021-4-30	2024-4-25
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	20,000.00	2021-7-13	2024-4-25
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	40,000.00	2022-9-30	2025-9-25
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	100,000.00	2019-9-24	2026-9-24
Zhuhai Shizimen Central Business District Construction Holding Co., Ltd	50,000.00	2020-9-22	2025-9-22
Zhuhai Huaqin Development & Construction Co., Ltd	11,807.60	2020-11-19	2035-8-16
Zhuhai Huaqin Development & Construction Co., Ltd	2,833.37	2021-1-12	2035-8-16
Zhuhai Huaqin Development & Construction Co., Ltd	870.11	2021-1-4	2035-8-16
Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	60,000.00	2020-11-24	2025-11-24
Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	80,000.00	2020-11-13	2025-11-13
Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	25,000.00	2022-3-10	2025-3-10
Zhuhai Huafa Urban Operation Investment Holding Co., Ltd	29,500.00	2022-4-29	2027-4-29
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	49,250.00	2021-12-17	2026-12-17
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	59,100.00	2022-1-4	2026-12-17
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	9,850.00	2022-1-24	2026-12-17
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	9,800.00	2022-2-8	2026-12-17
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	7,590.00	2022-4-21	2026-4-22
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	11,390.00	2022-4-21	2026-4-22
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	7,590.00	2022-4-21	2026-4-22
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	11,390.00	2022-4-25	2026-4-23
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	15,180.00	2022-4-25	2026-4-23
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	3,790.00	2022-4-25	2026-4-23
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	3,790.00	2022-4-25	2026-4-23
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	7,590.00	2022-4-25	2026-4-23
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	7,631.74	2022-4-25	2026-4-23
Zhuhai Huajin Development & Construction Co., Ltd	7,461.00	2017-11-3	2031-8-7
Zhuhai Huajin Development & Construction Co., Ltd	37,102.00	2017-11-3	2031-8-7
Zhuhai Huafa Zhigu Investment & Operation Co., Ltd	29,000.00	2022-2-7	2037-2-7
Zhuhai Huafa Zhigu Investment & Operation Co., Ltd	14,000.00	2022-3-7	2037-2-7
Zhuhai Huafa Zhigu Investment & Operation Co., Ltd	17,000.00	2022-4-15	2037-2-7
Zhuhai Yitong Electrical Appliance Co., Ltd	102.75	2020-12-4	2030-6-3
Zhuhai Yitong Electrical Appliance Co., Ltd	590.19	2020-12-25	2030-6-24
Zhuhai Yitong Electrical Appliance Co., Ltd	469.58	2021-1-22	2030-5-5
Zhuhai Yitong Electrical Appliance Co., Ltd	29,808.09	2021-1-8	2030-5-5
Zhuhai Yitong Electrical Appliance Co., Ltd	1,186.78	2021-1-22	2030-5-5

Zhuhai Huafa Group Co., Ltd (Consolidated)
 Annotation to Financial Statements
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Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Yitong Electrical Appliance Co., Ltd	1,187.19	2021-2-3	2030-5-5
Zhuhai Hualing Construction Engineering Co., Ltd	42.93	2021-9-29	2026-9-29
Zhuhai Hualing Construction Engineering Co., Ltd	19,995.00	2021-10-26	2026-9-29
Zhuhai Hualing Construction Engineering Co., Ltd	16,995.00	2021-11-26	2026-9-29
Zhuhai Hualing Construction Engineering Co., Ltd	4,995.00	2022-1-1	2026-9-29
Zhuhai Hualing Construction Engineering Co., Ltd	1,995.00	2022-1-14	2026-9-29
Zhuhai Hualing Construction Engineering Co., Ltd	32,000.00	2022-2-7	2026-9-29
Zhuhai Hualing Construction Engineering Co., Ltd	5,990.00	2022-4-28	2026-9-29
Zhuhai Hualing Construction Engineering Co., Ltd	3,995.00	2022-2-7	2026-9-29
Zhuhai Hualing Construction Engineering Co., Ltd	9,990.00	2022-6-9	2026-9-29
Zhuhai Hualing Construction Engineering Co., Ltd	13,000.00	2022-6-24	2026-9-29
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	8,066.87	2021-3-10	2025-1-31
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	42,129.43	2021-3-15	2025-1-31
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	9,700.00	2021-6-28	2026-6-27
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	30,000.00	2021-8-27	2026-6-27
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	10,300.00	2022-1-24	2026-6-27
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	10,000.00	2022-3-11	2026-6-27
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	8,800.00	2022-6-17	2026-6-27
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	40,000.00	2022-11-28	2027-11-28
Zhuhai Huafa Huayu Investment & Construction Co., Ltd	50,000.00	2022-11-28	2027-11-28
Zhuhai Huafa Sports Development Co., Ltd	49,000.00	2021-4-20	2026-4-20
Zhuhai Huafa Investment Holding Co., Ltd	100,000.00	2019-8-30	2025-8-30
Zhuhai Huafa Investment Holding Co., Ltd	10,492.85	2022-6-30	2023-4-5
Zhuhai Huafa Investment Holding Co., Ltd	9,507.15	2022-10-11	2023-4-5
Zhuhai Huafa Investment Holding Co., Ltd	10,000.00	2022-12-21	2023-9-21
Zhuhai Huafa Investment Holding Co., Ltd	28,000.00	2022-3-30	2023-3-30
Zhuhai Huafa Investment Holding Co., Ltd	10,000.00	2022-4-15	2023-4-15
Zhuhai Huafa Investment Holding Co., Ltd	9,500.00	2022-3-22	2025-3-21
Zhuhai Huafa Investment Holding Co., Ltd	40,000.00	2020-12-30	2023-12-30
Zhuhai Huafa Investment Holding Co., Ltd	19,980.00	2021-2-24	2024-2-24
Zhuhai Huafa Investment Holding Co., Ltd	37,830.00	2022-3-30	2025-3-30
Zhuhai Huafa Investment Holding Co., Ltd	10,670.00	2022-6-29	2025-3-30
Zhuhai Huafa Investment Holding Co., Ltd	15,000.00	2022-6-30	2023-6-30
Zhuhai Huafa Investment Holding Co., Ltd	30,000.00	2022-7-29	2023-7-29
Zhuhai Huafa Investment Holding Co., Ltd	100,000.00	2022-6-29	2025-6-17
Zhuhai Huafa Investment Holding Co., Ltd	30,000.00	2022-6-29	2025-6-29
Zhuhai Huafa Investment Holding Co., Ltd	30,000.00	2020-3-30	2023-3-30
Zhuhai Huafa Investment Holding Co., Ltd	100,000.00	2020-3-16	2025-3-16
Zhuhai Huafa Investment Holding Co., Ltd	100,000.00	2020-4-14	2025-4-14
Zhuhai Huafa Investment Holding Co., Ltd	250,000.00	2019-1-28	2024-1-28

Zhuhai Huafa Group Co., Ltd (Consolidated)
Annotation to Financial Statements
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Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Huafa Investment Holding Co., Ltd	200,000.00	2019-3-19	2024-3-19
Zhuhai Huafa Investment Holding Co., Ltd	50,000.00	2019-8-26	2024-8-26
Shanghai Huakai Equity Investment Co., Ltd	51,480.00	2020-8-17	2023-8-16
Shanghai Huakai Equity Investment Co., Ltd	4,653.00	2021-9-29	2023-8-16
Shanghai Huakai Equity Investment Co., Ltd	18,163.60	2021-10-19	2028-10-19
Huajin Securities Inc.	74,000.00	2020-11-23	2025-11-23
Huajin Securities Inc.	76,000.00	2021-9-17	2026-9-17
Huajin Securities Inc.	75,000.00	2020-3-10	2025-3-10
Huajin Securities Inc.	100,000.00	2022/06/16	2025-6-16
Huajin International Commercial Factoring (Zhuhai) Co., Ltd	20,000.00	2022-6-30	2023-6-30
Huajin International Commercial Factoring (Zhuhai) Co., Ltd	48,500.00	2022-6-29	2023-6-29
Huajin International Commercial Factoring (Zhuhai) Co., Ltd	25,000.00	2022-11-16	2023-11-15
Huajin International Commercial Factoring (Zhuhai) Co., Ltd	47,000.00	2022-6-27	2023-6-27
Huajin Asset Management (Shenzhen) Co., Ltd	20,000.00	2022-3-30	2023-3-30
Huajin Asset Management (Shenzhen) Co., Ltd	112,100.00	2022-12-26	2040-12-26
Zhuhai Huakai Development & Construction Co., Ltd	515.04	2022-8-2	2025-6-14
Zhuhai Huakai Development & Construction Co., Ltd	762.82	2022-7-18	2025-6-14
Zhuhai Huakai Development & Construction Co., Ltd	664.30	2022-6-14	2025-6-14
Zhuhai Huakai Development & Construction Co., Ltd	390.97	2022-9-6	2025-6-14
Zhuhai Huakai Development & Construction Co., Ltd	473.64	2022-10-13	2025-6-14
Zhuhai Huakai Development & Construction Co., Ltd	602.03	2022-11-21	2025-6-14
Zhuhai Huakai Development & Construction Co., Ltd	524.64	2022-12-30	2025-6-14
Zhuhai Huafa Technical Industry Group Co., Ltd	40,900.00	2021-3-22	2026-3-21
Zhuhai Huafa Technical Industry Group Co., Ltd	26,900.00	2021-6-25	2024-6-25
Zhuhai Huafa Technical Industry Group Co., Ltd	29,700.00	2022-6-30	2023-6-20
Zhuhai Huafa Technical Industry Group Co., Ltd	19,800.00	2022-7-29	2023-7-21
Zhuhai Huafa Technical Industry Group Co., Ltd	65,500.00	2021-6-28	2028-6-28
Zhuhai Huafa Technical Industry Group Co., Ltd	116,900.00	2021-6-25	2026-6-25
Zhuhai Huafa Technical Industry Group Co., Ltd	18,000.00	2021-7-20	2026-6-25
Zhuhai Huafa Technical Industry Group Co., Ltd	45,000.00	2021-11-19	2026-6-25
Zhuhai Huafa Technical Industry Group Co., Ltd	69,000.00	2021-8-6	2026-8-6
Zhuhai Huafa Technical Industry Group Co., Ltd	60,000.00	2021-10-22	2026-10-21
Zhuhai Huafa Technical Industry Group Co., Ltd	62,500.00	2022-1-30	2029-1-29
Zhuhai Huafa Technical Industry Group Co., Ltd	19,500.00	2022-3-29	2029-3-29
Zhuhai Huabei Ecological Technology Co., Ltd	17,415.49	2020-8-21	2028-7-28
Zhuhai Huabei Ecological Technology Co., Ltd	420.00	2020-9-15	2028-7-28
Zhuhai Huabei Ecological Technology Co., Ltd	1,095.97	2020-10-28	2028-7-28
Zhuhai Huabei Ecological Technology Co., Ltd	795.21	2020-11-19	2028-7-28
Zhuhai Huabei Ecological Technology Co., Ltd	1,997.81	2021-1-15	2028-7-28
Zhuhai Huabei Ecological Technology Co., Ltd	5,632.54	2022-4-15	2028-7-28

Zhuhai Huafa Group Co., Ltd (Consolidated)
Annotation to Financial Statements
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Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Urban Construction Group Co., Ltd	25,452.00	2018-12-29	2033-12-26
Zhuhai Urban Construction Group Co., Ltd	3,038.77	2019-2-1	2033-12-26
Zhuhai Urban Construction Group Co., Ltd	3,410.55	2019-6-1	2033-12-26
Zhuhai Urban Construction Group Co., Ltd	2,041.33	2019-11-22	2033-12-26
Zhuhai Urban Construction Group Co., Ltd	399.50	2020-1-21	2033-12-26
Zhuhai Urban Construction Group Co., Ltd	1,212.10	2020-1-19	2033-12-26
Zhuhai Urban Construction Group Co., Ltd	8,950.00	2022-9-27	2042-9-26
Zhuhai Urban Construction Group Co., Ltd	1,700.00	2021-3-19	2024-3-19
Zhuhai Urban Construction Group Co., Ltd	7,030.00	2022-1-5	2025-1-5
Zhuhai Urban Construction Group Co., Ltd	26,000.00	2022-12-23	2025-12-15
Guangdong Chengzhi Technology Co., Ltd	230.00	2017-12-15	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	208.50	2019-1-25	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	1,149.00	2019-1-30	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	1,162.50	2019-3-27	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	509.25	2019-4-24	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	819.75	2019-5-24	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	366.00	2019-6-25	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	1,410.75	2019-7-11	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	1,578.00	2019-8-28	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	3,807.75	2019-9-12	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	3,712.50	2019-12-5	2026-9-26
Guangdong Chengzhi Technology Co., Ltd	16,800.00	2021-6-28	2026-4-15
Guangdong Chengzhi Technology Co., Ltd	40,000.00	2022-12-27	2042-6-23
Zhuhai Wisdom New Energy Investment Co., Ltd	204.30	2017-7-5	2027-3-30
Zhuhai Wisdom New Energy Investment Co., Ltd	611.00	2017-5-15	2027-3-30
Zhuhai Wisdom New Energy Investment Co., Ltd	969.00	2017-3-30	2027-3-30
Zhuhai Engineering Supervision Co., Ltd	287.63	2022-12-4	2023-12-3
Zhuhai Urban Construction Asset Operation & Management Co., Ltd	1,030.95	2022-1-25	2027-11-2
Huafa Group 2019 I Co., Ltd	USD 30,000.00	2019-7-3	2024-7-3
Huafa 2020 I Co., Ltd	USD 25,000.00	2020-11-4	2025-11-4
Huafa 2020 I Co., Ltd	USD 15,000.00	2021-1-21	2025-11-4
Huafa 2021 I Co., Ltd	USD 20,000.00	2021-8-31	2025-2-28
Huafa 2021 I Co., Ltd	USD 25,000.00	2021-8-18	2024-8-18
Huafa 2021 I Co., Ltd	USD 10,000.00	2022-6-8	2024-8-18
Hong Kong Huafa Investment Holding Co., Ltd	HKD 129,870.00	2021-11-19	2024-10-29
Hong Kong Huafa Investment Holding Co., Ltd	HKD 74,925.00	2021-11-26	2024-10-29
Hong Kong Huafa Investment Holding Co., Ltd	USD 377.42	2022-10-18	2023-2-15
Hong Kong Huafa Investment Holding Co., Ltd	USD 476.43	2022-11-10	2023-3-10
Hong Kong Huafa Investment Holding Co., Ltd	3,986.89	2022-11-3	2023-3-3

Zhuhai Huafa Group Co., Ltd (Consolidated)
Annotation to Financial Statements
Year 2022 (The Currency Unit is RMB unless it is otherwise designated).

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Hong Kong Huafa Investment Holding Co., Ltd	2,707.28	2022-11-3	2023-3-3
Hong Kong Huafa Investment Holding Co., Ltd	USD 699.10	2022-11-16	2023-2-14
Hong Kong Huafa Investment Holding Co., Ltd	USD 693.96	2022-11-18	2023-2-16
Hong Kong Huafa Investment Holding Co., Ltd	USD 287.68	2022-11-23	2023-2-21
Hong Kong Huafa Investment Holding Co., Ltd	USD 696.31	2022-11-23	2023-2-21
Hong Kong Huafa Investment Holding Co., Ltd	USD 620.00	2022-11-28	2023-2-27
Hong Kong Huafa Investment Holding Co., Ltd	USD 101.42	2022-8-18	2023-2-14
Hong Kong Huafa Investment Holding Co., Ltd	5,527.23	2022-9-16	2023-3-15
Hong Kong Huafa Investment Holding Co., Ltd	USD 162.77	2022-11-23	2023-5-22
Hong Kong Huafa Investment Holding Co., Ltd	2,225.68	2022-11-15	2023-5-12
Hong Kong Huafa Investment Holding Co., Ltd	HKD 3,000.00	2022-9-14	2023-4-24
Hong Kong Huafa Investment Holding Co., Ltd	HKD 10,000.00	2022-11-10	2023-8-3
Hong Kong Huafa Investment Holding Co., Ltd	HKD 20,000.00	2022-11-3	2023-8-3
Johnson Co., Ltd	HKD 8,126.66	2022-6-9	2023-6-8
Johnson Co., Ltd	HKD 4,568.57	2022-5-29	2023-5-28
Johnson Co., Ltd	HKD 1,071.03	2022-4-15	2027-4-14
Johnson Co., Ltd	HKD 2,024.94	2022-4-15	2027-4-14
Johnson Co., Ltd	HKD 976.50	2022-4-15	2027-4-14
Beijing Digitone Trading Inc.	15,000.00	2022-9-14	2023-3-22
Beijing Digitone Trading Inc.	10,000.00	2022-9-14	2023-3-22
Beijing Digitone Trading Inc.	5,000.00	2022-7-6	2023-3-6
Beijing Digitone Trading Inc.	20,000.00	2022-5-13	2023-5-12
Beijing Digitone Trading Inc.	5,000.00	2022-10-9	2023-4-7
Beijing Digitone Trading Inc.	4,000.00	2022-7-5	2023-1-5
Beijing Digitone Trading Inc.	1,000.00	2022-8-3	2023-2-3
Beijing Digitone Trading Inc.	3,000.00	2022-8-3	2023-2-3
Beijing Digitone Trading Inc.	3,000.00	2022-10-28	2023-10-26
Shanghai Dixin Electronic Telecommunication Technology Co., Ltd	3,000.00	2022-8-26	2023-8-25
Henan Digitone Trading Co., Ltd	5,999.00	2022-11-16	2023-5-17
Zhuhai Digitone Trading Co., Ltd	5,000.00	2022-12-9	2023-12-8
Zhuhai Digitone Trading Co., Ltd	7,000.00	2022-12-15	2023-6-14
Zhuhai Digitone Trading Co., Ltd	10,000.00	2022-12-21	2023-12-20
Zhuhai Digitone Trading Co., Ltd	10,000.00	2022-12-23	2023-12-26
Guangdong Weiye Technology Co., Ltd	3,000.00	2022-4-11	2025-3-24
Fujian Mindong Jiangong Investment Co., Ltd	4,000.00	2021-11-2	2024-11-2
Jiantai Construction Co., Ltd	12,200.00	2022-6-29	2023-12-31
Weiye Inc. and its subsidiaries *1	453,663.57	-	-
Huafa Inc. and its subsidiaries	34,000.00	2022-2-25	2025-2-25
Huafa Inc. and its subsidiaries	4,000.00	2022-3-2	2025-3-3

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Huafa Inc. and its subsidiaries	5,000.00	2022-8-4	2025-2-25
Huafa Inc. and its subsidiaries	20,000.00	2022-11-18	2025-2-25
Huafa Inc. and its subsidiaries	10,000.00	2022-6-17	2024-6-17
Huafa Inc. and its subsidiaries	5,000.00	2022-6-30	2024-6-17
Huafa Inc. and its subsidiaries	3,000.00	2022-12-30	2024-12-30
Huafa Inc. and its subsidiaries	50,000.00	2022-11-28	2024-11-28
Huafa Inc. and its subsidiaries	17,625.00	2022-12-27	2025-12-12
Huafa Inc. and its subsidiaries	100,756.25	2022-12-14	2025-12-12
Huafa Inc. and its subsidiaries *2	45,100.00	2022-1-29	2023-1-20
Huafa Inc. and its subsidiaries *2	39,500.00	2022-3-3	2023-2-27
Huafa Inc. and its subsidiaries *2	29,100.00	2022-3-18	2023-3-17
Huafa Inc. and its subsidiaries *2	26,700.00	2022-3-30	2023-3-17
Huafa Inc. and its subsidiaries *2	40,000.00	2022-3-31	2023-3-31
Huafa Inc. and its subsidiaries *2	38,600.00	2022-6-14	2023-6-9
Huafa Inc. and its subsidiaries *2	50,000.00	2022-6-30	2023-6-20
Huafa Inc. and its subsidiaries *2	20,100.00	2022-8-9	2023-8-8
Huafa Inc. and its subsidiaries *2	50,000.00	2022-9-6	2023-8-30
Huafa Inc. and its subsidiaries *2	24,100.00	2022-9-30	2023-9-28
Huafa Inc. and its subsidiaries *2	45,000.00	2022-10-31	2023-10-31
Huafa Inc. and its subsidiaries *3	138,900.00	2019-3-27	2037-3-26
Huafa Inc. and its subsidiaries *3	148,500.00	2020-11-3	2023-11-2
Huafa Inc. and its subsidiaries *3	184,900.00	2022-7-13	2040-7-13
Huafa Inc. and its subsidiaries *3	97,300.00	2022-12-26	2040-12-26

*1 In accordance with the 5th Board of Director 3rd Interim Meeting held on 6th Dec. 2021 and the 5th Board of Director 8th Interim Meeting held on 11th July 2022, which have deliberated and passed the “Proposal on the Company and its Subsidiary’s Acceptance of Guarantee, Payment of Guarantee Fee and Related Transaction” of the subsidiary Weiye Inc., Weiye Inc. and its subsidiaries have concluded a guarantee bond agreement with Zhuhai Huajin Financial Guarantee Co., Ltd that Zhuhai Huajin Financial Guarantee Co., Ltd provides guarantee to the Company’s subsidiaries and issue the guarantee bond to the beneficiary.

*2 In accordance with “the Proposal that Huafa Group Provides Guarantee for Supply Chain Financial Asset-backed Product and the Company Provides Counter-Guarantee & Affiliated Transaction” approved on the 9th board of director 73rd meeting of the subsidiary Huafa Inc., the Company, as the issuer, engages in shelf-type supply chain financial asset securitization (hereinafter referred to as supply chain ABS) by taking creditor’s right of contractors and suppliers to the account receivable from Huafa Inc., and its subsidiaries as the underlying assets; and registers the supply chain financial asset-backed notes (hereinafter referred to as ABN) with Interbank Market Dealer Association by taking the underlying assets same with ABS. The Company provides guarantee to the payment obligations of Huafa Inc., and its subsidiaries towards the supply chain ABS and ABN. The principal of main creditor

right guaranteed doesn't exceed RMB 20 billion. Meanwhile, Huafa Inc., provides counter-guarantee to the Company. This proposal has been approved by Huafa Inc., in the fifth extraordinary general meeting of shareholders in 2020. By 31st December 2022, the Company guaranteed the payment obligations towards the supply chain ABS and ABN in an amount of RMB 4.082 billion and meanwhile Huafa Inc., provides the counter guarantee.

*2. The Company, as the guarantor, provides irrevocable, joint and several guarantee for "Zhonglian Qianhai Kaiyuan-Huafa Rental House No. 1 Asset-backed Special Program" and "Huajin- Huafa Rental House No.2 Asset-backed Special Program" issued by its subsidiary Huafa Inc. Huafa Inc., provides the counter guarantee against the guarantee provided by the Company. The counter guarantee has been approved by Huafa Inc., through its 9th board of director 35th meeting and the 7th extraordinary general meeting of shareholders in 2018. By 31st December 2022, the Company guaranteed the rental house in an amount of RMB 5.696 billion and meanwhile Huafa Inc., provides the counter guarantee.

2) By 31st December 2022, the guaranteed balance between the subsidiary Huafa Inc. and its subsidiaries and between subsidiaries of Huafa Inc. is RMB 95,622,598,900 , detailed as below:

Unit: RMB 10000

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Beijing Huafa Yongsheng Real Estate Co., Ltd	9,658.79	2022	2024
Changshu Huashun Industrial Park Investment & Development Co., Ltd	45,278.78	2020	2023
Changshu Huashun Industrial Park Investment & Development Co., Ltd	14,251.68	2021	2023
Changshu Huashun Industrial Park Investment & Development Co., Ltd	19,596.06	2021	2024
Changshu Huashun Industrial Park Investment & Development Co., Ltd	18,770.17	2021	2025
Changshu Huashun Industrial Park Investment & Development Co., Ltd	39,588.00	2022	2024
Changshu Huashun Industrial Park Investment & Development Co., Ltd	3,098.78	2022	2025
Chengdu Huafeng Jinye Construction & Development Co., Ltd	12,000.00	2021	2024
Chengdu Huafeng Jinye Construction & Development Co., Ltd	4,500.00	2022	2024
Chengdu Huajin Lianhong Real Estate Development Co., Ltd	420.13	2022	2023
Chengdu Huajin Yanhong Industrial Co., Ltd	15,000.00	2021	2024
Chengdu Huajin Yanhong Industrial Co., Ltd	11,622.20	2022	2023
Dalian Huakun Real Estate Development Co., Ltd	147,000.00	2022	2025
Dalian Hualu Real Estate Development Co., Ltd	8,444.40	2020	2025
Dalian Hualu Real Estate Development Co., Ltd	603.00	2022	2023
Dalian Hualu Real Estate Development Co., Ltd	2,724.00	2022	2025
Foshan Huabiao Real Estate Development Co., Ltd	79,848.00	2021	2026
Foshan Huabiao Real Estate Development Co., Ltd	82,995.30	2022	2025
Foshan Huabiao Real Estate Development Co., Ltd	10,000.00	2022	2027
Guang Tao Investment Limited	139,292.06	2022	2023
Guangdong Zhanlan Real Estate Development Co., Ltd	191.71	2022	2023
Guangdong Zhanlan Real Estate Development Co., Ltd	20,000.00	2022	2024
Guangdong Zhanlan Real Estate Development Co., Ltd	19,000.00	2022	2025

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Guangzhou Huafa Real Estate Development Co., Ltd	46,200.00	2022	2024
Guangzhou Huafeng Investment Co., Ltd	50,000.00	2020	2023
Guangzhou Huajun Real Estate Development Co., Ltd	72,000.00	2022	2025
Guangzhou Huaning Real Estate Development Co., Ltd	135.22	2022	2023
Guangzhou Huaning Real Estate Development Co., Ltd	100,000.00	2022	2024
Guangzhou Huashen Real Estate Development Co., Ltd	65,600.00	2022	2024
Guangzhou Yuehong Real Estate Development Co., Ltd	62,883.00	2021	2025
Guangzhou Yuehong Real Estate Development Co., Ltd	13,872.00	2022	2025
Hangzhou Hua'an Real Estate Co., Ltd	81,185.00	2021	2024
Hangzhou Huaxu Real Estate Co., Ltd	60,005.40	2022	2025
Hangzhou Jinyu Real Estate Co., Ltd	10,950.00	2020	2023
Hubei Guangjiazhou Investment Co., Ltd	11,415.00	2021	2023
Hubei Guangjiazhou Investment Co., Ltd	9,300.00	2021	2025
Huafa Industry (Hong Kong) Co., Ltd	26,900.00	2016	2026
Huafa Industry (Hong Kong) Co., Ltd	23,100.00	2017	2027
Huafa Industry (Hong Kong) Co., Ltd	139,292.03	2018	2024
Huafa Industry (Hong Kong) Co., Ltd	3,482.30	2020	2023
Huafa Industry (Hong Kong) Co., Ltd	55,716.80	2020	2025
Huafa Industry (Hong Kong) Co., Ltd	104,469.00	2021	2025
Huizhou Hehui Real Estate Co., Ltd	20,880.00	2020	2023
Huizhou Hehui Real Estate Co., Ltd	45,000.00	2021	2023
Jiangmen Huasheng Real Estate Development Co., Ltd	42,750.00	2020	2023
Jiangmen Huaming Real Estate Development Co., Ltd	198.58	2022	2023
Jiangmen Herui Real Estate Development Co., Ltd	4,335.00	2020	2023
Jiangmen Herui Real Estate Development Co., Ltd	1,020.00	2021	2023
Jiangmen Rongjian Real Estate Development Co., Ltd	3,210.24	2022	2023
Jiangmen Rongjian Real Estate Development Co., Ltd	11,520.00	2021	2024
Kunming Huachuangyun Real Estate Development Co., Ltd	3,689.41	2022	2023
Kunming Huachuangyun Real Estate Development Co., Ltd	149,000.00	2022	2027
Luoding Huarong Trading Co., Ltd	5,000.00	2022	2025
Luoding Huasheng Trading Co., Ltd	5,000.00	2022	2025
Luoding Huatu Trading Co., Ltd	5,000.00	2022	2025
Nanjing Huafu Real Estate Co., Ltd	50,000.00	2022	2024
Nanjing Huafu Real Estate Co., Ltd	142,095.00	2022	2025
Nanjing Huahong Real Estate Co., Ltd	1,377.00	2021	2024
Nanjing Huahong Real Estate Co., Ltd	18,360.00	2022	2025
Nanjing Huayao Real Estate Development Co., Ltd	61,875.00	2021	2024
Nanjing Huayao Real Estate Development Co., Ltd	8,250.00	2022	2024
Nanjing Huayu Real Estate Development Co., Ltd	5,029.43	2022	2023

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Nanjing Huayu Real Estate Development Co., Ltd	72,678.75	2022	2025
Qingdao Hua'ang Real Estate Co., Ltd	238.92	2022	2023
Qingdao Hua'ang Real Estate Co., Ltd	10,200.00	2021	2024
Rongcheng Huafa Real Estate Development Co., Ltd	1,123.52	2022	2023
Shanwei Huajin Real Estate Development Co., Ltd	41,900.00	2020	2023
Shanghai Guhong Real Estate Development Co., Ltd	100,800.00	2022	2025
Shanghai Huamin Zhuanhong Real Estate Development Co., Ltd	30,000.00	2022	2024
Shanghai Huamin Zhuanhong Real Estate Development Co., Ltd	160,000.00	2022	2025
Shanghai Huafu Chuangsheng Real Estate Co., Ltd	82,000.00	2022	2027
Shanghai Pufeng Real Estate Development Co., Ltd	76,946.25	2022	2025
Shaoxing Huayue Real Estate Co., Ltd	26,225.00	2020	2023
Shaoxing Huayue Real Estate Co., Ltd	20,000.00	2020	2026
Shaoxing Huayue Real Estate Co., Ltd	87,455.00	2021	2023
Shaoxing Huayue Real Estate Co., Ltd	78,750.00	2021	2024
Shaoxing Huayue Real Estate Co., Ltd	77,800.00	2021	2026
Shaoxing Huayue Real Estate Co., Ltd	131,000.00	2021	2027
Shaoxing Huayue Real Estate Co., Ltd	15,914.82	2022	2023
Shaoxing Huayue Real Estate Co., Ltd	40,000.00	2022	2024
Shaoxing Huayue Real Estate Co., Ltd	22,750.00	2022	2029
Shaoxing Huayue Real Estate Co., Ltd	25,000.00	2022	2030
Shaoxing Huaze Real Estate Co., Ltd	85,000.00	2022	2024
Shaoxing Huaze Real Estate Co., Ltd	63,000.00	2022	2025
Shenzhen Pengjia Industrial Development Co., Ltd	28,000.00	2022	2024
Shenyang Huachang Real Estate Co., Ltd	7,000.00	2022	2024
Shenyang Huahao Real Estate Co., Ltd	8,500.00	2022	2024
Shenyang Huaheng Real Estate Co., Ltd	70,000.00	2022	2025
Shenyang Huaxin Real Estate Co., Ltd	4,755.62	2022	2023
Shenyang Zhong Dong Gang Commercial Property Development Co., Ltd	50,000.00	2022	2025
Suzhou Huaheng Commercial Real Estate Co., Ltd	5,329.88	2020	2025
Suzhou Huaheng Commercial Real Estate Co., Ltd	10,174.50	2021	2024
Suzhou Huaheng Commercial Real Estate Co., Ltd	28,119.62	2021	2025
Suzhou Huashun Real Estate Co., Ltd	2,529.47	2022	2024
Taichang Huaman Real Estate Development Co., Ltd	1,000.00	2021	2024
Taichang Huaman Real Estate Development Co., Ltd	59,000.00	2022	2024
Taichang Huafa Real Estate Development Co., Ltd	21,956.00	2021	2024
Weihai Huafa Real Estate Development Co., Ltd	5,844.99	2022	2023
Weihai Huafa Real Estate Development Co., Ltd	6,112.54	2022	2024
Weihai Huafa Real Estate Development Co., Ltd	59,970.00	2022	2042
Weihai Mofangcheng Real Estate Development Co., Ltd	9,690.00	2021	2023

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Wuxi Huajun Real Estate Development Co., Ltd	55.85	2022	2023
Wuxi Huajun Real Estate Development Co., Ltd	20,000.00	2022	2024
Wuxi Huabo Real Estate Co., Ltd	276,680.00	2021	2024
Wuxi Huabo Real Estate Co., Ltd	11,196.19	2022	2023
Wuxi Huabo Real Estate Co., Ltd	6,660.00	2022	2024
Wuxi Huamei Real Estate Co., Ltd	50,000.00	2022	2025
Wuhan Huasheng Qianmao Real Estate Co., Ltd	10,200.00	2020	2023
Wuhan Huasheng Qianmao Real Estate Co., Ltd	4,500.00	2021	2023
Wuhan Huachuan Real Estate Development Co., Ltd	29,752.00	2021	2023
Wuhan Huachuan Real Estate Development Co., Ltd	9,880.00	2021	2024
Wuhan Huachuan Real Estate Development Co., Ltd	263,880.10	2022	2024
Wuhan Huachuan Real Estate Development Co., Ltd	68,000.00	2022	2025
Wuhan Huafa Hongye Real Estate Development Co., Ltd	4,000.00	2020	2023
Wuhan Huafa Ruiguang Real Estate Development Co., Ltd	299,559.20	2022	2025
Wuhan Huafa Changmao Real Estate Development Co., Ltd	1,295.47	2022	2023
Wuhan Huafa Changmao Real Estate Development Co., Ltd	13,200.00	2022	2030
Wuhan Huafa Changsheng Real Estate Development Co., Ltd	26,400.00	2021	2024
Wuhan Huafa Changsheng Real Estate Development Co., Ltd	6,405.92	2022	2023
Wuhan Huafa Changsheng Real Estate Development Co., Ltd	4,250.00	2022	2024
Wuhan Huafa Changsheng Real Estate Development Co., Ltd	20,000.00	2022	2025
Wuhan Huarong Real Estate Development Co., Ltd	61,963.66	2020	2023
Wuhan Huashuo Real Estate Development Co., Ltd	179.68	2022	2023
Wuhan Huayao Real Estate Development Co., Ltd	40,200.00	2020	2041
Wuhan Huayao Real Estate Development Co., Ltd	6,495.98	2021	2023
Xi'an Huachuang Qiyao Real Estate Co., Ltd	4,000.00	2022	2023
Xuzhou Huafa Real Estate Co., Ltd	14,399.00	2022	2024
Yiwu Zhaoying Real Estate Co., Ltd	28,332.54	2021	2024
Yiwu Zhaoying Real Estate Co., Ltd	19,833.33	2022	2024
Zhengzhou Huahan Real Estate Development Co., Ltd	60,800.00	2020	2023
Zhongshan Huasheng Real Estate Development Co., Ltd	1,028.35	2022	2023
Zhongshan Huasheng Real Estate Development Co., Ltd	51,811.17	2022	2024
Zhongshan Huasheng Real Estate Development Co., Ltd	150,046.00	2022	2025
Zhongshan Huafa Commerce Town Business Operation Co., Ltd	57,000.00	2022	2034
Zhongshan Huafa Ecopark Real Estate Development Co., Ltd	112.29	2022	2023
Zhongshan Huageng Real Estate Co., Ltd	72.63	2022	2023
Zhongshan Huayi Real Estate Development Co., Ltd	8.54	2022	2023
Zhongshan Huayi Business Operation & Management Co., Ltd	6,584.69	2022	2025
Chongqing Huaxian Real Estate Development Co., Ltd	22,400.00	2020	2023
Chongqing Huaxian Real Estate Development Co., Ltd	1,134.60	2022	2023

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Chongqing Huaxian Real Estate Development Co., Ltd	20,296.03	2022	2024
Zhuhai Aohua Enterprise Management Consultancy Co., Ltd	68.86	2022	2023
Zhuhai Hengqin Huafa Real Estate Investment Co., Ltd	4,967.98	2022	2025
Zhuhai Huafa Construction Design Consultancy Co., Ltd	99.00	2022	2023
Zhuhai Huafa Construction Design Consultancy Co., Ltd	19,500.00	2022	2024
Zhuhai Huafa Industrial Inc.	138,900.00	2019	2037
Zhuhai Huafa Industrial Inc.	148,500.00	2020	2038
Zhuhai Huafa Industrial Inc.	282,200.00	2022	2040
Zhuhai Huafa West Zone Commerce Co., Ltd	37,500.00	2018	2023
Zhuhai Huafa West Zone Commerce Co., Ltd	5,143.76	2021	2023
Zhuhai Huafa West Zone Commerce Co., Ltd	25,738.39	2021	2024
Zhuhai Huafa West Zone Commerce Co., Ltd	18,000.00	2022	2024
Zhuhai Huafa West Zone Commerce Co., Ltd	33,115.99	2022	2025
Zhuhai Huafa Landscape Engineering Co., Ltd	10,000.00	2021	2023
Zhuhai Huafa Landscape Engineering Co., Ltd	19,600.00	2021	2024
Zhuhai Huafa Landscape Engineering Co., Ltd	10,000.00	2022	2025
Zhuhai Huafeng Real Estate Development Co., Ltd	122,400.00	2022	2027
Zhuhai Huafu Commerce & Trading Development Co., Ltd	21,610.76	2021	2024
Zhuhai Huafu Commerce & Trading Development Co., Ltd	46,406.76	2022	2025
Zhuhai Huafu Commerce & Trading Development Co., Ltd	350,000.00	2022	2040
Zhuhai Huahe Construction Co., Ltd	35,000.00	2021	2036
Zhuhai Huahu Real Estate Development Co., Ltd	26,030.37	2022	2027
Zhuhai Huajian Real Estate Development Co., Ltd	45,000.00	2020	2023
Zhuhai Huajing Education Service Co., Ltd	20,000.00	2019	2029
Zhuhai Huajing Education Service Co., Ltd	56,150.00	2020	2029
Zhuhai Huajing Education Service Co., Ltd	29,862.28	2022	2023
Zhuhai Huajing Education Service Co., Ltd	24,187.98	2022	2025
Zhuhai Huajun Real Estate Development Co., Ltd	56,587.50	2019	2024
Zhuhai Huajun Real Estate Development Co., Ltd	50,000.00	2020	2023
Zhuhai Huajun Real Estate Development Co., Ltd	217,762.50	2020	2024
Zhuhai Huajun Real Estate Development Co., Ltd	549.70	2022	2023
Zhuhai Huajun Real Estate Development Co., Ltd	20,531.79	2022	2024
Zhuhai Huakuo Comprehensive Service Co., Ltd	40,000.00	2022	2024
Zhuhai Huamao Tiancheng Real Estate Development Co., Ltd	234,225.00	2021	2025
Zhuhai Huamao Tiancheng Real Estate Development Co., Ltd	5,000.00	2022	2025
Zhuhai Huaming Technical Development Co., Ltd	1,750.00	2021	2023
Zhuhai Huashang Department Store Co., Ltd	47,700.00	2021	2024
Zhuhai Huashang Department Store Co., Ltd	54,100.00	2022	2024
Zhuhai Huatong Real Estate Development Co., Ltd	30,680.00	2021	2023

Zhuhai Huafa Group Co., Ltd (Consolidated)
 Annotation to Financial Statements
 Year 2022 (The Currency Unit is RMB unless it is otherwise designated).

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Zhuhai Huatong Real Estate Development Co., Ltd	7,680.00	2022	2024
Zhuhai Huayao Real Estate Development Co., Ltd	1,200.00	2020	2023
Zhuhai Huayao Real Estate Development Co., Ltd	125,500.00	2020	2024
Zhuhai Huayao Real Estate Development Co., Ltd	16,800.00	2021	2023
Zhuhai Huayao Trade Development Co., Ltd	11,764.11	2022	2024
Zhuhai Huayi Construction Co., Ltd	100,000.00	2021	2036
Zhuhai Huayi Investment Co., Ltd	51,000.00	2022	2025
Zhuhai Huayi Business Operation and Management Co., Ltd	44,660.00	2019	2024
Zhuhai Huayi Business Operation and Management Co., Ltd	6,490.00	2020	2024
Zhuhai Huayi Business Operation and Management Co., Ltd	19,900.00	2022	2024
Zhuhai Huazhi Education Service Co., Ltd	5,000.00	2020	2030
Zhuhai Huazhi Education Service Co., Ltd	34,000.00	2022	2025
Zhuhai Huazhi Education Service Co., Ltd	47,875.00	2022	2030
Zhuhai Huachuang Trading Development Co., Ltd	144,610.00	2021	2024
Zhuhai Huaguo Trading Co., Ltd	41,892.95	2020	2023
Zhuhai Huaguo Trading Co., Ltd	34,996.02	2021	2023
Zhuhai Huaguo Trading Co., Ltd	197,028.85	2021	2024
Zhuhai Huaguo Trading Co., Ltd	2,011.09	2022	2023
Zhuhai Huaguo Trading Co., Ltd	547,963.00	2022	2024
Zhuhai Huaguo Trading Co., Ltd	174,544.93	2022	2025
Zhuhai Hairun Real Estate Development Co., Ltd	35,000.00	2022	2024
Zhuhai Hairun Real Estate Development Co., Ltd	83,118.75	2022	2025
Zhuhai Haofeng Trading Co., Ltd	13,000.00	2022	2024
Zhuhai Zhongtai Investment Co., Ltd	4,000.00	2019	2024
Total	9,562,259.89		

3) By 31st Dec. 2022, the balance of guarantee between the subsidiary Huacan Photo-electronic and its subsidiaries and between its subsidiaries is RMB 2,829,986,400, detailed as below:

Unit: RMB 10000

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Huacan Photo-electronic (Suzhou) Co., Ltd	10,000.00	2022-3-24	2023-3-23
Huacan Photo-electronic (Suzhou) Co., Ltd	7,840.00	2022-3-24	2023-3-21
Huacan Photo-electronic (Suzhou) Co., Ltd	5,000.00	2022-4-12	2023-4-11
Huacan Photo-electronic (Suzhou) Co., Ltd	5,000.00	2022-6-7	2023-6-2
Huacan Photo-electronic (Suzhou) Co., Ltd	5,000.00	2022-8-11	2023-8-6
Huacan Photo-electronic (Suzhou) Co., Ltd	5,000.00	2022-5-23	2023-5-22
Huacan Photo-electronic (Suzhou) Co., Ltd	1,500.00	2021-3-17	2023-3-17

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Huacan Photo-electronic (Suzhou) Co., Ltd	1,500.00	2021-3-17	2023-9-17
Huacan Photo-electronic (Suzhou) Co., Ltd	2,000.00	2021-3-17	2024-3-17
Huacan Photo-electronic (Suzhou) Co., Ltd	1,434.00	2021-1-6	2023-3-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,434.00	2021-1-6	2023-9-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,434.00	2021-1-6	2024-3-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,434.00	2021-1-6	2024-9-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,434.00	2021-1-6	2025-3-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,436.00	2021-1-6	2025-9-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,006.60	2020-9-17	2023-3-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,006.60	2020-9-17	2023-9-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,006.60	2020-9-17	2024-3-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,006.60	2020-9-17	2024-9-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,006.60	2020-9-17	2025-3-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,006.60	2020-9-17	2025-9-16
Huacan Photo-electronic (Suzhou) Co., Ltd	3,000.00	2022-3-30	2023-3-29
Huacan Photo-electronic (Suzhou) Co., Ltd	100.00	2022-2-18	2023-2-17
Huacan Photo-electronic (Suzhou) Co., Ltd	100.00	2022-2-18	2023-8-17
Huacan Photo-electronic (Suzhou) Co., Ltd	100.00	2022-2-18	2024-2-17
Huacan Photo-electronic (Suzhou) Co., Ltd	100.00	2022-2-18	2024-8-17
Huacan Photo-electronic (Suzhou) Co., Ltd	19,500.00	2022-2-18	2025-2-17
Huacan Photo-electronic (Suzhou) Co., Ltd	656.25	2021-11-17	2023-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	656.25	2021-11-17	2023-9-26
Huacan Photo-electronic (Suzhou) Co., Ltd	875.00	2021-11-17	2024-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	875.00	2021-11-17	2024-9-26
Huacan Photo-electronic (Suzhou) Co., Ltd	1,312.50	2021-11-17	2025-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	1,312.50	2021-11-17	2025-9-26
Huacan Photo-electronic (Suzhou) Co., Ltd	1,531.25	2021-11-17	2026-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	1,531.25	2021-11-17	2026-9-25
Huacan Photo-electronic (Suzhou) Co., Ltd	478.89	2021-11-18	2023-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	478.89	2021-11-18	2023-9-26
Huacan Photo-electronic (Suzhou) Co., Ltd	638.51	2021-11-18	2024-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	638.51	2021-11-18	2024-9-26
Huacan Photo-electronic (Suzhou) Co., Ltd	957.77	2021-11-18	2025-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	957.77	2021-11-18	2025-9-26
Huacan Photo-electronic (Suzhou) Co., Ltd	1,117.40	2021-11-18	2026-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	1,117.40	2021-11-18	2026-9-25
Huacan Photo-electronic (Suzhou) Co., Ltd	125.57	2021-11-18	2023-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	125.57	2021-11-18	2023-9-26
Huacan Photo-electronic (Suzhou) Co., Ltd	167.43	2021-11-18	2024-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	167.43	2021-11-18	2024-9-26

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Huacan Photo-electronic (Suzhou) Co., Ltd	251.14	2021-11-18	2025-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	251.14	2021-11-18	2025-9-26
Huacan Photo-electronic (Suzhou) Co., Ltd	293.00	2021-11-18	2026-3-26
Huacan Photo-electronic (Suzhou) Co., Ltd	293.00	2021-11-18	2026-9-25
Huacan Photo-electronic (Suzhou) Co., Ltd	1,209.00	2022-3-18	2023-5-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,209.00	2022-3-18	2023-11-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,611.00	2022-3-18	2024-5-16
Huacan Photo-electronic (Suzhou) Co., Ltd	1,611.00	2022-3-18	2024-11-16
Huacan Photo-electronic (Suzhou) Co., Ltd	2,417.00	2022-3-18	2025-5-16
Huacan Photo-electronic (Suzhou) Co., Ltd	2,417.00	2022-3-18	2025-11-16
Huacan Photo-electronic (Suzhou) Co., Ltd	2,820.00	2022-3-18	2026-5-16
Huacan Photo-electronic (Suzhou) Co., Ltd	2,815.78	2022-3-18	2026-9-25
Huacan Photo-electronic (Suzhou) Co., Ltd	9,900.00	2022-8-19	2023-8-14
Huacan Photo-electronic (Zhejiang) Co., Ltd	10,000.00	2022-6-17	2023-6-15
Huacan Photo-electronic (Zhejiang) Co., Ltd	10,000.00	2022-11-4	2023-5-3
Huacan Photo-electronic (Zhejiang) Co., Ltd	10,000.00	2022-3-3	2023-3-2
Huacan Photo-electronic (Zhejiang) Co., Ltd	1,250.00	2022-3-10	2023-3-10
Huacan Photo-electronic (Zhejiang) Co., Ltd	500.00	2022-4-22	2023-4-22
Huacan Photo-electronic (Zhejiang) Co., Ltd	2,000.00	2022-4-27	2023-4-27
Huacan Photo-electronic (Zhejiang) Co., Ltd	5,000.00	2022-5-31	2023-5-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	5,000.00	2022-5-16	2023-5-5
Huacan Photo-electronic (Zhejiang) Co., Ltd	500.00	2022-12-2	2023-12-2
Huacan Photo-electronic (Zhejiang) Co., Ltd	15,500.00	2022-12-2	2024-6-2
Huacan Photo-electronic (Zhejiang) Co., Ltd	50.00	2022-1-7	2023-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	50.00	2022-1-7	2023-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	14,800.00	2022-1-7	2024-1-7
Huacan Photo-electronic (Zhejiang) Co., Ltd	899.69	2021-9-27	2023-3-27
Huacan Photo-electronic (Zhejiang) Co., Ltd	891.47	2021-9-27	2023-6-27
Huacan Photo-electronic (Zhejiang) Co., Ltd	881.78	2021-9-27	2023-9-27
Huacan Photo-electronic (Zhejiang) Co., Ltd	871.67	2021-9-27	2023-12-27
Huacan Photo-electronic (Zhejiang) Co., Ltd	862.09	2021-9-27	2024-3-27
Huacan Photo-electronic (Zhejiang) Co., Ltd	852.71	2021-9-27	2024-6-27
Huacan Photo-electronic (Zhejiang) Co., Ltd	342.92	2021-9-27	2024-9-26
Huacan Photo-electronic (Zhejiang) Co., Ltd	6,400.00	2022-7-8	2023-7-7
Huacan Photo-electronic (Zhejiang) Co., Ltd	1,756.13	2017-6-15	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	3,000.00	2018-8-1	2023-12-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	2,311.67	2018-8-1	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	2,582.60	2018-8-31	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	850.40	2018-8-31	2023-12-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	2,800.00	2019-12-29	2023-12-30

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Huacan Photo-electronic (Zhejiang) Co., Ltd	333.33	2017-5-22	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	1,333.33	2017-7-13	2023-12-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	1,000.00	2017-7-13	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	1,800.00	2017-9-4	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	2,400.00	2017-9-4	2023-12-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	600.00	2017-6-1	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	1,400.00	2017-5-27	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	2,400.00	2017-6-28	2023-12-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	1,000.00	2017-6-28	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	2,700.00	2017-6-27	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	3,600.00	2017-6-27	2023-12-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	900.00	2017-5-24	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	2,700.00	2017-9-5	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	3,538.00	2017-9-5	2023-12-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	900.00	2017-6-9	2023-6-30
Huacan Photo-electronic (Zhejiang) Co., Ltd	10,000.00	2022-8-30	2023-8-10
Huacan Photo-electronic (Zhejiang) Co., Ltd	21.50	2022-10-26	2023-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	21.50	2022-10-26	2024-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	43.60	2022-10-26	2024-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	43.60	2022-10-26	2025-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2025-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2026-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2026-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2027-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2027-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2028-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2028-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2029-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2029-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2030-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2030-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2031-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-10-26	2031-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	124.00	2022-10-26	2032-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	45.70	2022-11-2	2023-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	45.70	2022-11-2	2024-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	91.39	2022-11-2	2024-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	91.39	2022-11-2	2025-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.54	2022-11-2	2025-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.55	2022-11-2	2026-6-21

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.54	2022-11-2	2026-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.55	2022-11-2	2027-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.54	2022-11-2	2027-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.55	2022-11-2	2028-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.54	2022-11-2	2028-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.55	2022-11-2	2029-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.54	2022-11-2	2029-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.55	2022-11-2	2030-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.54	2022-11-2	2030-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.55	2022-11-2	2031-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	272.54	2022-11-2	2031-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	262.75	2022-11-2	2032-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	4.00	2022-11-23	2023-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	4.00	2022-11-23	2024-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	8.00	2022-11-23	2024-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	8.00	2022-11-23	2025-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2025-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2026-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2026-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2027-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2027-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2028-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2028-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2029-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2029-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2030-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2030-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2031-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	23.60	2022-11-23	2031-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	21.90	2022-11-23	2032-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	21.50	2022-12-12	2023-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	21.50	2022-12-12	2024-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	43.00	2022-12-12	2024-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	43.00	2022-12-12	2025-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2025-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2026-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2026-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2027-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2027-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2028-6-21

Guaranteed unit	Guaranteed balance	Kickoff date of guarantee	End date of guarantee
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2028-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2029-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2029-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2030-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2030-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2031-6-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	130.00	2022-12-12	2031-12-21
Huacan Photo-electronic (Zhejiang) Co., Ltd	100.14	2022-12-12	2032-6-21
Yunnan Aquamarine Technology Co., Ltd	3,740.00	2022-7-25	2023-7-8
Yunnan Aquamarine Technology Co., Ltd	5,500.00	2022-11-30	2023-11-30
Yunnan Aquamarine Technology Co., Ltd	5,700.00	2020-4-30	2023-4-29
Total	282,998.64		

4). By 31st December 2022, the balance of guarantee between the subsidiary Digitone and its subsidiaries, as well as between different subsidiaries is RMB 401,253,900, detailed as below:

RMB: 10000

Guaranteed	Guaranteed amount	Kickoff date of guarantee	End date of guarantee
Ningbo Hi-tech Zone Shunjixin Technology Co., Ltd	1,689.10	2022-3-23	2023-3-23
Ningbo Hi-tech Zone Shunjixin Technology Co., Ltd	7,981.80	2022-8-12	2023-8-12
Ningbo Hi-tech Zone Shunjixin Technology Co., Ltd	4,754.49	2022-8-17	2023-8-17
Shanghai Chuanda Telecommunication Technology Co., Ltd	1,000.00	2022-8-4	2023-8-3
Shanghai Chuanda Telecommunication Technology Co., Ltd	500.00	2022-9-27	2023-3-27
Shanghai Chuanda Telecommunication Technology Co., Ltd	500.00	2022-11-16	2023-11-15
Shanghai Chuanda Telecommunication Technology Co., Ltd	1,000.00	2022-6-22	2023-6-16
Shanghai Dixin South Telecommunication Technology Co., Ltd	500.00	2022-11-16	2023-11-15
Shenyang Tonglian Sihai Electronic Telecommunication Technology Co., Ltd	3,000.00	2022-2-21	2023-2-21
Qingdao Digitone Telecommunication Technology Co., Ltd	250.00	2022-4-20	2023-3-20
Qingdao Digitone Telecommunication Technology Co., Ltd	200.00	2022-1-19	2023-1-19
Qingdao Digitone Telecommunication Technology Co., Ltd	50.00	2022-4-20	2023-3-20
Qingdao Digitone Telecommunication Technology Co., Ltd	400.00	2022-9-23	2023-9-23
Qingdao Feidi Telecommunication Technology Co., Ltd	50.00	2022-1-19	2023-1-19
Qingdao Feidi Telecommunication Technology Co., Ltd	200.00	2022-4-20	2023-3-20
Qingdao Feidi Telecommunication Technology Co., Ltd	50.00	2022-4-20	2023-3-20
Zhuhai Digitone Trading Co., Ltd	9,000.00	2022-12-7	2023-6-6
Zhuhai Digitone Trading Co., Ltd	9,000.00	2022-12-8	2023-6-7
Total	40,125.39		

(3) Related parties' guarantee

For the details on the guarantee provided for other related parties by the Company and its subsidiaries by 31st Dec. 2022, please refer to Note 12.4 (3).

(4). The guarantee company provides the guarantee for a part of loans of subsidiaries of the Company, and the subsidiaries provide counter guarantee to the guarantee company accordingly; the shareholders of the project partner provide the guarantee in full for a part of financing fund of the subsidiary and joint and cooperative enterprises of Huafa Inc., while Huafa Inc. provides the counter guarantee to the project partner based on the share ratio, detailed as below.

Unit: RMB 10000

Guarantor	Guaranteed	Type of guaranteed party	type of guarantee,	counter guarantee amount or maximum limit
Zhuhai Huafa Industrial Inc.	Zhuhai Agricultural Financial Guarantee Co., Ltd	Guarantee company	Provide counter-guarantee to the guarantee company	1,990.79
Zhuhai Huafa Industrial Inc.	China Merchants Bureau Shekou Industrial Area Holding Co., Ltd	Project partner	Provide counter-guarantee for joint and several liabilities in accordance with the share ratio	24,458.65
Shanghai Huafa Chuangsheng Real Estate Co., Ltd	China Merchants Bureau Shekou Industrial Area Holding Co., Ltd	Project partner	Provide counter-guarantee for joint and several liabilities in accordance with the share ratio	8,054.86
Beijing Digitone Trading Inc.	Chengdu Micro-enterprise Financial Guarantee Co., Ltd	Guarantee company	Provide counter-guarantee to the guarantee company	900.00
Total				35,404.30

(3). Issuance of guarantee bonds

Below are guarantee bonds that the Company and its subsidiaries are ready to issue or plan to issue by 31st Dec. 2022.

Unit: RMB 10000

No.	Project	Amount	Beneficiary	Guarantor
1	Performance bond	2,888.14	client	China Minsheng Bank
2	Advance payment bond	951.59	client	China Minsheng Bank
3	Performance bond	7,427.61	client	Bank of China
4	Rural worker salary payment bond	80.00	client	Bank of China

No.	Project	Amount	Beneficiary	Guarantor
5	Bid bond	290.00	client	Bank of China
6	Advance payment bond	4,178.80	client	Bank of China
7	Quality bond	54.51	client	Bank of China
8	Performance bond	4,460.43	client	Bank of Communications
9	Advance payment bond	8,844.45	client	Bank of Communications
10	Bid bond	10.00	client	Bank of Xiamen
11	Performance bond	2,072.44	client	Shenzhen Shendan Zengxin Financial Guarantee Co., Ltd
12	Performance bond	2,964.69	client	Zhuhai Agricultural Financial Guarantee Co., Ltd
13	Performance bond	1,123.97	client	Shenzhen Hi-tech Investment, Finance and Guarantee Co., Ltd
14	Performance bond	1,085.32	client	Shenzhen Yinda Guarantee Co., Ltd
15	Performance bond	38.00	client	Shenzhen Yinda Fubang Financial Guarantee Co., Ltd
16	Performance bond	1,220.25	client	Xiamen Jinyuan Financial Guarantee Co., Ltd
17	Advance payment bond	306.41	client	Xiamen Jinyuan Financial Guarantee Co., Ltd
18	Performance bond	550.82	client	Fujian Yuanxin Financial Guarantee Co., Ltd
19	Performance bond	14.32	client	Huzhou Nanxun Financial Guarantee Co., Ltd
20	Performance bond	70.75	client	Zhejiang Zhongrui Financial Guarantee Co., Ltd
21	Performance bond	96.00	client	Chengdu Yixin Non-financial Guarantee Co., Ltd
	Total	38,728.53		

(4). The subsidiary pledges the loan for subsidiaries of the Company by means of the account receivable of future income of property operation of Shizimen- Ruiji Hotel, the account receivable of future rental income of Sheraton and Executive Apartment, and all future rental and other income of Haiyun Square Project and account receivable from the land development agreement and supplementary agreement of the primary land development project of Jinwan.

2. Other matters

Except for above contingencies, the Company has no other important contingencies that shall be disclosed, but not disclosed yet by 31st December 2022.

X. Corporate bond and debt financing instrument

(1). Issuance of payable bonds

Name of bonds	Face value	Date of issuance	Currency	Scale of issuance	Term
19 Huafa Group MTN001*1	100	2019/1/14	CNY	1,000,000,000.00	5years
19 Huafa Group MTN002*1	100	2019/1/21	CNY	1,500,000,000.00	5years
19 Huafa Group MTN003*1	100	2019/4/19	CNY	1,000,000,000.00	5years
19 Huafa Group MTN005*1	100	2019/9/25	CNY	1,000,000,000.00	5years
19 Huafa Group MTN006*1	100	2019/11/4	CNY	1,000,000,000.00	5years
20 Huafa Group MTN001*2	100	2020/8/25	CNY	500,000,000.00	5+5years
20 Huafa Group MTN003*2	100	2020/9/24	CNY	500,000,000.00	5+5years
20 Huafa Group MTN005*2	100	2020/11/24	CNY	1,000,000,000.00	3years
20 Huafa Group MTN006*2	100	2020/12/15	CNY	1,000,000,000.00	3years
21 Huafa Group MTN001*3	100	2021/1/4	CNY	1,500,000,000.00	3years
21 Huafa Group MTN003*3	100	2021/2/3	CNY	500,000,000.00	5years
21 Huafa GroupGN001(Carbon Neutralization Bond)*3	100	2021/4/8	CNY	300,000,000.00	3+2years
21 Huafa Group MTN004*3	100	2021/4/21	CNY	1,000,000,000.00	3+2years
21 Huafa Group MTN005*3	100	2021/4/27	CNY	500,000,000.00	3+2years
21 Huafa Group MTN006*3	100	2021/6/3	CNY	1,000,000,000.00	3years
21 Huafa Group MTN007*3	100	2021/6/25	CNY	1,000,000,000.00	3years
21 Huafa Group MTN008*3	100	2021/7/20	CNY	1,000,000,000.00	3+2years
21 Huafa Group MTN009*3	100	2021/8/31	CNY	1,000,000,000.00	3+2years
21 Huafa Group MTN010(Village Revitalization)*3	100	2021/11/1	CNY	1,000,000,000.00	3+2years
22 Huafa Group MTN001*4	100	2022/1/17	CNY	1,000,000,000.00	3+2years
22 Huafa Group MTN002*4	100	2022/2/21	CNY	1,000,000,000.00	3+2years
22 HuafaMTN003*4	100	2022/2/28	CNY	1,000,000,000.00	3+2years
22 Huafa Group MTN004*4	100	2022/3/10	CNY	500,000,000.00	5years
22 Huafa Group MTN005A*4	100	2022/3/18	CNY	700,000,000.00	3+2years
22 Huafa Group MTN005B*4	100	2022/3/18	CNY	300,000,000.00	5years
22 Huafa Group MTN007*4	100	2022/4/27	CNY	500,000,000.00	5years
22 Huafa Group MTN008*4	100	2022/6/6	CNY	1,000,000,000.00	5years
22 Huafa Group MTN010(Kechuang Note)*4	100	2022/7/11	CNY	1,000,000,000.00	5years
22 Huafa Group MTN011A*4	100	2022/7/20	CNY	500,000,000.00	3+2years
22 Huafa Group MTN011B*4	100	2022/7/20	CNY	500,000,000.00	5years
19 Huafa Group01*5	100	2019/10/30	CNY	1,000,000,000.00	5+5years
20 Huafa Group01*5	100	2020/1/14	CNY	1,000,000,000.00	5+5years
20 Huafa Group02*5	100	2020/8/3	CNY	700,000,000.00	5+5years
22 Huafa Group01*5	100	2022/10/18	CNY	1,000,000,000.00	3+2years
20 Zhuhua 01*6	100	2020/11/27	CNY	1,500,000,000.00	3+2years

Zhuohai Huafa Group Co., Ltd (Consolidated)
 Annotation to Financial Statements
 Year 2022 (The Currency Unit is RMB unless it is otherwise designated).

Name of bonds	Face value	Date of issuance	Currency	Scale of issuance	Term
21 Zhuhua 01*6	100	2021/2/3	CNY	1,500,000,000.00	3+2years
21 Zhuhua G1*6	100	2021/3/9	CNY	1,000,000,000.00	3+2years
21 Zhuhua 02*6	100	2021/5/28	CNY	800,000,000.00	3+2years
22 Yue Huafa GroupZR002*7	100	2022/3/31	CNY	800,000,000.00	512 日
22 Yue Huafa GroupZR003*7	100	2022/5/20	CNY	127,970,000.00	2years
22 Yue Huafa GroupZR004*7	100	2022/5/20	CNY	97,380,000.00	2years
22 Yue Huafa GroupZR005*7	100	2022/6/8	CNY	74,650,000.00	2years
22 Yue Huafa GroupZR006*7	100	2022/7/19	CNY	500,000,000.00	5years
19 Zhukong 01*8	100	2019/1/23	CNY	2,500,000,000.00	5years
19 Zhushu 02*8	100	2019/3/14	CNY	2,000,000,000.00	3+2years
19 Zhukong 02*8	100	2019/8/21	CNY	500,000,000.00	5years
20 Huakong 01*9	100	2020/3/13	CNY	1,000,000,000.00	5years
20 Huakong 02*9	100	2020/4/13	CNY	1,000,000,000.00	5years
21 Huakong 01*10	100	2021/1/15	CNY	600,000,000.00	3+2years
2020 subordinated bond (20 Huajin C1) *11	100	2020/3/10	CNY	750,000,000.00	3years
2020 Corporate bond (20 Huajin 01) *12	100	2020/11/23	CNY	740,000,000.00	3years
2021 Corporate bond (21 Huajin 01) *12	100	2021/9/17	CNY	760,000,000.00	3years
2022subordinated bond (22 Huajin C1) *13	100	2022/6/16	CNY	1,000,000,000.00	3years
G18 Huazong 1*14	100	2018/3/28	CNY	1,000,000,000.00	3+2years
G19 Huazong 1*14	100	2019/12/2	CNY	500,000,000.00	5years
18 Huazong 01*15	100	2018/8/15	CNY	2,000,000,000.00	3+2years
22 Huazong 01*16	100	2022/1/24	CNY	1,000,000,000.00	3+2years
21 Yuehuashi Holding ZR001*17	100	2021/6/25	CNY	1,300,000,000.00	5years
21 Yuehuashi Holding ZR002*18	100	2021/7/20	CNY	200,000,000.00	5years
21 Yuehuashi Holding ZR003*19	100	2021/11/19	CNY	500,000,000.00	5years
HF19 B2407*20	\$200,00 0.00	2019/7/3	USD	300,000,000.00	5years
HF20 B2511*21	\$200,00 0.00	2020/11/4	USD	250,000,000.00	5years
HF20 B2511*22	\$200,00 0.00	2021/1/21	USD	150,000,000.00	5years
HF21 B2502*23	\$200,00 0.00	2021/8/31	USD	200,000,000.00	3.5years
19 Huafa01 *24	100	2019/2/25	CNY	750,000,000.00	3+2years
19 Huafa03 *24	100	2019/8/19	CNY	500,000,000.00	3+2years
20 Yuezhuohai Huafa ZR001 *25	100	2020/1/21	CNY	1,000,000,000.00	3years

Zhuohai Huafa Group Co., Ltd (Consolidated)
 Annotation to Financial Statements
 Year 2022 (The Currency Unit is RMB unless it is otherwise designated).

Name of bonds	Face value	Date of issuance	Currency	Scale of issuance	Term
20 Yuezhuhai Huafa ZR003 *25	100	2020/3/31	CNY	500,000,000.00	3years
20 Yuezhuhai Huafa ZR008 *25	100	2020/7/15	CNY	500,000,000.00	3years
20 Yuezhuhai Huafa ZR010 *25	100	2020/8/11	CNY	1,000,000,000.00	3years
20 Huafa02 *26	100	2020/2/25	CNY	1,580,000,000.00	3+2years
20 Huafa04 *26	100	2020/11/12	CNY	1,500,000,000.00	3+2years
20 Huafa05 *26	100	2020/11/12	CNY	920,000,000.00	2+2+1years
20 Huafa Industry MTN003 *27	100	2020/9/29	CNY	950,000,000.00	3years
20 Huafa Industry MTN004 *27	100	2020/10/29	CNY	830,000,000.00	3+2years
20 Huafa Industry PPN001 *27	100	2020/8/31	CNY	550,000,000.00	3years
20 Huafa Industry PPN002 *27	100	2020/9/25	CNY	500,000,000.00	3years
20 Yuehuaguo Commerce & Trade ZR006 *28	100	2020/12/24	CNY	420,000,000.00	3years
20 Yuehuaguo Commerce & Trade ZR008 *28	100	2020/12/29	CNY	600,000,000.00	1.98+1+1+1years
2021 Phase 1 Creditor Right Finance Plan*29	100	2021/1/13	CNY	150,000,000.00	2years
21 Huafa01 *30	100	2021/1/18	CNY	1,920,000,000.00	2+2+1years
21 Huafa03 *30	100	2021/9/13	CNY	2,000,000,000.00	2+2+1years
21 Huafa05 *30	100	2021/2/4	CNY	1,500,000,000.00	2+2+1years
21 Huafa Industry PPN001 *31	100	2021/12/17	CNY	840,000,000.00	2+2+1years
21 Huafa Industry MTN001 *32	100	2021/4/26	CNY	510,000,000.00	3years
21 Huafa Industry MTN002 *32	100	2021/6/24	CNY	690,000,000.00	2+2+1years
21 Huafa Industry MTN003 *32	100	2021/9/2	CNY	1,040,000,000.00	2+1years
21 Huafa Industry MTN004 *32	100	2021/11/29	CNY	500,000,000.00	2+1years
21 Yuehuaguo Commerce & Trade ZR004 *33	100	2021/7/30	CNY	130,000,000.00	3years
21 Yuehuaguo Commerce & Trade ZR005 *33	100	2021/10/11	CNY	250,000,000.00	3years
21 Yuehuaguo Commerce & Trade ZR006 *33	100	2021/9/28	CNY	350,000,000.00	1+1+1years
21 Yuehuaguo Commerce & Trade ZR007 *33	100	2021/12/29	CNY	250,000,000.00	1+1+1years
21 Huazhu 01 *34	100	2021/7/30	CNY	500,000,000.00	2+2+1years
22 Huafa01 *35	100	2022/4/29	CNY	390,000,000.00	2+2+1years
22 Huafa02 *35	100	2022/4/29	CNY	300,000,000.00	3+2years
22 Huafa03 *35	100	2022/9/13	CNY	500,000,000.00	2+2+1years
22 Huafa Industry MTN001A*36	100	2022/7/4	CNY	1,200,000,000.00	3+2years
22 Huafa Industry MTN001B*36	100	2022/7/4	CNY	1,800,000,000.00	2+2+1years
22 Huafa Industry MTN002A*36	100	2022/8/8	CNY	600,000,000.00	3+2years
22 Huafa Industry MTN002B*36	100	2022/8/8	CNY	1,000,000,000.00	2+2+1years

Name of bonds	Face value	Date of issuance	Currency	Scale of issuance	Term
22 Huafa Industry MTN003*36	100	2022/10/31	CNY	1,000,000,000.00	2+2+1years
22 Yuehuaguo Commerce & Trade ZR001 *37	100	2022/3/30	CNY	245,000,000.00	1+1+1years
				83,415,000,000.00	

*1. In accordance with ZSZX [2018] MTN No.690, [2018] MTN No. [691] and [2018] MTN No.[692] issued by China Interbank Market Dealer Association, the Company was approved to issue medium term notes under the permit. On 14th Jan. 2019, the Company issued the phase one medium-term note for the year of 2019 (19 Huafa Group MTN001), the amount of issue is RMB 1 billion, term is 5 years and the stated interest rate is 4.10%. On 21st Jan. 2019, the Company issued phase two medium term note for the year of 2019 (19 Huafa Group MTN002), the amount of issue is RMB 1.5 billion, term is 5 years and the stated interest rate is 4.26%. On 19th April 2019, the Company issued phase three medium term note for the year of 2019 (19 Huafa Group MTN003), the amount of issue is RMB 1 billion, term is 5 years and the stated interest rate is 4.93%. On 25th September 2019, the Company issued phase five medium term note for the year of 2019 (19 Huafa Group MTN005), the amount of issue is RMB 1 billion, term is 5 years and the stated interest rate is 4.21%. On 4th November 2019, the Company issued phase six medium term note for the year of 2019 (19 Huafa Group MTN006), the amount of issue is RMB 1 billion, term is 5 years and the stated interest rate is 4.39%.

*2. In accordance with ZSZX [2020] MTN No.755, [2020] MTN No. [847] and [2020] DFI No.[44] issued by China Interbank Market Dealer Association, the Company was approved to issue medium term notes as set out in the permit. On 25th Aug. 2020, the Company issued phase one medium term note for the year of 2020 (20 Huafa Group MTN001), the amount of issue is RMB 500 million, term is 5+5 years and the stated interest rate is 4.02%. On 24th Sept. 2020, the Company issued the phase three medium-term note for the year of 2020 (20 Huafa Group MTN003), the amount of issue is RMB 500 million, term is 5+5 years and the stated interest rate is 4.37%. On 24th Nov. 2020, the Company issued phase five medium term note for the year of 2020 (20 Huafa Group MTN005), the amount of issue is 1 billion, term is 3 years and the stated interest rate is 4.27%. On 15th Dec. 2020, the Company issued phase sixth medium term note for the year of 2020 (20 Huafa Group MTN006), the amount of issue is RMB 1 billion, term is 3 years and the stated interest rate is 4.46%.

*3 In accordance with ZSZX [2020] MTN No.755, [2020] MTN No. [847] and [2020] DFI No.[44] issued by China Interbank Market Dealer Association, the Company was approved to issue medium term notes as set out in the permit. On 4th Jan. 2021, the Company issued phase one medium term note for the year of 2021 (21 Huafa Group MTN001), the amount of issue is RMB 1.5 billion, term is 3 years and the stated interest rate is 4.20%. On 3rd Feb. 2021, the Company issued phase three medium term note for the year of 2021 (21 Huafa Group MTN003), the amount of issue is RMB 500 million, term is 5 years and the stated interest rate is 4.70%. On 8th April. 2021, the Company issued phase one green medium term note (carbon neutralization bond) for the year of 2021 (21 Huafa Group GN001 Carbon Neutralization Bond), the amount of issue is RMB 300 million, term is 3+2 years and the stated interest rate is 4.17%. On 21st April 2021, the Company issued phase four medium term note for the year of 2021 (21 Huafa Group MTN004), the amount of issue is RMB 1 billion, term is 3+2 years and the stated interest rate is 4.29%. On 27th April 2021, the Company issued phase five medium term note for the year of 2021 (21 Huafa Group MTN005), the amount of issue is RMB 500 million, term is 3+2 years

and the stated interest rate is 4.30%. On 3rd June 2021, the Company issued phase six medium term note for the year of 2021 (21 Huafa Group MTN006), the amount of issue is RMB 1 billion, term is 3 years and the stated interest rate is 4.39%. On 25th June 2021, the Company issued phase seven medium term note for the year of 2021 (21 Huafa Group MTN007), the amount of issue is RMB 1 billion, term is 3 years and the stated interest rate is 4.65%. On 20th July 2021, the Company issued phase eight medium term note for the year of 2021 (21 Huafa Group MTN008), the amount of issue is RMB 1 billion, term is 3+2 years and the stated interest rate is 4.35%. On 31st Aug. 2021, the Company issued phase nine medium term note for the year of 2021 (21 Huafa Group MTN009), the amount of issue is RMB 1 billion, term is 3+2 years and the stated interest rate is 4.47%. On 1st Nov. 2021, the Company issued phase ten medium term note for the year of 2021 (Countryside Revitalization) (21 Huafa Group MTN010 (Countryside Revitalization)), the amount of issue is RMB 1 billion, term is 3+2 years and the stated interest rate is 4.68%.

*4. In accordance with ZSZX [2020] MTN No.755, [2020] MTN No. [847] and [2020] DFI No.[44] issued by China Interbank Market Dealer Association, the Company was approved to issue medium term notes as set out in the permit. On 17th Jan. 2022, the Company issued phase one medium term note for the year of 2022 (22 Huafa Group MTN001), the amount of issue is RMB 1 billion, term is 3+2 years and the stated interest rate is 4.23%. On 21st Feb. 2022, the Company issued phase two medium term note for the year of 2022 (22 Huafa Group MTN002), the amount of issue is RMB 1 billion, term is 3+2 years and the stated interest rate is 3.9%. On 28th Feb. 2022, the Company issued phase three medium term note for the year of 2022 (22 Huafa MTN003), the amount of issue is RMB 1 billion, term is 3+2 years and the stated interest rate is 3.94%. On 10th March 2022, the Company issued phase four medium term note for the year of 2022 (22 Huafa Group MTN004), the amount of issue is RMB 500 million, term is 5 years and the stated interest rate is 4.34%. On 18th March 2022, the Company issued phase five medium term note for the year of 2022 (Type 1) (22 Huafa Group MTN005A), the amount of issue is RMB 700 million, term is 3+2 years and the stated interest rate is 4%. On 18th March 2022, the Company issued phase five medium term note for the year of 2022 (Type 2) (22 Huafa Group MTN005B), the amount of issue is RMB 300 million, term is 5 years and the stated interest rate is 4.37%. On 27th April 2022, the Company issued phase seven medium term note for the year of 2022 (22 Huafa Group MTN007), the amount of issue is RMB 500 million, term is 5 years and the stated interest rate is 4.2%. On 6th June 2022, the Company issued phase eight medium term note for the year of 2022 (22 Huafa Group MTN008), the amount of issue is RMB 1 billion, term is 5 years and the stated interest rate is 4.05%. On 11th July 2022, the Company issued phase ten medium term note for the year of 2022 (Kechuang Note) (22 Huafa Group MTN010 (Kechuang Note)), the amount of issue is RMB 1 billion, term is 5 years and the stated interest rate is 4.05%. On 20th July 2022, the Company issued phase eleven medium term note for the year of 2022 (Type 1) (22 Huafa Group MTN011A), the amount of issue is RMB 500 million, term is 3+2 years and the stated interest rate is 3.4%. On 20th July 2022, the Company issued phase eleven medium term note for the year of 2022 (Type 2) (22 Huafa Group MTN011B), the amount of issue is RMB 500 million, term is 5 years and the stated interest rate is 4%.

*5 As approved by National Development and Reform Committee by FGQYZJ [2019] No. 114 and [2022] No. 198, the Company has been approved to issue RMB 20 billion corporate bonds. On 30th Oct. 2019, the Company issued phase one Zhuhai Huafa Group corporate bond for the year of 2019 (19 Huafa Group 01), the amount of issue is RMB 1 billion, term is 5+5 years and the stated interest rate is 4.43%. On 14th Jan. 2020, the Company issued phase one Zhuhai Huafa Group corporate bond for the year of 2020 (20 Huafa Group 01), the amount of issue is RMB 1 billion, term is 5+5 years and the stated interest rate is 4.05%. On 3rd Aug. 2020, the Company

issued phase two Zhuhai Huafa Group corporate bond for the year of 2020 (20 Huafa Group 02), the amount of issue is RMB 700 million, term is 5+5 years and the stated interest rate is 4.03%. On 18th Oct. 2022, the Company issued phase one Zhuhai Huafa Group corporate bond for the year of 2022 (22 Huafa Group 01), the amount of issue is RMB 1 billion, term is 3+2 years and the stated interest rate is 3.78%.

* 6. As approved by China Securities Regulatory Commission through ZJXK [2020] No. 727, the Company obtained the approval to issue RMB 20 billion corporate bonds. On 27th Nov. 2020, the Company issued Zhuhai Huafa Group Co., Ltd 2020 Professional Investor-Targeted Public Offering Corporate Bond (Phase one) (20 Zhuhua 01), the amount of issue is RMB 1.5 billion, term: 3+2 years and stated interest rate is 4.28%. On 3rd Feb. 2021, the Company issued Zhuhai Huafa Group Co., Ltd 2021 Professional Investor-Targeted Public Offering Corporate Bond (Phase one) (21 Zhuhua 01), the amount of issue is RMB 1.5 billion, term: 3+2 years and stated interest rate is 4.32%. On 9th Mar. 2021, the Company issued Zhuhai Huafa Group Co., Ltd 2021 Professional Investor-Targeted Public Offering Green Corporate Bond (Phase one) (Only for Carbon Neutralization) (21 Zhuhua G1), the amount of issue is RMB 1 billion, term: 3+2 years and stated interest rate is 4.34%. On 28th May 2021, the Company issued Zhuhai Huafa Group Co., Ltd 2021 Professional Investor-Targeted Public Offering Green Corporate Bond (Phase two) (21 Zhuhua 02), the amount of issue is RMB 800 million, term: 3+2 years and stated interest rate is 4.50%.

* 7. On 31st March 2022, the Company issued 2022 Phase 2 Creditor Right Finance Plan (22 Yue Huafa Group ZR002) at Beijing Financial Asset Exchange. The amount of issue is RMB 800 million, term is 512 days and nominal interest rate is 4.97%.

On 20th May 2022, the Company issued 2022 Phase 3 Creditor Right Finance Plan (22 Yue Huafa Group ZR003) at Beijing Financial Asset Exchange. The amount of issue is RMB 127.97 million, term is 2 years and nominal interest rate is 5.38%.

On 20th May 2022, the Company issued 2022 Phase 4 Creditor Right Finance Plan (22 Yue Huafa Group ZR004) at Beijing Financial Asset Exchange. The amount of issue is RMB 97.38 million, term is 2 years and nominal interest rate is 5.38%.

On 8th June 2022, the Company issued 2022 Phase 5 Creditor Right Finance Plan (22 Yue Huafa Group ZR005) at Beijing Financial Asset Exchange. The amount of issue is RMB 74.65 million, term is 2 years and nominal interest rate is 5.38%.

On 19th July 2022, the Company issued 2022 Phase 6 Creditor Right Finance Plan (22 Yue Huafa Group ZR006) at Beijing Financial Asset Exchange. The amount of issue is RMB 500 million, term is 5 years and nominal interest rate is 5.5%.

*8. As approved by China Securities Regulatory Commission through ZJXK [2019] No. 3, Zhuhai Huafa Investment Holding Group Co., Ltd obtained the approval to issue RMB 5 billion corporate bonds. On 23rd Jan. 2019, Zhuhai Huafa Investment Holding Group Co., Ltd issued 2019 I Corporate Bond (19 Zhukong 01), the amount of issue is RMB 2.5 billion, term is 5 years and stated interest rate is 4.59%. On 14th March 2019, Zhuhai Huafa Investment Holding Group Co., Ltd issued 2019 Phase Two Corporate Bond (19 Zhuyu 02), the amount of issue is RMB 2 billion, term is 3+2 years and stated interest rate is 4.19%. On 21st August 2019, Zhuhai Huafa Investment Holding Group Co., Ltd issued 2019 Phase Three Corporate Bond (19 Zhukong 02), the amount of issue is RMB 500 million, term is 5 years and stated interest rate is 3.83%.

*9 As approved by China Securities Regulatory Commission through ZJXK [2020] No. 177, Zhuhai Huafa

Investment Holding Group Co., Ltd obtained the approval to issue RMB 2 billion corporate bonds. On 13th March 2020, Zhuhai Huafa Investment Holding Group Co., Ltd issued 2020 Phase One Corporate Bond (20 Huakong 01). The amount of issue is RMB 1 billion, term is 5 years and stated interest rate is 3.95%. On 13th April 2020, Zhuhai Huafa Investment Holding issued 2020 Phase Two Corporate Bond (20 Huakong 02). The amount of issue is RMB 1 billion, term is 5 years and stated interest rate is 3.60%.

*10 As approved by China Securities Regulatory Commission through ZJXK [2020] No. 1545, Zhuhai Huafa Investment Holding Group Co., Ltd obtained the approval to issue RMB 3 billion corporate bonds. On 15th Jan. 2021, Zhuhai Huafa Investment Holding Group Co., Ltd issued 2021 Phase One Corporate Bond (21 Huakong 01). The amount of issue is RMB 600 million, term is 3+2 years and stated interest rate is 4.06%.

*11 As approved by Shanghai Stock Exchange through SZH [2019] No. 560, Huajin Securities Inc. obtained the approval to issue RMB1.75 billion security company subordinated bonds. On 20th March 2020, Huajin Securities Inc. Issued Huajin Securities Inc. 2020 Non-public-offering subordinated bond (Phase one) (COVID-19 prevention and control bond) (20 Huajin C1). The amount of issue is RMB 750 million, term is 3 years and stated interest rate is 3.90%.

12. As approved by Shanghai Stock Exchange and registered by China Securities Regulatory Commission (ZJXK [2020] No. 702), Huajin Securities obtained the approval to issue RMB1.5 billion security company bond. On 23rd Nov. 2020, Huajin Securities issued Huajin Securities Inc. 2020 Professional Investor-Targeted Public Offering Corporate Bond (Phase one) (20 Huajin 01), the amount of issue is RMB 740 million, term is 3 years and stated interest rate is 4.48%. On 17th Sept. 2021, Huajin Securities issued Huajin Securities Inc. 2021 Professional Investor-Targeted Public Offering Corporate Bond (Phase one) (21 Huajin 01), the amount of issue is RMB 760 million, term is 3 years and stated interest rate is 3.90%

13. As approved by Shanghai Stock Exchange through SZH [2022] No. 690, Huajin Securities Inc. obtained the approval to issue RMB2 billion subordinated bonds. On 16th June 2022, Huajin Securities issued Huajin Securities Inc. 2022 Non-public-offering subordinated bond (Phase one) (22 Huajin C1). The amount of issue is RMB 1 billion, term is 3 years and stated interest rate is 3.80%.

14. As approved by China Securities Regulatory Commission through ZJXK [2017] No. 2299, Zhuhai Huafa Comprehensive Development Co., Ltd obtained the approval to issue RMB 1.5 billion corporate bonds. On 28th March 2018, Zhuhai Huafa Comprehensive Development Co., Ltd issued 2018 Phase One Green Corporate Bonds (Type 1) (G18 Huazong 1). The amount of issue is RMB 1 billion, term is 3+2 years and stated interest rate is 5.27%. On 30th March 2019, Zhuhai Huafa Comprehensive Development Co., Ltd paid RMB 103 million for repurchase. On 2nd December 2019, Zhuhai Huafa Comprehensive Development Co., Ltd issued 2019 Phase One Green Corporate Bonds (G19 Huazong 1). The amount of issue is RMB 500 million, term is 5 years and stated interest rate is 4.17%.

15. As approved by China Securities Regulatory Commission through ZJXK [2018] No. 521, Zhuhai Huafa Comprehensive Development Co., Ltd obtained the approval to issue RMB 2 billion corporate bonds. On 15th August 2018, Zhuhai Huafa Comprehensive Development Co., Ltd issued 2018 Corporate Bond (Type 1) (18 Huazong 01). The amount of issue is RMB 2 billion, term is 3+2 years and stated interest rate is 4.68%. On 17th Aug. 2021, Zhuhai Huafa Comprehensive Development Co., Ltd paid RMB 613 million for repurchase. On 23rd

Aug. 2021, Zhuhai Huafa Comprehensive Development Co., Ltd achieved a resale amount of RMB 613 million.

16. As approved by China Securities Regulatory Commission through ZJXK [2021] No. 3044, Zhuhai Huafa Comprehensive Development Co., Ltd obtained the approval to issue RMB 7 billion corporate bonds. On 24th Jan. 2022, Zhuhai Huafa Comprehensive Development Co., Ltd issued 2022 Professional Investor-targeted Public Offering Corporate Bond (Phase 1) (22 Huazong 01). The amount of issue is RMB 1 billion, term is 3+2 years and stated interest rate is 3.39%.

17. On 25th June 2021, Huafa Technology issued 2021 Phase One Creditor Right Finance Plan (21 Yue Huashi Holding ZR001) of 2021 at Beijing Financial Asset Exchange. The amount of issue is RMB 1.3 billion, term is 5 years and the listed interest rate is 3.42%.

18. On 20th July 2021, Huafa Technology issued 2021 Phase Two Creditor Right Finance Plan (21 Yue Huashi Holding ZR002) of 2021 at Beijing Financial Asset Exchange. The amount of issue is RMB 2 billion, term is 5 years and the listed interest rate is 3.42%.

19. On 19th November 2021, Huafa Technology issued 2021 Phase Three Creditor Right Finance Plan (21 Yue Huashi Holding ZR003) of 2021 at Beijing Financial Asset Exchange. The amount of issue is RMB 500 million, term is 5 years and the listed interest rate is 3.42%.

20. As approved by National Development and Reform Committee by FGBWZB [2019] No. 382, the subsidiary Huafa Group 2019 I Co., Ltd, as the issuer, issued an overseas bond in an amount of USD 300 million through the Stock Exchange of Hong Kong on 3rd July 2019. The bond name is HUAFA 2019 1 Co., Ltd 4.25%, Guaranteed Bonds 2024 (5976); the bond code is XS2019586952; the term is 5 years, and the stated interest rate is 4.25%, interest is paid biannually and the principal is repaid when the bond is matured. The Company provides unconditional and irrevocable guarantee for the bond.

21. As approved by National Development and Reform Committee by FGBWZB [2020] No. 630, the subsidiary Huafa Group 2020 I Co., Ltd, as the issuer, issued an overseas bond in an amount of USD 250 million through the Stock Exchange of Hong Kong on 4th Nov. 2020. The bond name is HUAFA 2020 1 Company Limited USD \$ 250,000,000. 2.80 per cent. Guaranteed Bonds due 2025 (40455) (Code: XS2250383762) ; the term is 5 years, and the stated interest rate is 2.8%, interest is paid biannually and the principal is repaid when the bond is matured. The Company provides unconditional and irrevocable guarantee for the bond.

22. As approved by National Development and Reform Committee by FGBWZB [2020] No. 630, the subsidiary Huafa Group 2020 I Co., Ltd, as the issuer, issued an overseas bond in an amount of USD 150 million through the Stock Exchange of Hong Kong on 21st Jan. 2021. The bond name is HUAFA 2020 1 Company Limited USD \$ 150,000,000. 2.80 per cent. Guaranteed Bonds due 2025 (40455) (Code: XS2250383762); the term is 5 years, and the stated interest rate is 2.8%, interest is paid biannually and the principal is repaid when the bond is matured. The Company provides unconditional and irrevocable guarantee for the bond.

23. As approved by National Development and Reform Committee by FGBWZB [2021] No. 592, the subsidiary Huafa Group 2021 I Co., Ltd, as the issuer, issued an overseas bond in an amount of USD 200 million through the Stock Exchange of Hong Kong on 31st Aug. 2021. The bond name is HUAFA 2021 I Company Limited USD

\$ 200,000,000. 2.95 per cent. Guaranteed Bonds due 2025 (40820) (Code: XS2379456895) ; the term is 3.5 years, and the stated interest rate is 2.95%, interest is paid biannually and the principal is repaid when the bond is matured. The Company provides unconditional and irrevocable guarantee for the bond.

- *24 Huafa Inc.
 - 19 Huafa 01, Term: 3+2 years, Current stated interest rate: 5.1%
 - 19 Huafa 03, Term: 3+2 years, Current stated interest rate: 5.0%
- *25 Huafa Inc.
 - 20 Yue Zhuhai Huafa ZR001, Term: 3 years, Current stated interest rate: 6.45%
 - 20 Yue Zhuhai Huafa ZR003, Term: 3 years, Current stated interest rate: 6%
 - 20 Yue Zhuhai Huafa ZR008, Term: 3 years, Current stated interest rate: 5%
 - 20 Yue Zhuhai Huafa ZR010, Term: 3 years, Current stated interest rate: 5%
- *26 Huafa Inc.
 - 20 Huafa 02, Term: 3+2 years, Current stated interest rate: 3.38%
 - 20 Huafa 04, Term: 3+2 years, Current stated interest rate: 4.19%
 - 20 Huafa 05, Term: 2+2+1 years, Current stated interest rate: 4.7%
- *27 Huafa Inc.
 - 20 Huafa Industry MTN003, Term: 3 years, Current stated interest rate: 4.58%
 - 20 Huafa Industry MTN004, Term: 3+2 years, Current stated interest rate: 4.13%
 - 20 Huafa Industry PPN002, Term: 3 years, Current stated interest rate: 4.68%
 - 20 Huafa Industry PPN001, Term: 3 years, Current stated interest rate: 4.68%
- *28 Huafa Inc.
 - 20 Yue Huaguo Commerce & Trade ZR006, Term: 3 years, Current stated interest rate: 6.4%
 - 20 Yue Huaguo Commerce & Trade ZR008, Term: 1.98+1+1+1 years, Current stated interest rate: 6.7%
- *29 Huafa Inc.
 - 2021 Phase One Creditor Right Finance Plan, term: 2 years, current stated interest rate: 5.0%
- *30 Huafa Inc.
 - 21 Huafa 01, Term: 2+2+1 years, Current stated interest rate: 4.98%
 - 21 Huafa 03, Term: 2+2+1 years, Current stated interest rate: 4.69%
 - 21 Huafa 05, Term: 2+2+1 years, Current stated interest rate: 4.99%
- *31 Huafa Inc.
 - 21 Huafa Industry PPN001, Term: 2+2+1 years, Current stated interest rate: 4.95%
- *32 Huafa Inc.
 - 21 Huafa Industry MTN001, Term: 3 years, Current stated interest rate: 4.65%
 - 21 Huafa Industry MTN002, Term: 2+2+1 years, Current stated interest rate: 5.0%
 - 21 Huafa Industry MTN003, Term: 2+1 years, Current stated interest rate: 4.50 %
 - 21 Huafa Industry MTN004, Term: 2+1 years, Current stated interest rate: 4.98%
- *33 Huafa Inc.
 - 21 Yue Huaguo Commerce & Trade ZR004, Term: 3 years, Current stated interest rate: 6.4%
 - 21 Yue Huaguo Commerce & Trade ZR005, Term: 3 years, Current stated interest rate: 6.68%
 - 21 Yue Huaguo Commerce & Trade ZR006, Term: 1+1+1 years, Current stated interest rate: 6%
 - 21 Yue Huaguo Commerce & Trade ZR007, Term: 1+1+1 years, Current stated interest rate: 6%
- *34 Huafa Inc.
 - 21 Huazhu 01, Term: 2+2+1 years, Current stated interest rate: 4.68%

- *35 Huafa Inc.
 22 Huafa 01, Term:2+2+1 years, Current stated interest rate: 4.7%
 22 Huafa 02, Term: 3+2 years, Current stated interest rate: 4.9%
 22 Huafa 03, Term: 2+2+1 years, Current stated interest rate: 4.8%
- *36 Huafa Inc.
 20 Huafa Industry MTN001A, Term: 3+2 years, Current stated interest rate: 4.94%
 20 Huafa Industry MTN001B, Term: 2+2+1 years, Current stated interest rate: 4.79%
 20 Huafa Industry MTN002A, Term: 3+2 years, Current stated interest rate: 4.85%
 20 Huafa Industry MTN002B, Term: 2+2+1 years, Current stated interest rate: 4.7%
 20 Huafa Industry MTN003, Term: 2+2+1 years, Current stated interest rate: 4.8%
- *37 Huafa Inc.
 22 Yue Huaguo Commerce & Trade ZR001, Term: 1+1+1 years, Current stated interest rate: 6.0%

(II) Issuance of equity instrument (financial instruments such as preferred stock or perpetual bonds)
 The Company and the subsidiary accept the financing by means of following equity instrument through perpetual trust, perpetual bonds financing plan, perpetual medium-term note and so on:

Issuer	Name	Date of issuance	Issuance Currency	Issuance Amount	Expiration Date or Renewal Status
The Company	19 Huafa Group MTN008B	2019/12/11	CNY	200,000,000.00	5+N
The Company	20 Huafa Group MTN002	2020/09/18	CNY	1,000,000,000.00	3+N
The Company	20 Huafa Group MTN004	2020/11/04	CNY	500,000,000.00	3+N
The Company	20 Huafa Group Y1	2020/06/24	CNY	1,000,000,000.00	3+N
The Company	20 Huafa Group Y2	2020/08/20	CNY	1,500,000,000.00	3+N
The Company	20 Huafa Group Y3	2020/10/27	CNY	1,000,000,000.00	3+N
The Company	21 Huafa Group MTN002	2021/01/13	CNY	500,000,000.00	3+N
The Company	China Railway Trust-Perpetual Trust	2021/03/24	CNY	240,000,000.00	2+N
The Company	China Railway Trust-Perpetual Trust	2021/04/28	CNY	500,000,000.00	2+N
The Company	AVIC Trust-Perpetual Trust	2021/05/28	CNY	901,000,000.00	2+N
The Company	Zhongyuan Trust-Perpetual Creditor Right Investment	2021/09/29	CNY	1,200,000,000.00	2+N

Issuer	Name	Date of issuance	Issuance Currency	Issuance Amount	Expiration Date or Renewal Status
The Company	Beijing Financial Asset Exchange/Industrial Bank- Perpetual Creditor Right Finance Plan	2021/12/09	CNY	1,500,000,000.00	3+N
The Company	22 Huafa Group MTN006	2022/4/25	CNY	500,000,000.00	3+N
The Company	22 Zhuhua Y1	2022/6/27	CNY	1,000,000,000.00	3+N
The Company	22 Huafa Group MTN009A	2022/6/20	CNY	500,000,000.00	2+N
The Company	22 Huafa Group MTN009B	2022/6/20	CNY	500,000,000.00	3+N
The Company	22 Huafa Group MTN012A	2022/8/16	CNY	600,000,000.00	2+N
The Company	22 Huafa Group MTN012B	2022/8/16	CNY	400,000,000.00	3+N
The Company	22 Huafa Group MTN013	2022/11/7	CNY	500,000,000.00	2+N
Zhuhai Huafa Comprehensive Development Co., Ltd	20 Huazong Y1-Renewable Bond	2020/03/16	CNY	1,000,000,000.00	3+N
Zhuhai Huafa Comprehensive Development Co., Ltd	20 Huazong Y2-Renewable Bond	2020/08/03	CNY	1,000,000,000.00	3+N
Zhuhai Huafa Comprehensive Development Co., Ltd	20 Huazong Y3-Renewable Bond	2020/09/28	CNY	600,000,000.00	3+N
Huafa 2021 I Co., Ltd	Huafa Group 2021 I Co., Ltd Perpetual Asset Securities	2021/08/18	USD	250,000,000.00	Perpetual
Huafa 2021 I Co., Ltd	Huafa Group 2021 I Co., Ltd Perpetual Asset Securities	2022/6/8	USD	100,000,000.00	Perpetual

Issuer	Name	Date of issuance	Issuance Currency	Issuance Amount	Expiration Date or Renewal Status
Zhuhai Huafa Investment Holding Co., Ltd	Bohai Trust-Perpetual Trust	2022/6/29	CNY	300,000,000.00	3+N
Zhuhai Huafa Industrial Inc.	2018 Phase 4 Creditor Right Finance Plan	2018/12/25	CNY	400,000,000.00	Renewable
Zhuhai Huafa Industrial Inc.	20 Huafa Group Medium Term Note Phase 1	2020/02/18	CNY	570,000,000.00	Renewable
Zhuhai Huafa Industrial Inc.	20 Huafa Group Medium Term Note Phase 2	2020/04/23	CNY	930,000,000.00	Renewable
Total				19,191,000,000.00	

Basis for classification into equity instrument:

According to the contract or prospectus, there is no definite date of expiry for above-mentioned perpetual bonds and they can exist for a long term before the Company exercises the right of redemption. The Company has the right to delay the payment of principal and interest. In accordance with Accounting Standards for Enterprises No. 37- Presentation of Financial Instruments and Interpretation of Accounting Standards for Enterprises No. 7, the Company included perpetual bonds issued by the parent company into other equity instrument and perpetual bonds issued by the subsidiary into minority shareholder equity.

(3). Issuance of other bonds

Refer to Note 8.55 and Note 8.61 for details.

XI. Events after the date of balance sheet

1. Remarks on important matters after the date of balance sheet

Issuance of bonds by the Company and its subsidiaries after the date of balance sheet until the reporting date.

Company	Permit	Name	Value Date	Maturity Date	Currency	Scale (100 million)
The Company	ZSXZ[2022]DFI25	23 Huafa Group SCP001	2023/1/05	2023/9/28	CNY	10
The Company	ZSXZ[2022]DFI25	23 Huafa Group SCP002	2023/1/09	2023/7/08	CNY	10

Company	Permit	Name	Value Date	Maturity Date	Currency	Scale (100 million)
The Company	ZSXZ[2022]DFI25	23 Huafa Group SCP003	2023/2/17	2023/10/25	CNY	10
The Company	ZSXZ[2022]DFI25	23 Huafa Group SCP004	2023/2/24	2023/11/21	CNY	10
The Company	ZSXZ[2022]DFI25	23 Huafa Group SCP005	2023/3/06	2023/11/01	CNY	10
The Company	ZSXZ[2022]DFI25	23 Huafa Group SCP006	2023/3/17	2023/11/22	CNY	10
The Company	ZSXZ[2022]DFI25	23 Huafa Group MTN001	2023/3/10	2028/3/10	CNY	10
The Company	ZSXZ[2022]DFI25	23 Huafa Group GN001	2023/3/27	2025/3/27	CNY	5
The Company	ZSXZ[2022]DFI25	23 Huafa Group MTN002	2023/04/14	2026/04/14	CNY	10
The Company	ZSXZ[2022]DFI25	23 Huafa Group SCP007	2023/04/12	2024/01/07	CNY	10
Zhuhai Huafa Comprehensive Development Co., Ltd	ZJXK [2021]3044	23 Huazong 01	2023/2/22	2026/2/22	CNY	10
Zhuhai Huafa Comprehensive Development Co., Ltd	ZSXZ[2022]MTN[962]	23 Zhuhai Huafa Group MTN001	2023/3/22	2026/3/23	CNY	10
Huafa Inc.	SZH 【2023】 18	GC Jinwan Preferred	2023/1/18	2041/1/19	CNY	13.50
Huafa Inc.	SZH 【2023】 18	GC Jinwan Subordinated	2023/1/18	2041/1/19	CNY	2.50
Huafa Inc.	ZSXZ[2021]SCP205	23 Huafa Group Industry SCP001	2023/3/14	2023/9/10	CNY	10
Huafa Inc.	ZSXZ[2021]SCP205	23 Huafa Group Industry SCP002	2023/3/21	2023/10/27	CNY	10
Huafa Inc.	ZSXZ[2022]MTN574	23 Huafa Group Industry MTN001	2023/4/3	2028/4/3	CNY	10

(2) The subsidiary Huafa Inc. passed several proposals including the Proposal on Private Placement of Stock on the 23rd meeting of the 10th Board of Directors on 5th Dec. 2022, which proposed to issue the stock to not more than 35 specific objects including the Company privately at an amount of not over 635 million shares (including 635 million shares), which is less than 30% of total equity before the issuance.

Total amount of the capital raised for this private placement doesn't exceed RMB 6 billion and the net amount of fund raised after deduction of issuance expense is used for real estate projects relating to "guarantee for delivery of buildings and people's life". Huafa Inc. received China Securities Regulatory Commission's Acceptance for Administrative License Application (Acceptance Number: 223207) issued by China Securities Regulatory Commission (CSRC) on 4th Jan. 2023. According to laws and rules on registration system including Registration Administration Measures on Issuance of Securities for Listed Companies published by CSRC on 17th Feb. 2023 and supporting rules including Shanghai Stock Exchange's Review Rules on Issuance and Listing of Listed Companies' Securities published by Shanghai Stock Exchange (SSE), legal basis, applicable issuing conditions and review methods for listed companies' issuance of stock to specific object (i.e. private placement in the past) on the mainboard have changed; combined with the latest progress received from issuing related matters, Board of Directors of Huafa Inc. made some adjustment on matters and proposals relating to Huafa Inc's issuance of stock to specific object in 2022 according to relevant systems and rules under the registration system. Huafa Inc. received the Notice on Accepting Listed Company on the Mainboard in Shanghai Stock Exchange, Zhuhai Huafa Industrial Co., Ltd.'s Application to Issue Securities (SZSS (ZRZ) [2023] No. 15) issued by Shanghai Stock Exchange on 28th Feb. 2023. According to relevant laws and rules, the proposal to issue stock to specific object shall be reviewed by Shanghai Stock Exchange, reported to China Securities Regulatory Commission for registration, before implementation, and the final plan shall be approved by the China Securities Regulatory Commission.

(3) Huafa Inc.'s wholly-owned subsidiary, Zhuhai Huafa Real Estate Development Co., Ltd. purchased 51% equity of Shenzhen Ronghua Real Estate Investment Co., Ltd. (Ronghua Real Estate) (equity acquisition price was RMB3.570 billion) held by Shenzhen Rongchuang Cultural Tourism Industrial Development Group Co., Ltd. (Shenzhen Rongchuang Cultural Tourism) and Shenzhen Rongchuang Cultural Tourism's creditor right to Ronghua Real Estate and interest (the price to purchase the creditor's right was RMB11,902,437.16). This acquisition was made in cash. After this acquisition, the industrial registration has been changed on 3rd Jan. 2023. Huafa Inc. holds 100% equity of Ronghua Real Estate at present.

(4) After deliberation on the 22nd meeting of the 10th Board of Directors held by Huafa Inc. on 25th Nov. 2022, Huafa Inc's wholly-owned subsidiary in Hong Kong, Guang Jie Investment Limited (Guang Jie Investment) purchased 100% equity of Huajin Investment Co., Ltd (Huajin Investment) held by the subsidiary Hong Kong Huafa Investment Holding Co., Ltd. by way of transfer and the transaction price is RMB437.3497 million. The transaction has been approved by Zhuhai People's Government State-owned Assets Supervision and Administration Commission. Equity delivery was finished on 3rd Jan. 2023, and Guang Jie Investment holds 100% equity of Huajin Investment at present. Huajin Investment holds 36.88% equity of Huafa Property Service (00982.HK), a listed company on the mainboard of Hong Kong Stock Exchange. After this acquisition, Guang Jie Investment became a dominant shareholder of Huafa Property Service.

(5) According to the Proposal on Huashi Holding's Participation in Founder Technology's Reorganization and Submission of Reorganization Investment Plan passed on the 12th meeting of Board of Directors of the subsidiary Huafa Technology on 17th Oct. 2022, Huafa Technology was approved to take part in the reorganization of Founder Technology Group Inc. (Founder Technology)

and subscribe the equity of Founder Technology. On 28th Oct. 2022, Huafa Technology and Founder Technology and its manager concluded the Reorganization Investment Agreement. According to the Agreement, Huafa Technology accepted the transfer of 29.99% equity of Founder Technology after conversion, and Huafa Technology has the right to assign not more than 9.99% equity to a third party, and the designated entity shall be Huafa Technology's person acting in concert. During execution of the reorganization plan, Huafa Technology accepted the transfer of 23.5% equity by setting up a wholly-owned subsidiary Zhuhai Huashi Huanxin Founder Technology Investment Enterprise (Limited Partnership) (Huanxin Founder Technology) and appointed Shenghong Technology (Huizhou) Inc.(Shenghong Technology) to accept the transfer of 5.49% equity and Hu'nan Xianghong Real Estate Development Co., Ltd. (Xianghong Real Estate) to accept the transfer of 1% equity. All the entities appointed have concluded the Concerted Action Agreement with Huafa Technology. By 22nd Dec. 2022, Huanxin Founder Technology and above two transferees have contributed the fund for reorganization investment in full according to share ratio and the Reorganization Investment Agreement. Huafa Technology appointed entities Huanxin Founder Technology, Shenghong Technology and Xianghong Real Estate to accept stocks of Founder Technology transferred from special account on 27th Feb. 2023. Founder Technology held the 2nd extraordinary shareholders' meeting for 2023 on 17th April 2023 and completed the re-election of Board of Directors. Thus, Huafa Technology became its dominant shareholder.

(6) By the reporting date, and in accordance with the Equity Transfer Contract concluded by the subsidiary Zhuhai Shizimen CBD Construction Holding Co., Ltd. (Shizimen Holding) and the Company, Shizimen Holding purchased 55% equity of Zhuhai Urban Construction Group Co., Ltd. held by the Company in March 2023 at the price of RMB 5.342 billion. After the acquisition, Shizimen Holding holds 100% equity of Zhuhai Urban Construction Group Co., Ltd.

2、Profit distribution after the date of balance sheet

(1). Profit distribution plan of the subsidiary Huafa Inc.

Profit or dividend to distribute	783,349,612.92
Profit or dividend declared to distribute after approval	783,349,612.92

On its 10th board of director 25th meeting held on 20th March 2023, the subsidiary Huafa Inc., proposed 2022 Profit Distribution Plan: issue cash dividend of RMB 3.70 (tax inclusive) for every ten shares to all shareholders by taking total shares on the equity registration date for profit distribution in 2022 as the basis and the anticipated dividend to distribute is RMB 783,349,612.92 (tax inclusive).

Above profit distribution plan needs to be approved by the general meeting of shareholders for the year of 2022.

(2). Profit distribution plan of the subsidiary Guangku Technology

Profit or dividend to distribute	32,816,243.00
Profit or dividend declared to distribute after approval	32,816,243.00

On its 3rd board of director 17th meeting held on 27th March 2023, the subsidiary Guangku Technology proposed 2022 Profit Distribution Plan: issue cash dividend of RMB 2 (tax inclusive) for every ten shares to all shareholders by taking total shares of Guangku Technology on the registration day for

future implementation of the profit distribution plan as the basis and converting the capital reserve to shares (increase 5 shares for every 10 original shares) of all shareholders. The remaining undistributed profit will be carried forward to future years. If the number of shares have changed after the board of directors have approved the profit distribution plan, Guangku shall distribute by taking the latest shares after the change as the basis and keeping the distribution ratio per share unchanged.

Above profit distribution plan needs to be approved by the general meeting of shareholders for the year of 2022 of Guangku Technology.

3. Other remarks on events after the date of balance sheet

The Company didn't have events after the date of balance sheet that should be disclosed by 28th April 2023.

XII. Relationship and transaction with Related parties

1. The Company's parent company

Name of parent company	Place of registration	Parent company's share ratio in the Company (%)	Parent company's voting right percentage in the Company (%)
Zhuhai People's Government State Asset Supervision and Administration Commission	Zhuhai	93.51	93.51

2. The Company's subsidiaries

Refer to Note 7.1 for subsidiaries of the Company.

3. Other Related parties of the Company

Name of Related parties	Relationship with the Company
Luoding Huayi Development & Construction Co., Ltd	Enterprises that the Company exercises significant influence
Luoding Huafu Development & Construction Co., Ltd	Enterprises that the Company exercises significant influence
Luoding Huading Development & Construction Co., Ltd	Enterprises that the Company exercises significant influence
Yangjiang Huayang Development and Construction Co., Ltd	Enterprises that the Company exercises significant influence
Yangjiang Huayu Development & Construction Management Co., Ltd	Enterprises that the Company exercises significant influence
Yangjiang Huachuang Development & Construction Management Co., Ltd	Enterprises that the Company exercises significant influence
Zhuhai Urban Rail Underground Traffic Exchange Center Construction Co., Ltd	Enterprises that the Company exercises significant influence
Yangjiang Huayang Investment Holding Co., Ltd	Enterprises that the Company exercises significant influence
Yangjiang Huayang Merchant Consultancy Co., Ltd	Enterprises that the Company exercises significant influence
Zhonghai Smart Equipment Manufacture (Shenzhen) Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Baojiasheng Trading Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Urban Rail Industrial Co., Ltd	The Company's cooperative and joint operation enterprise

Name of Related parties	Relationship with the Company
Zhuhai Huajin Ruicheng Education Industry Equity Investment Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Jilin Infinity Investment Management Co., Ltd	The Company's cooperative and joint operation enterprise
Xi'an Ziwei Huafa Property Management Service Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Guiyuan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Niwan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Poshi Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Yinkeng Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Founder Technology Group Inc.	The Company's cooperative and joint operation enterprise
Yunnan Digitone Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Shanghai CAPPU Electronic Technology Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Construction Safety Science Research Institute Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Front-line Technology Research Institute Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Tongda Equity Investment Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Lihe Huajin Emerging Industry Venture Investment Fund (Limited Partnership)	The Company's cooperative and joint operation enterprise
Guangdong Jinwan Gaojing Solar Energy Technology Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No.6 Equity Investment Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Chengdu Huajin Minghong Industrial Co., Ltd	The Company's cooperative and joint operation enterprise
Guangzhou Huaxiao Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Hangzhou Zhaoyi Enterprise Management Co., Ltd	The Company's cooperative and joint operation enterprise
Hubei Lianchen Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Huamei Decoration Engineering Co., Ltd	The Company's cooperative and joint operation enterprise
Shanghai Gufeng Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Phoenix Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa New City Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Ezhou Binhu Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Hubei Port Industry Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Suzhou Xinhuaheng Construction & Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Haihao Industrial Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Hengqin Huatong Financial Lease Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huarun Bank Inc.	The Company's cooperative and joint operation enterprise
Zhuhai Rural Commercial Bank Inc.	The Company's cooperative and joint operation enterprise
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise

Name of Related parties	Relationship with the Company
Huizhou Hehui Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Huasong Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Huihe Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Yusheng Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Nantong Zhaotong Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Ningbo Zhaohai Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Shenzhen Ronghua Real Estate Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Shenzhen Rongqi Investment Development Co., Ltd	The Company's cooperative and joint operation enterprise
Shenzhen Runzhao Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Suzhou Hefa Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Suzhou Shenglan Meike Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Taichang Renhua Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Taichang Shangsheng Business Consultancy Co., Ltd	The Company's cooperative and joint operation enterprise
Wuhan Central Business District Investment & Development Co., Ltd	The Company's cooperative and joint operation enterprise
Xi'an Zihai Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Xi'an Zitao Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Changsha Yide Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Yongjing Huayue Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Zhenghan Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Hengqin Rare and Valuable Trading Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Runhai Investment Co., Ltd	The Company's cooperative and joint operation enterprise
YANLORD ECO ISLAND INVESTMENTS PTE.LTD	The Company's cooperative and joint operation enterprise
Beijing Xingtai Tongfu Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Fu'an Business Co., Ltd	Other related party
Guangzhou Runhua Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Hunan Dream Waterfront Bay Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Huizhou Rongtuo Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Huaduo Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Huayu Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Nanjing Yihuaju Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Shanghai Xinpu East Bank Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise

Name of Related parties	Relationship with the Company
Taicang Huaren Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Taicang Renfa Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Wuhan Conghong Yuye Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Changsha Yongjing Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Jinghua Real Estate Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Qinfa Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Bihu Real Estate Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Henghua Education Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Hengqin Life Insurance Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	The Company's cooperative and joint operation enterprise
Guangdong United Property Right Transaction Center Co., Ltd	The Company's cooperative and joint operation enterprise
Guangdong Financial Asset Transaction Center Co., Ltd	The Company's cooperative and joint operation enterprise
Guangzhou Zhongqi Energy Technology Co., Ltd	The Company's cooperative and joint operation enterprise
Shenzhen Dixin Juhe Telecommunication Technology Co., Ltd	The Company's cooperative and joint operation enterprise
Dimi Technology (Thailand) Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Hualong Investment Co., Ltd	The Company's cooperative and joint operation enterprise
Jinpu Landscape Inc.	The Company's cooperative and joint operation enterprise
Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huafang Property Operation & Management Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Zhongying Urban Construction Cinema City Co., Ltd	The Company's cooperative and joint operation enterprise
Beijing Jingdixin Technology Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Capital Inc.	The Company's cooperative and joint operation enterprise
Huajin East No.1 Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Shanghai Diju Information Technology Co., Ltd	The Company's cooperative and joint operation enterprise
Zhongye Huafa Public Utility Tunnel Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No.3 Equity Investment Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No.1 Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Smart Industrial Park Development Co., Ltd	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No.4 Equity Investment Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
Zhuhai Huajin Alpha No.5 Equity Investment Fund Partnership (Limited Partnership)	The Company's cooperative and joint operation enterprise
HUA AO SPORTS GROUP CO LTD	The Company's cooperative and joint operation enterprise
HUA AO EVENTS MGMTCOLTD	The Company's cooperative and joint operation enterprise
Hua'ao (Macao) Sports Development Co., Ltd	The Company's cooperative and joint operation enterprise

Name of Related parties	Relationship with the Company
DASA Electronic Mechanical Technology (Shanghai) Co., Ltd	The Company's cooperative and joint operation enterprise
Tianjin Gaojing Solar Energy Technology Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Hangzhou Zhaoyue Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Xi'an Zisheng Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Zhihui Bay Venture Capital Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Lingsheng Fund Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Lihe Environmental Protection Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Hangzhou Jinyu Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Nanjing Renheng Jiangdao Real Estate Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Shanghai Huaxi Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Shanghai Qiaopu Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Shanghai Zhaosheng Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Tianjin Ruijun Business Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Weihai Mofangcheng Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Beijing Zhongye Mingying Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Guangzhou Haihao Technical Industry Operation Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Shanghai Jinlan Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Wuhan Huaqi Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Wuhan Huayicheng Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise

Name of Related parties	Relationship with the Company
Wuhan Huazhongtou Real Estate Development Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Guangdong Gaojing Solar Energy Technology Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Qinfa Industrial Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Infinity (Zhuhai) Venture Capital Investment & Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Huashi Zhongjian New Technology (Zhuhai) Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Yunfu Zhongqi Telecommunication Technology Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Infinity (Shanghai) Venture Capital Investment & Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Shenzhen Huajin Lingxu Equity Investment Fund Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Zhuhai Huajin Lingchuang Fund Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise
Infinity Capital Management Co., Ltd	Subsidiaries of the Company's cooperative and joint operation enterprise

4. Affiliated transaction

(1) Affiliated purchase and sales

A. Purchase of commodities and receipt of labor service

Related parties	Affiliated transaction	Pricing principle	2022	2021
Huajin Capital and its subsidiaries	Consultancy fee	Market price	46,901,960.24	41,027,887.40
Huajin Capital and its subsidiaries	Purchase mask	Market price	1,439,151.60	1,905,723.06
Other joint and cooperative operation enterprise	Purchase commodity and accept labor	Market price	2,995,232,751.42	1,083,757,851.47
Other joint and cooperative operation enterprise	Business consultancy fee	Market price	3,741,096.61	2,905,339.49
Other joint and cooperative operation enterprise	Other service fee	Market price	7,576,654.60	3,809,227.28
Total			3,054,891,614.47	1,133,406,028.70

B. Sales of commodity and provision of labor service

Related parties	Affiliated transaction	Pricing principle	2022	2021
Huajin Capital and its subsidiaries	Construction and decoration cost	Market price	89,364,272.95	103,871,130.13
Huajin Capital and its subsidiaries	Service	Market price	62,915,725.20	3,756,704.79
Huajin Capital and its subsidiaries	Sales of mask, fashion and automobile	Market price	330,068.85	28,145.04
Yangjiang Huayang Development and Construction Co., Ltd	Service fee	Market price	819,961.22	
Other joint and cooperative operation enterprise	Design, advertising fee	Market price	90,800,914.97	67,852,522.42
Other joint and cooperative operation enterprise	Sales of commodity and provision of labor	Market price	1,430,484,019.32	274,657,162.75
Other joint and cooperative operation enterprise	Sales brokerage service	Market price	59,336,385.63	79,368,747.52
Other joint and cooperative operation enterprise	Other	Market price	74,886.63	706,774.25
Total			1,734,126,234.77	530,241,186.90

(2) Lease

The Company, as the lessor:

Related parties	Type of leased property	Rental income recognized in 2022	Rental income recognized in 2021
Huajin Capital and its subsidiaries	Real estate and buildings	675,483.25	651,067.68
Other joint and cooperative operation enterprise	Real estate and buildings	2,805,350.43	8,737,995.58
Total		3,480,833.68	9,389,063.26

The Company, as the lessee

Landlord	Type of leased asset	Short-term lease subject to simplified treatment and rental of low-value asset lease		Variable lease payment not included into the measurement of lease liabilities		Rental paid		Interest expenditure of lease liabilities shouldered	
		2022	2021	2022	2021	2022	2021	2022	2021
Huajin Capital and its subsidiaries	Building, equipment					1,448,844.68	591,655.80	120,665.64	28,146.82
Other joint and cooperative operation enterprise	Building, equipment		96,206.89			8,464,098.19	4,052,180.44	500,032.44	255,664.14
Total			96,206.89			9,912,942.87	4,643,836.24	620,698.08	283,810.96

Continued

Related parties	Type of leased property	Increase of use right asset	
		2022	2021
Huajin Capital and its subsidiaries	building, equipment	9,862,962.35	
Other joint and cooperative operation enterprise	building, equipment	3,133,663.62	26,473,895.76
Total		12,996,625.97	26,473,895.76

(2) Other related transactions

Transaction type:	Name of related party	2022	2021
Interest income	Yangjiang Huayang Development and Construction Co., Ltd	7,056,529.47	23,944,665.74
Interest income	Yangjiang Huachuang Development & Construction Management Co., Ltd	16,906,611.55	16,414,455.55
Interest income	Yangjiang Huayu Development & Construction Management Co., Ltd	28,670,206.25	654,164.98
Interest income	Huajin Capital and its subsidiaries	13,122,011.16	8,091,744.45
Interest income	Other joint and cooperative operation enterprise	529,467,756.80	510,280,140.48
Interest expense	Other joint and cooperative operation enterprise	73,557,775.97	143,862,864.43
Fund deposit interest expenditure	Huajin Capital and its subsidiaries	253,791.96	436,851.60
Fund deposit interest expenditure	Other joint and cooperative operation enterprise	14,180,810.46	19,403,840.21
Participate in investment of Zhuhai Huashi Entrepreneur Physical Industry Development Investment Fund (Limited Partnership)	Huajin Capital and its subsidiaries		40,000,000.00

Transaction type:	Name of related party	2022	2021
Participate in investment of Zhuhai Huajin Alpha 5 Equity Investment Fund Partnership (Limited Partnership)	Huajin Capital and its subsidiaries		2,000,000,000.00
Participate in investment of Zhuhai Huajin Fengying No.1 Equity Investment Fund Partnership (Limited Partnership)	Huajin Capital and its subsidiaries		197,400,000.00
Participate in investment of Zhuhai Huajin Fengying No.3 Equity Investment Fund Partnership (Limited Partnership)	Huajin Capital and its subsidiaries		214,000,000.00
Participate in investment of Zhuhai Huajin Lingyue Smart Manufacture Industrial Investment Fund (limited partnership)	Huajin Capital and its subsidiaries		120,000,000.00
Zhuhai Huajin Gongying Equity Investment Fund Partnership (Limited Partnership)	Huajin Capital and its subsidiaries		167,625,000.00
Participate in investment of Zhuhai Huajin Lingyi Emerging Technology Industrial Investment Fund (Limited Partnership)	Huajin Capital and its subsidiaries *1	140,000,000.00	160,000,000.00
Participate in investment of Zhuhai Advanced Phase 1 Integrated Circuit Equity Investment Fund (Limited Partnership)	Huajin Capital and its subsidiaries *2	40,000,000.00	
Participate in investment of Zhuhai Huajin Shangying No.5 Equity Investment Fund Partnership (Limited Partnership)	Huajin Capital and its subsidiaries *3	309,000,000.00	
Participate in investment of Zhuhai Huajin Alpha 6 Equity Investment Fund Partnership (Limited Partnership)	Huajin Capital and its subsidiaries *4	700,000,000.00	

Transaction type:	Name of related party	2022	2021
Participate in investment of Zhuhai Huajin Shangying No.9 Equity Investment Fund Partnership (Limited Partnership)	Huajin Capital and its subsidiaries *5	50,000,000.00	
Total		1,922,215,493.62	3,622,113,727.44

*1. Zhuhai Development Fund Phase 2 (Limited Partnership) (a subsidiary of the Company) and Zhuhai Huajin Lingchuang Fund Management Co., Ltd (Huajin Lingchuang, a subsidiary of Huajin Capital) invested jointly into Zhuhai Huajin Lingyi Emerging Technology Industry Investment Fund (Limited Partnership). The fund scale is RMB 1.401 billion. Zhuhai Development Fund Phase 2 made a subscription of RMB 400 million as a limited partner. Huajin Boulevard Co., Ltd (Huajin Boulevard) made a subscription of RMB 100 million as a limited partner. Zhuhai Development Fund Phase 2 has contributed RMB 80 million, and Huajin Boulevard has contributed RMB 60 million in the current period.

*2 Zhuhai Huashi Zhiyuan Investment Co., Ltd (Huashi Zhiyuan) (a subsidiary of the Company) and Huajin Lingchuang (a subsidiary of Huajin Capital) invested jointly into Zhuhai Advanced Phase 1 Integrated Circuit Equity Investment Fund (Limited Partnership). The fund scale is RMB 82 million. Huashi Zhiyuan made a subscription of RMB 40 million as a limited partner. Huashi Zhiyuan has contributed RMB 40 million in the current period.

*3 Zhuhai Development Investment Fund Management Co., Ltd (Zhuhai Development Fund) (a subsidiary of the Company), Huafa Technology, Zhuhai Development Fund Phase 2 and Zhuhai Huaying Investment Co., Ltd (Huaying Investment, a subsidiary of Zhuhai Capital) invested jointly into Zhuhai Huajin Shangying No.5 Equity Investment Fund Partnership. The fund scale is RMB 310 million. Zhuhai Development Fund made a subscription of RMB 1 million as a general partner. Huafa Technology made a subscription of RMB 267 million as a limited partner. Zhuhai Development Fund Phase 2 made a subscription of RMB 41 million. Zhuhai Development Fund has contributed RMB 1 million, Huafa Technology has contributed RMB 267 million and Zhuhai Development Fund Phase 2 has contributed RMB 40 million in the current period.

*4 Huafa Technology (a subsidiary of the Company) and Huaying Investment (a subsidiary of Huajin Capital) invested jointly into Zhuhai Huajin Alpha No.6 Equity Investment Fund Partnership (Limited Partnership). The fund scale is RMB 3.001 billion. Huafa Technology made a subscription of RMB 3 billion as a limited partner. Huafa Technology has contributed RMB 700 million in the current period.

*5 Huajin Boulevard (a subsidiary of the Company) and Huaying Investment (a subsidiary of Huajin Capital) invested jointly into Zhuhai Huajin Shangying No.9 Equity Investment Fund Partnership (Limited Partnership). The fund scale is RMB 203.275 million. Huajin Boulevard made a subscription of RMB 50 million as a limited partner, and has contributed RMB 50 million in the current period.

(3) Guarantee of Related parties

A. The Company (not including Huafa Inc.) as the guarantor

Guarantor	Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
Zhuhai Huafa Investment Holding Co., Ltd	Zhuhai Hualong Investment Co., Ltd *1	496,000,000.00	2021-3-22	2024-3-22	No
Zhuhai Huafa Investment Holding Co., Ltd	Zhuhai Hualong Investment Co., Ltd *1	990,000,000.00	2021-4-9	2024-4-9	No
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	1,225,000,000.00	2022-12-26	2029-12-16	No
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	637,000,000.00	2022-12-27	2029-12-16	Yes
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	637,000,000.00	2022-12-27	2029-12-16	No
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	490,000,000.00	2022-12-28	2029-12-16	Yes
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	245,000,000.00	2022-12-27	2029-12-16	
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	588,000,000.00	2022-12-27	2029-12-16	
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	588,000,000.00	2022-12-27	2029-12-16	

Guarantor	Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	490,000,000.00	2022-12-27	2029-12-16	
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	490,000,000.00	2022-12-27	2029-12-16	
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	245,000,000.00	2022-12-27	2029-12-16	
The Company	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) *2	245,000,000.00	2022-12-27	2029-12-16	
The Company	Hengqin Huatong Financial Lease Co., Ltd *3	800,000,000.00	2020-11-3	2023-11-3	
Total		8,166,000,000.00			

*1. The subsidiary Zhuhai Huafa Investment Holding Group Co., Ltd and Hengtong Group Co., Ltd provide joint guarantee for the loan of Zhuhai Hualong Investment Co., Ltd. Meanwhile, other two shareholders Beijing Liexiang Capital Management Co., Ltd and Zhuhai Yutian Investment Management Partnership (Limited Partnership) provides pledge counter-guarantee by means of its equity of Zhuhai Hualong Investment Co., Ltd.

*2 The Company provides guarantee for the syndicated merger and acquisition loans for Zhuhai Huanxin Founder Investment Partnership (Limited Partnership) in accordance with the share ratio in a total sum of RMB 12 billion.

*3. The Company provides joint and several guarantee in full amount for the Epidemic Control Entity Financial Bond in a sum of RMB 800 million issued by Hengqin Huatong Financial Lease Co., Ltd in 2020.

*4. The balance of guarantee provided by the Company and its subsidiaries to joint and cooperative operation enterprises was RMB 8.166 billion by 31st Dec. 2022.

B. The subsidiary Huafa Inc. as the guarantor:

Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
Beijing Xingtai Tongfu Real Estate Co., Ltd	1,300,000,000.00	2018	2022	Yes
Changsha Yide Real Estate Co., Ltd	96,274,748.26	2021	2022	Yes
Changsha Yongjing Real Estate Co., Ltd	15,986,217.09	2021	2022	Yes
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	31,070,000.00	2020	2022	Yes
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	170,500,000.00	2021	2022	Yes
Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	54,990,829.76	2020	2022	Yes
Hangzhou Jinyu Real Estate Co., Ltd	530,000,000.00	2020	2022	Yes
Huizhou Hehui Real Estate Co., Ltd	875,400,000.00	2020	2022	Yes
Huizhou Hehui Real Estate Co., Ltd	450,000,000.00	2021	2022	Yes
Huizhou Rongtuo Real Estate Co., Ltd	6,120,000.00	2019	2022	Yes
Huizhou Rongtuo Real Estate Co., Ltd	254,064,000.00	2020	2022	Yes
Huizhou Rongtuo Real Estate Co., Ltd	318,722,500.00	2021	2022	Yes
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	750,000.00	2021	2022	Yes
Shanghai Xinpu East Bank Real Estate Co., Ltd	919,911.82	2019	2022	Yes
Shanghai Xinpu East Bank Real Estate Co., Ltd	548,186.58	2020	2022	Yes
Shanghai Xinpu East Bank Real Estate Co., Ltd	1,356,692.06	2021	2022	Yes
Weihai Mofangcheng Real Estate Development Co., Ltd	153,000,000.00	2021	2022	Yes
Wuhan Conghong Yuye Real Estate Development Co., Ltd	84,000,000.00	2019	2022	Yes
Wuhan Conghong Yuye Real Estate Development Co., Ltd	3,305,700.00	2021	2022	Yes
Wuhan Huaqi Real Estate Development Co., Ltd	539,500,000.00	2019	2022	Yes
Wuhan Huaqi Real Estate Development Co., Ltd	127,500,000.00	2020	2022	Yes
Wuhan Huayicheng Real Estate Development Co., Ltd	48,960,000.00	2019	2022	Yes
Wuhan Huayicheng Real Estate Development Co., Ltd	22,848,000.00	2020	2022	Yes

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Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
Wuhan Huayicheng Real Estate Development Co., Ltd	19,992,000.00	2021	2022	Yes
Wuhan Huazhongtong Real Estate Development Co., Ltd	102,000,000.00	2020	2022	Yes
Wuhan Central Business District Investment & Development Co., Ltd	500,000,000.00	2019	2022	Yes
Wuhan Central Business District Investment & Development Co., Ltd	51,000,000.00	2021	2022	Yes
Xi'an Zihai Real Estate Co., Ltd	159,000,000.00	2021	2022	Yes
Xi'an Zitao Real Estate Co., Ltd	160,000,000.00	2020	2022	Yes
Xi'an Zitao Real Estate Co., Ltd	40,000,000.00	2021	2022	Yes
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	25,500,000.00	2021	2022	Yes
Zhuhai Jinghua Real Estate Co., Ltd	3,245,151.21	2021	2022	Yes
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	44,040,000.00	2019	2022	Yes
Zhuhai Bihu Real Estate Development Co., Ltd	542,087,815.50	2020	2022	Yes
Zhuhai Bihu Real Estate Development Co., Ltd	135,397,897.48	2021	2022	Yes
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	91,750,000.00	2019	2022	No
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	314,651,078.71	2021	2022	No
Zhuhai Zhenghan Real Estate Co., Ltd	342,500,000.00	2020	2022	No
Zhuhai Zhenghan Real Estate Co., Ltd	56,122,202.80	2021	2022	No
Changsha Yide Real Estate Co., Ltd	107,759,400.00	2021	2024	No
Changsha Yide Real Estate Co., Ltd	32,026,300.00	2022	2023	No
Changsha Yide Real Estate Co., Ltd	118,621,100.00	2022	2024	No
Changsha Yongjing Real Estate Co., Ltd	23,444,600.00	2021	2024	No
Changsha Yongjing Real Estate Co., Ltd	7,668,300.00	2022	2023	No
Changsha Yongjing Real Estate Co., Ltd	35,048,400.00	2022	2024	No
Guangzhou Haihao Technical Industry Operation Co., Ltd	220,697,300.00	2022	2037	No
Guangzhou Huaxiao Real Estate Development Co., Ltd	2,460,000,000.00	2022	2027	No
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	52,430,000.00	2020	2025	No

Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	8,000,000.00	2021	2023	No
Guangzhou Runhua Real Estate Co., Ltd	40,811,000.00	2020	2023	No
Guangzhou Runhua Real Estate Co., Ltd	25,371,300.00	2021	2023	No
Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	93,396,400.00	2020	2023	No
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	850,000,000.00	2022	2027	No
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	14,730,000.00	2021	2024	No
Nanjing Huasong Real Estate Development Co., Ltd	400,000,000.00	2022	2024	No
Shanghai Gufeng Real Estate Development Co., Ltd	457,170,000.00	2022	2025	No
Shanghai Xinpu East Bank Real Estate Co., Ltd	17,477,500.00	2019	2027	No
Shanghai Xinpu East Bank Real Estate Co., Ltd	10,416,100.00	2020	2027	No
Shanghai Xinpu East Bank Real Estate Co., Ltd	453,900.00	2021	2025	No
Shanghai Xinpu East Bank Real Estate Co., Ltd	25,321,000.00	2021	2027	No
Shanghai Xinpu East Bank Real Estate Co., Ltd	47,741,200.00	2022	2027	No
Shanghai Xinpu East Bank Real Estate Co., Ltd	51,746,100.00	2022	2029	No
Wuhan Conghong Yuye Real Estate Development Co., Ltd	19,494,300.00	2021	2024	No
Wuhan Huaqi Real Estate Development Co., Ltd	35,700,000.00	2022	2052	No
Wuhan Huayicheng Real Estate Development Co., Ltd	134,640,000.00	2019	2024	No
Wuhan Huayicheng Real Estate Development Co., Ltd	124,032,000.00	2020	2024	No
Wuhan Huayicheng Real Estate Development Co., Ltd	108,528,000.00	2021	2023	No
Wuhan Huazhongtong Real Estate Development Co., Ltd	229,500,000.00	2020	2023	No
Wuhan Central Business District Investment & Development Co., Ltd	900,000,000.00	2019	2024	No

Guaranteed	Guaranteed amount	Kickoff day of guarantee	Expiry day of guarantee	Whether the guarantee has been fulfilled or not
Wuhan Central Business District Investment & Development Co., Ltd	204,000,000.00	2021	2026	
Xi'an Zisheng Real Estate Co., Ltd	404,880,000.00	2022	2025	
Xi'an Zihai Real Estate Co., Ltd	191,000,000.00	2021	2024	
Zhuhai Huafa New City Real Estate Co., Ltd	503,034,600.00	2020	2025	
Zhuhai Huafa New City Real Estate Co., Ltd	81,000,000.00	2021	2025	
Zhuhai Huafa New City Real Estate Co., Ltd	99,354,900.00	2022	2025	
Zhuhai Jinghua Real Estate Co., Ltd	183,528,400.00	2022	2025	
Zhuhai Jinghua Real Estate Co., Ltd	2,319,900.00	2022	2027	
Zhuhai Qinfu Industrial Co., Ltd	1,200,000,000.00	2020	2025	
Zhuhai Qinfu Industrial Co., Ltd	1,200,000,000.00	2021	2026	
Zhuhai Qinfu Industrial Co., Ltd	28,514,900.00	2022	2023	
Zhuhai Bihu Real Estate Development Co., Ltd	16,285,500.00	2022	2023	
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	205,000,000.00	2021	2023	
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	59,838,300.00	2022	2023	
Zhuhai Yongjing Huayue Real Estate Co., Ltd	122,400,000.00	2021	2024	
Zhuhai Yongjing Huayue Real Estate Co., Ltd	19,907,900.00	2022	2023	
Zhuhai Zhenghan Real Estate Co., Ltd	485,229,000.00	2020	2023	
Zhuhai Zhenghan Real Estate Co., Ltd	116,393,600.00	2021	2026	
Zhuhai Zhenghan Real Estate Co., Ltd	108,095,200.00	2021	2027	
Zhuhai Zhenghan Real Estate Co., Ltd	97,000,000.00	2022	2024	
Zhuhai Zhenghan Real Estate Co., Ltd	245,600,000.00	2022	2026	
Zhuhai Zhenghan Real Estate Co., Ltd	549,500,000.00	2022	2027	
Total	20,448,209,331.27			

*1 By 31st December 2022, the balance guarantee provided by the subsidiary Huafa Inc., to joint and cooperative operation enterprises is RMB 12.775 billion, which doesn't exceed the guarantee limit.

*2 The subsidiary Huafa Inc. provides 100% joint and several liability guarantee for the external loan and performance bond of the joint venture Zhuhai Zhenghan Real Estate Co., Ltd. Meanwhile, other two

shareholders Zhuhai Zhengda Huicheng Holding Partnership (Limited Partnership) and Zhuhai Huicheng Yinwan Holding Partnership (Limited Partnership) use their equity in Zhuhai Zhenghan Real Estate Co., Ltd to provide the counter guarantee to Huafa Inc.

(5) Borrowing and lending between Related parties

A. Capital borrowed from Related parties

Related parties	Amount borrowed	Kickoff date	Expiry date
Hengqin Huatong Financial Lease Co., Ltd	82,963,132.62	2019	2022
Hengqin Huatong Financial Lease Co., Ltd	155,714,285.72	2022	2022
Hengqin Huatong Financial Lease Co., Ltd	344,285,714.28	2022	2025
Zhuhai Huarun Bank Inc.	200,000,000.00	2019	2022
Zhuhai Huarun Bank Inc.	500,000.00	2021	2022
Zhuhai Huarun Bank Inc.	399,500,000.00	2021	2025
Zhuhai Rural Commercial Bank Inc.	8,000,000.00	2021	2022
Zhuhai Rural Commercial Bank Inc.	392,000,000.00	2021	2024
Zhuhai Rural Commercial Bank Inc.	300,000,000.00	2022	2025
Chengdu Huajin Minghong Industrial Co., Ltd	345,382,012.05	2022	2022
Guangzhou Huaxiao Real Estate Development Co., Ltd	39,600,000.00	2022	/
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	108,184,572.50	2020	/
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	35,400,000.00	2020	2022
Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	225,800,000.00	2021	/
Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	18,337,266.28	2020	2022
Hangzhou Jinyu Real Estate Co., Ltd	675,000,000.00	2021	2022
Hangzhou Jinyu Real Estate Co., Ltd	52,250,000.00	2022	2022
Hangzhou Jinyu Real Estate Co., Ltd	241,109,277.89	borrow by batches	2022
Hangzhou Zhaoyi Enterprise Management Co., Ltd	62,114,258.26	2022	2022
Hangzhou Zhaoyue Real Estate Co., Ltd	1,312,041,741.74	2022	/
Hubei Lianchen Real Estate Development Co., Ltd	14,815,511.57	borrow by batches	/
Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	1,122,000,000.00	2022	/
Huizhou Hehui Real Estate Co., Ltd	404,950,774.59	2021	2022
Huizhou Hehui Real Estate Co., Ltd	653,458,400.00	borrow by batches	2022
Nanjing Huasong Real Estate Development Co., Ltd	61,579,513.42	2020	2022
Nanjing Huasong Real Estate Development Co., Ltd	263,679,513.42	2022	/
Nanjing Huasong Real Estate Development Co., Ltd	138,900,000.00	2022	2022
Nanjing Huamei Decoration Engineering Co., Ltd	20,400,000.00	2022	/
Nanjing Huamei Decoration Engineering Co., Ltd	2,888,000.00	2022	2022
Nanjing Huihe Real Estate Co., Ltd	83,869,040.42	2020	/
Nanjing Huihe Real Estate Co., Ltd	28,559,937.17	2021	/

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Related parties	Amount borrowed	Kickoff date	Expiry date
Nanjing Huihe Real Estate Co., Ltd	14,280,000.00	2022	/
Nanjing Renheng Jiangdao Real Estate Co., Ltd	120,000,000.00	2022	/
Nanjing Yusheng Real Estate Co., Ltd	242,400,000.00	2020	/
Nanjing Yusheng Real Estate Co., Ltd	153,600,000.00	2020	2022
Nanjing Yusheng Real Estate Co., Ltd	57,600,000.00	2021	/
Nantong Zhaotong Real Estate Co., Ltd	433,651,873.28	2021	/
Nantong Zhaotong Real Estate Co., Ltd	524,368,541.16	2022	/
Ningbo Zhaohai Real Estate Co., Ltd	430,000,000.00	2020	/
Shanghai Gufeng Real Estate Development Co., Ltd	1,527,771,000.00	2022	/
Shanghai Gufeng Real Estate Development Co., Ltd	1,361,685,500.00	2022	2022
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	9,750,327.32	2021	/
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	50,237,672.68	2021	2022
Shanghai Huahong Jusheng Real Estate Development Co., Ltd	24,995,000.00	2022	/
Shanghai Huaxi Real Estate Development Co., Ltd	24,000,000.00	2022	/
Shanghai Huaxi Real Estate Development Co., Ltd	2,613,292.40	2022	2022
Shanghai Qiaopu Real Estate Development Co., Ltd	362,844,195.74	2022	/
Shanghai Zhaosheng Real Estate Development Co., Ltd	129,850,000.00	2020	2022
Shanghai Zhaosheng Real Estate Development Co., Ltd	518,420,000.00	2021	/
Shanghai Zhaosheng Real Estate Development Co., Ltd	20,580,000.00	2021	2022
Shenzhen Ronghua Real Estate Investment Co., Ltd	69,570,200.00	2020	2022
Shenzhen Rongqi Investment Development Co., Ltd	38,000,000.00	2021	2022
Shenzhen Rongqi Investment Development Co., Ltd	15,000,000.00	2022	/
Shenzhen Runzhao Real Estate Co., Ltd	520,200,000.00	2021	/
Shenzhen Runzhao Real Estate Co., Ltd	85,000,000.00	2021	2022
Shenzhen Runzhao Real Estate Co., Ltd	34,000,000.00	2022	2022
Suzhou Hefa Real Estate Development Co., Ltd	491,856,719.45	borrow by batches	2022
Suzhou Shenglan Meike Real Estate Co., Ltd	120,000,000.00	2022	/
Suzhou Shenglan Meike Real Estate Co., Ltd	314,710,000.00	2022	2022
Taicang Renhua Real Estate Development Co., Ltd	1,298,500,000.00	2022	/
Taicang Shangsheng Business Consultancy Co., Ltd	5,747,210.00	2020	/
Tianjin Ruijun Business Management Co., Ltd	81,683,000.00	2020	/
Weihai Mofangcheng Real Estate Development Co., Ltd	78,547,474.60	2021	2022
Wuhan Central Business District Investment & Development Co., Ltd	807,007,164.85	borrow by batches	/
Xi'an Zisheng Real Estate Co., Ltd	329,600,052.84	2022	2022
Xi'an Zihai Real Estate Co., Ltd	210,000,000.00	2021	/
Xi'an Zihai Real Estate Co., Ltd	130,000,000.00	2021	2022
Xi'an Zihai Real Estate Co., Ltd	80,000,000.00	2022	/

Related parties	Amount borrowed	Kickoff date	Expiry date
Xi'an Zitao Real Estate Co., Ltd	39,850,681.79	2021	/
Xi'an Zitao Real Estate Co., Ltd	206,000,000.00	2021	2022
Changsha Yide Real Estate Co., Ltd	561,050,000.00	2021	/
Changsha Yide Real Estate Co., Ltd	164,150,000.00	2021	2022
Changsha Yide Real Estate Co., Ltd	188,265,693.00	2022	/
Zhuhai Huafa Phoenix Real Estate Development Co., Ltd	5,100,000.00	2022	/
Zhuhai Huafa New City Real Estate Co., Ltd	55,000,000.00	2022	/
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	22,081,333.00	2020	/
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	33,030,000.00	2020	2022
Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	19,096,067.00	2022	/
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	49,898,516.35	2021	/
Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	5,151,483.65	2022	/
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	332,186,000.00	2021	2022
Zhuhai Yongjing Huayue Real Estate Co., Ltd	32,082,960.96	2022	/
Zhuhai Zhenghan Real Estate Co., Ltd	173,082,258.15	2021	/
Zhuhai Zhenghan Real Estate Co., Ltd	561,531,514.81	2022	/
Zhuhai Zhenghan Real Estate Co., Ltd	80,000,000.00	2022	2022
Zhuhai Hengqin Rare and Valuable Trading Co., Ltd	14,850,000.00	2021	2022
Zhuhai Runhai Investment Co., Ltd	275,000,000.00	2021	2022

Remarks on fund borrowed from related parties:

By 31st Dec. 2022, the subsidiary Huafa Inc. borrowed RMB 1,435,785,700 from the Company's joint and cooperative operation enterprises according to internal approval flow; according to the project's cooperative development agreement and fund situation, the balance of surplus capital for the project obtained from joint and cooperative operation enterprises was totaled to RMB 12,359,359,100. The capital borrowed from joint and cooperative operation enterprises by the Company and other subsidiaries has been returned.

B. Fund lent to Related parties

Related parties	Amount lent	Kickoff date	Expiry date/ explanation
YANLORD ECO ISLAND INVESTMENTS PTE.LTD	50 million US dollars	2017	/
YANLORD ECO ISLAND INVESTMENTS PTE.LTD	10 million US dollars	2018	/
Beijing Xingtai Tongfu Real Estate Co., Ltd	116,778,422.22	2021	/
Beijing Xingtai Tongfu Real Estate Co., Ltd	12,416,250.00	2022	/

Related parties	Amount lent	Kickoff date	Expiry date/ explanation
Beijing Xingtai Tongfu Real Estate Co., Ltd	179,607,499.99	lend by batches	/
Beijing Zhongye Mingying Real Estate Development Co., Ltd	1,287,900,000.00	2022	/
Beijing Zhongye Mingying Real Estate Development Co., Ltd	1,752,900,000.00	2021	2022
Beijing Zhongye Mingying Real Estate Development Co., Ltd	255,000,000.00	2022	2022
Chengdu Huajin Minghong Industrial Co., Ltd	35,513,725.90	2022	/
Chengdu Huajin Minghong Industrial Co., Ltd	1,221,624,387.17	2022	2022
Ezhou Binhu Real Estate Co., Ltd	6,000,000.00	lend by batches	/
Fu'an Business Co., Ltd	238,859,520.00	2020	2022
Guangzhou Haihao Technical Industry Operation Co., Ltd	160,826,443.33	2021	/
Guangzhou Haihao Technical Industry Operation Co., Ltd	68,600,000.00	2022	/
Guangzhou Haihao Technical Industry Operation Co., Ltd	396,900,000.00	2021	2022
Guangzhou Huaxiao Real Estate Development Co., Ltd	1,115,433,000.00	2022	/
Guangzhou Runhua Real Estate Co., Ltd	193,273,150.00	2019	/
Guangzhou Runhua Real Estate Co., Ltd	33,500,000.00	2021	/
Guangzhou Runhua Real Estate Co., Ltd	27,000,000.00	2022	/
Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	80,655,715.21	2022	/
Hangzhou Zhaoyue Real Estate Co., Ltd	259,205,296.00	2022	2022
Hubei Lianchen Real Estate Development Co., Ltd	167,450,000.00	lend by batches	/
Hubei Port Industry Investment Co., Ltd	300,000.00	lend by batches	/
Hunan Dream Waterfront Bay Real Estate Co., Ltd	309,326,049.23	lend by batches	2022
Huizhou Hehui Real Estate Co., Ltd	100,000,000.00	2022	2022
Huizhou Rongtuo Real Estate Co., Ltd	62,500,000.00	2019	/
Huizhou Rongtuo Real Estate Co., Ltd	187,500,000.00	2019	2022
Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	224,330,000.00	2020	/
Nanjing Huaduo Real Estate Development Co., Ltd	305,000,000.00	2022	/
Nanjing Huaduo Real Estate Development Co., Ltd	344,723,250.00	lend by batches	/
Nanjing Huaduo Real Estate Development Co., Ltd	240,000,000.00	lend by batches	2022
Nanjing Huasong Real Estate Development Co., Ltd	37,420,486.58	2022	2022
Nanjing Huayu Real Estate Development Co., Ltd	1,002,458,574.74	2021	2022
Nanjing Renheng Jiangdao Real Estate Co., Ltd	148,073,139.32	2018	2022
Nanjing Renheng Jiangdao Real Estate Co., Ltd	10,200,000.00	2019	2022
Nanjing Yihuaju Real Estate Co., Ltd	314,996,661.20	2022	/

Related parties	Amount lent	Kickoff date	Expiry date/ explanation
Nanjing Yihuaju Real Estate Co., Ltd	221,017,330.60	2021	2022
Nanjing Yihuaju Real Estate Co., Ltd	398,982,669.40	2022	2022
Shanghai Gufeng Real Estate Development Co., Ltd	651,185,500.00	2022	2022
Shanghai Huaxi Real Estate Development Co., Ltd	155,000,000.00	2021	2022
Shanghai Huaxi Real Estate Development Co., Ltd	65,000,000.00	2022	2022
Shanghai Huaxi Real Estate Development Co., Ltd	258,370,792.40	lend by batches	2022
Shanghai Jinlan Real Estate Development Co., Ltd	398,489,640.00	2020	2022
Shanghai Jinlan Real Estate Development Co., Ltd	292,248,000.00	2021	2022
Shanghai Jinlan Real Estate Development Co., Ltd	36,000,000.00	2022	2022
Shanghai Qiaopu Real Estate Development Co., Ltd	85,452,570.00	2021	2022
Shanghai Qiaopu Real Estate Development Co., Ltd	9,800,000.00	2022	2022
Shanghai Xinpu East Bank Real Estate Co., Ltd	45,000,000.00	2019	2022
Shanghai Xinpu East Bank Real Estate Co., Ltd	45,000,000.00	2022	/
Shenzhen Ronghua Real Estate Investment Co., Ltd	11,235,700.00	2022	/
Suzhou Hefa Real Estate Development Co., Ltd	220,933,047.57	2019	2022
Suzhou Hefa Real Estate Development Co., Ltd	44,015,503.01	2021	2022
Suzhou Shenglan Meike Real Estate Co., Ltd	433,738,570.39	2020	2022
Suzhou Xinhuahe Construction & Development Co., Ltd	45,398,867.97	2022	/
Taicang Huaren Real Estate Development Co., Ltd	1,260,000,000.00	2020	2022
Taicang Renfa Real Estate Development Co., Ltd	5,880.00	2021	/
Tianjin Ruijun Business Management Co., Ltd	202,400,000.00	2021	/
Tianjin Ruijun Business Management Co., Ltd	23,949,526.12	2022	/
Wuhan Conghong Yuye Real Estate Development Co., Ltd	9,421,500.00	2021	/
Wuhan Conghong Yuye Real Estate Development Co., Ltd	64,141,500.00	2022	/
Wuhan Huaqi Real Estate Development Co., Ltd	35,969,383.95	2022	2022
Wuhan Huayicheng Real Estate Development Co., Ltd	129,633,826.53	2022	2022
Wuhan Huazhongtong Real Estate Development Co., Ltd	9,486,913.32	2022	2022
Wuhan Central Business District Investment & Development Co., Ltd	153,000,000.00	2021	/
Wuhan Central Business District Investment & Development Co., Ltd	1,051,383,075.29	2022	/
Wuhan Central Business District Investment & Development Co., Ltd	619,852,340.22	lend by batches	/
Wuhan Central Business District Investment & Development Co., Ltd	26,551,594.12	lend by batches	2022
Xi'an Zisheng Real Estate Co., Ltd	30,399,947.16	2022	/
Changsha Yongjing Real Estate Co., Ltd	15,435,725.89	2020	2022
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	10,200,000.00	2020	/
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	10,965,000.00	2021	/
Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	7,650,000.00	2022	/
Zhuhai Jinghua Real Estate Co., Ltd	118,796,250.00	2021	/

Related parties	Amount lent	Kickoff date	Expiry date/ explanation
Zhuhai Jinghua Real Estate Co., Ltd	101,000,000.00	2021	2022
Zhuhai Qinfa Investment Co., Ltd	949,747,911.58	2018	/
Zhuhai Qinfa Investment Co., Ltd	200,000,000.00	2022	/
Zhuhai Bihu Real Estate Development Co., Ltd	147,231,905.99	2020	/
Zhuhai Bihu Real Estate Development Co., Ltd	423,022,900.00	2021	/
Zhuhai Bihu Real Estate Development Co., Ltd	636,579,100.00	2022	/
Zhuhai Bihu Real Estate Development Co., Ltd	207,059,380.00	2020	2022
Zhuhai Haihao Industrial Investment Co., Ltd	186,200,000.00	2022	/
Zhuhai Haihao Industrial Investment Co., Ltd	98,000,000.00	2022	2022
Zhuhai Henghua Education Investment Co., Ltd	20,000,000.00	2021	/
Zhuhai Henghua Education Investment Co., Ltd	20,560,000.00	2022	/
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	240,281,039.44	2017	/
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	419,463,474.00	2019	/
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	887,295,035.13	2020	/
Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	86,293,700.00	2022	/
Huajin Capital and its subsidiaries	25,000,000.00	2021	2022
Huajin Capital and its subsidiaries	29,000,000.00	2021	2022
Huajin Capital and its subsidiaries	50,000,000.00	2021	2022
Huajin Capital and its subsidiaries	11,000,000.00	2021	2022
Huajin Capital and its subsidiaries	27,000,000.00	2021	2022
Huajin Capital and its subsidiaries	100,000,000.00	2021	2022
Huajin Capital and its subsidiaries	90,000,000.00	2022	2022
Huajin Capital and its subsidiaries	50,000,000.00	2022	2022
Huajin Capital and its subsidiaries	30,000,000.00	2022	2022
Huajin Capital and its subsidiaries	90,000,000.00	2022	2022
Huajin Capital and its subsidiaries	5,000,000.00	2022	2022
Huajin Capital and its subsidiaries	75,000,000.00	2022	2022
Huajin Capital and its subsidiaries	45,000,000.00	2022	2022
Huajin Capital and its subsidiaries	9,000,000.00	2022	2022
Wuhan Huazhongtuo Real Estate Development Co., Ltd	200,000,000.00	2020	2022
Wuhan Huazhongtuo Real Estate Development Co., Ltd	450,000,000.00	2020	2023
Wuhan Huaqi Real Estate Development Co., Ltd	250,000,000.00	2020	2023
Guangdong Gaojing Solar Energy Technology Co., Ltd	150,000,000.00	2022	2022
Yangjiang Huayu Development & Construction Management Co., Ltd	603,200,000.00	2021	2026
Yangjiang Huachuang Development & Construction Management Co., Ltd	392,720,000.00	2019	2027

Related parties	Amount lent	Kickoff date	Expiry date/ explanation
Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	268,874,681.50	2022	2027

Fund lent to related parties

By 31st Dec. 2022, Huafa Inc. and its subsidiaries have provided RMB 11,357,278,800 and USD 60 million for joint and cooperative operation enterprises according to the project's cooperative development agreement and development progress. The Company and other subsidiaries have provided RMB 1,964,794,700 for joint and cooperative operation enterprises.

C. Current account of monetary capital with related parties

Project Name	Related parties	Closing balance	Opening balance
The Company and its subsidiaries	Zhuhai Huarun Bank Inc. *1	218,720,879.55	633,666,395.93
The Company and its subsidiaries	Zhuhai Rural Commercial Bank Inc. *2	138,139,655.95	235,932,201.75

*1. The deposit of monetary capital held by the Company and its subsidiaries with Zhuhai Huarun Bank Inc. in the current year was increased by RMB 62,958,193,908.92 and decreased by RMB 63,373,195,457.89. Since the Company and its subsidiaries have opened many accounts, the above figure include transfers between bank accounts.

*2. The deposit of monetary capital held by the Company and its subsidiaries with Zhuhai Rural Commercial Bank Inc. in the current year was increased by RMB 7,922,750,801.76 and decreased by RMB 8,020,543,347.56. Since the Company and its subsidiaries have opened many accounts, the above figure include transfers between bank accounts.

5. Related party receivable and payable

(1) Receivable from related parties

Item	Affiliated party	Closing balance	Opening balance
note receivable	Nanjing Huaduo Real Estate Development Co., Ltd		822,345.32
account receivable	Nanjing Yusheng Real Estate Co., Ltd	11,919,461.55	31,653,363.16
account receivable	Wuhan Conghong Yuye Real Estate Development Co., Ltd	22,613,635.39	11,692,790.46
account receivable	Zhuhai Qinfa Industrial Co., Ltd	35,512,215.73	18,862,726.05
account receivable	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	16,296,612.25	13,500.00
account receivable	Hengqin Life Insurance Co., Ltd	148,102.36	99,921.00
account receivable	Yangjiang Huachuang Development & Construction Management Co., Ltd	1,959.12	1,959.12

Item	Affiliated party	Closing balance	Opening balance
account receivable	Infinity (Zhuhai) Venture Capital Investment & Management Co., Ltd	1,959.96	
account receivable	Hengqin Huatong Financial Lease Co., Ltd	10,279.54	12,680.00
account receivable	Shenzhen Rongqi Investment Development Co., Ltd		195,719.58
account receivable	Zhuhai People's Government State Asset Supervision and Administration Commission	12,339.63	
account receivable	Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	7,646.00	100,000.00
account receivable	Nanjing Huaduo Real Estate Development Co., Ltd	11,386,074.01	20,277,331.53
account receivable	Huashi Zhongjian New Technology (Zhuhai) Co., Ltd	17,808,235.31	16,567,382.87
account receivable	Guangdong United Property Right Transaction Center Co., Ltd	19,979,913.12	10,927,989.11
account receivable	Guangdong Financial Asset Transaction Center Co., Ltd	422,674.35	423,605.35
account receivable	Xi'an Zihai Real Estate Co., Ltd	29,379,225.00	38,529,379.92
account receivable	Shenzhen Ronghua Real Estate Investment Co., Ltd	13,151,208.98	16,008,027.38
account receivable	Shanghai Xinpu East Bank Real Estate Co., Ltd	4,094,796.25	5,929,101.00
account receivable	Zhuhai Zhenghan Real Estate Co., Ltd	9,073,222.10	4,735,772.59
account receivable	Zhuhai Bihu Real Estate Development Co., Ltd	5,000,823.83	3,343,000.00
account receivable	Tianjin Ruijun Business Management Co., Ltd	133,050.00	2,500,000.00
account receivable	Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	1,044,262.91	13,017,577.01
account receivable	Xi'an Zitao Real Estate Co., Ltd	20,406,932.59	1,768,939.61
account receivable	Shanghai Jinlan Real Estate Development Co., Ltd		1,621,503.00
account receivable	Zhuhai Henghua Education Investment Co., Ltd	1,922,963.71	1,397,500.00
account receivable	Zhuhai Jinghua Real Estate Co., Ltd	9,244,802.32	9,291,601.84
account receivable	Huizhou Rongtuo Real Estate Co., Ltd	2,319,335.76	1,096,322.02
account receivable	Wuhan Huazhongtou Real Estate Development Co., Ltd	107,308.00	1,187,000.00
account receivable	Wuhan Central Business District Investment & Development Co., Ltd	3,401,530.48	3,286,437.20
account receivable	Zhuhai Huajin Zhihui Bay Venture Capital Co., Ltd	13,464,582.32	178,981.99
account receivable	Guangzhou Zhongqi Energy Technology Co., Ltd	38,561,491.45	61,451,830.26
account receivable	Shenzhen Dixin Juhe Telecommunication Technology Co., Ltd		507,250.00
account receivable	Dimi Technology (Thailand) Co., Ltd		1,581,258.18
account receivable	Shanghai Qiaopu Real Estate Development Co., Ltd	47,285,707.66	
account receivable	Hangzhou Zhaoyue Real Estate Co., Ltd	31,281,600.00	
account receivable	Hunan Dream Waterfront Bay Real Estate Co., Ltd	22,174,978.17	
account receivable	Suzhou Shenglan Meike Real Estate Co., Ltd	8,615,518.74	
account receivable	Nanjing Yihuaju Real Estate Co., Ltd	4,156,659.54	

Item	Affiliated party	Closing balance	Opening balance
account receivable	Beijing Xingtai Tongfu Real Estate Co., Ltd	2,942,597.61	
account receivable	Shanghai Gufeng Real Estate Development Co., Ltd	1,590,030.00	
account receivable	Chengdu Huajin Minghong Industrial Co., Ltd	24,483,660.73	
account receivable	Shenzhen Runzhao Real Estate Co., Ltd	1,361,799.33	
account receivable	Zhonghai Smart Equipment Manufacture (Shenzhen) Co., Ltd	550,000.00	
account receivable	Yunfu Zhongqi Telecommunication Technology Co., Ltd	645,303.02	
account receivable	Zhuhai Baojiasheng Trading Co., Ltd	3,126,290.32	
account receivable	Zhuhai Hualong Investment Co., Ltd	493,063.00	
account receivable	Zhuhai Urban Rail Industrial Co., Ltd	150,793.17	
account receivable	Zhuhai Huajin Ruicheng Education Industry Equity Investment Partnership (Limited Partnership)	60,000.04	
account receivable	Zhuhai Yongjing Huayue Real Estate Co., Ltd	756,953.23	
account receivable	Jinpu Landscape Inc.	3,902.22	
account receivable	Infinity (Shanghai) Venture Capital Investment & Management Co., Ltd	452.49	
account receivable	Jilin Infinity Investment Management Co., Ltd	452.49	
account receivable	Zhuhai Huajin Lingsheng Fund Management Co., Ltd	256.13	
account receivable	Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	123,715.14	
account receivable	Zhuhai Rural Commercial Bank Inc.	6,051.95	
account receivable	Beijing Zhongye Mingying Real Estate Development Co., Ltd	416,808.25	
account receivable	Wuhan Huayicheng Real Estate Development Co., Ltd	64,918.00	
account receivable	Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	8,710,924.87	
account receivable	Shanghai Huaxi Real Estate Development Co., Ltd	1,201,562.54	
account receivable	Xi'an Ziwei Huafa Property Management Service Co., Ltd	79,882.00	
account receivable	Guangzhou Haihao Technical Industry Operation Co., Ltd	30,000.00	
account receivable	Shanghai Zhaosheng Real Estate Development Co., Ltd	232,941.75	
account receivable	Zhuhai Huafang Property Operation & Management Co., Ltd	4,334.70	
account receivable	Zhuhai Zhongying Urban Construction Cinema City Co., Ltd	2,178.32	
other receivable	Zhuhai Gongbei Port Reform and Expansion Project Management Co., Ltd		228,744,470.27

Item	Affiliated party	Closing balance	Opening balance
other receivable	Yangjiang Huayang Development and Construction Co., Ltd	162,028,000.00	156,763,400.00
other receivable	Zhuhai Huafang Property Operation & Management Co., Ltd	3,556,194.08	5,348,241.90
other receivable	Huashi Zhongjian New Technology (Zhuhai) Co., Ltd	5,000.00	5,000.00
other receivable	Huizhou Rongtuo Real Estate Co., Ltd	3,218,638.40	3,318,638.40
other receivable	Shenzhen Rongqi Investment Development Co., Ltd	10,777,167.34	10,777,167.34
other receivable	Shenzhen Runzhao Real Estate Co., Ltd		13,755,065.76
other receivable	Wuhan Conghong Yuye Real Estate Development Co., Ltd	2,328,000.00	2,328,000.00
other receivable	Infinity (Shanghai) Venture Capital Investment & Management Co., Ltd		253,599.30
other receivable	Wuhan Central Business District Investment & Development Co., Ltd	2,929,472.02	3,396,149.31
other receivable	Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	769,010.03	259,582.03
other receivable	Guangdong United Property Right Transaction Center Co., Ltd		151,137,200.00
other receivable	Nantong Zhaotong Real Estate Co., Ltd	17,000,000.00	3,000,000.00
other receivable	Shenzhen Ronghua Real Estate Investment Co., Ltd	252,471.01	1,960,000.00
other receivable	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	276,581.97	1,675,668.33
other receivable	Beijing Jingdixin Technology Co., Ltd	100,000.00	100,000.00
other receivable	Shenzhen Dixin Juhe Telecommunication Technology Co., Ltd		5,925,776.29
other receivable	Tianjin Ruijun Business Management Co., Ltd	11,209,526.12	
other receivable	Shanghai Zhaosheng Real Estate Development Co., Ltd	3,200,000.00	
other receivable	Nanjing Yihuaju Real Estate Co., Ltd	2,991,265.69	
other receivable	Zhuhai Henghua Education Investment Co., Ltd	1,204,000.45	
other receivable	Guangzhou Zhongqi Energy Technology Co., Ltd	16,903,791.99	
other receivable	Yunfu Zhongqi Telecommunication Technology Co., Ltd	2,320,468.09	
other receivable	Hengqin Huatong Financial Lease Co., Ltd	4,315,068.49	
other receivable	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	470,296.20	
other receivable	Zhuhai Huajin Zhihui Bay Venture Capital Co., Ltd	414,304.33	
other receivable	Zhuhai Huajin Capital Inc.	108,535.65	
other receivable	Zhuhai Huajin Ruicheng Education Industry Equity Investment Partnership (Limited Partnership)	2,000.00	

Zhuhai Huafa Group Co., Ltd (Consolidated)
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Item	Affiliated party	Closing balance	Opening balance
other receivable	HUA AO EVENTS MGMTCOLTD	52,528.72	
other receivable	HUA AO SPORTS GROUP CO LTD	48,316.79	
other receivable	Guangzhou Haihao Techical Industry Operation Co., Ltd	526,978.69	
other receivable	Guangzhou Zhengcheng District Yuehua Real Estate Development Co.. Ltd	222,017.25	
other receivable	Hengqin Life Insurance Co., Ltd	1,685.01	
other receivable	Hunan Dream Waterfront Bay Real Estate Co., Ltd	612,536.55	
other receivable	Hua'ao (Macao) Sports Development Co., Ltd	19,549.18	
other receivable	Jinpu Landscape Inc.	12,177.36	
other receivable	Nanjing Huaduo Real Estate Development Co., Ltd	271,717.98	
other receivable	Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	14.82	
other receivable	Zhuhai Huafa Guiyuan Real Estate Development Co., Ltd	3.54	
other receivable	Zhuhai Huafa Niwan Real Estate Development Co., Ltd	5,000.00	
other receivable	Zhuhai Huafa Poshi Real Estate Development Co., Ltd	7,065.00	
other receivable	Zhuhai Huafa Yinkeng Real Estate Development Co., Ltd	3.50	
other receivable	Zhuhai Qinfa Industrial Co., Ltd	366,582.04	
other receivable	Zhuhai Bihu Real Estate Development Co., Ltd	46,399.50	
other receivable	Zhuhai Zhenghan Real Estate Co., Ltd	51.00	
other receivable	Hangzhou Zhaoyue Real Estate Co., Ltd	21,330.00	
Advance payment	Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	11,883,530.00	67,629,952.74
Advance payment	Wuhan Central Business District Investment & Development Co., Ltd	125,370.91	136,819.05
Advance payment	Wuhan Huafa Midtown Hui Commercial Management Co., Ltd	137,185.68	70,163.23
Advance payment	Hengqin Life Insurance Co., Ltd	2,097.80	72,646.43
Advance payment	Yunfu Zhongqi Telecommunication Technology Co., Ltd		26,193,737.24
Advance payment	DASA Electronic Mechanical Technology (Shanghai) Co., Ltd	8,547.01	
Advance payment	Founder Technology Group Inc.	1,567,189,063.02	
Advance payment	Zhuhai Huajin Capital Inc.	10,982,110.00	
Advance payment	Zhuhai Huafang Property Operation & Management Co., Ltd	4,991.00	
contract asset	Zhuhai Qinfa Industrial Co., Ltd	48,919,666.82	26,552,106.93
contract asset	Zhuhai Huajin Zhihui Bay Venture Capital Co., Ltd	67,337,304.80	36,098,776.13

Item	Affiliated party	Closing balance	Opening balance
contract asset	Hengqin Huatong Financial Lease Co., Ltd	1,024,586.56	47,444.57
contract asset	Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	9,336,705.62	8,094,409.44
contract asset	Hangzhou Jinyu Real Estate Co., Ltd		4,796,346.30
contract asset	Hunan Dream Waterfront Bay Real Estate Co., Ltd		107,032.50
contract asset	Huashi Zhongjian New Technology (Zhuhai) Co., Ltd		2,346.77
contract asset	Huizhou Hehui Real Estate Co., Ltd		76,035.96
contract asset	Huizhou Rongtuo Real Estate Co., Ltd	6,003,563.07	5,216,679.96
contract asset	Nanjing Huaduo Real Estate Development Co., Ltd	2,044,548.38	3,951,203.30
contract asset	Nanjing Yusheng Real Estate Co., Ltd	1,771,396.16	250,465.71
contract asset	Shanghai Zhaosheng Real Estate Development Co., Ltd		36,038.06
contract asset	Shenzhen Huajin Lingxu Equity Investment Fund Management Co., Ltd		5,585.81
contract asset	Shenzhen Rongqi Investment Development Co., Ltd		186,606.10
contract asset	Shenzhen Runzhao Real Estate Co., Ltd	5,985,261.06	9,958,020.80
contract asset	Wuhan Conghong Yuye Real Estate Development Co., Ltd	16,678,300.98	8,859,835.84
contract asset	Wuhan Huaqi Real Estate Development Co., Ltd	2,722,061.21	12,472,874.47
contract asset	Wuhan Huayicheng Real Estate Development Co., Ltd		24,212.36
contract asset	Wuhan Huazhongtou Real Estate Development Co., Ltd	10,221,295.06	10,597,761.18
contract asset	Wuhan Central Business District Investment & Development Co., Ltd	51,163,391.24	54,767,507.10
contract asset	Changsha Yide Real Estate Co., Ltd	4,150,192.25	19,066,932.75
contract asset	Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	1,739,974.42	1,523,349.07
contract asset	Zhuhai Huaguan Technology Inc.		18,383,049.79
contract asset	Zhuhai Huajin Lingchuang Fund Management Co., Ltd		130,490.90
contract asset	Zhuhai Huajin Capital Inc.		27,119.91
contract asset	Zhuhai Jinghua Real Estate Co., Ltd	6,762,626.62	2,649,486.69
contract asset	Zhuhai Bihu Real Estate Development Co., Ltd	2,702,617.26	5,205,931.92
contract asset	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	5,255,474.11	5,920,501.16
contract asset	Zhuhai Zhenghan Real Estate Co., Ltd	150,057,817.12	38,745,235.48
contract asset	Chengdu Huajin Minghong Industrial Co., Ltd	30,275,029.53	
contract asset	Xi'an Zitao Real Estate Co., Ltd	27,946,237.10	
contract asset	Shanghai Gufeng Real Estate Development Co., Ltd	7,414,952.25	
contract asset	Nanjing Yihuaju Real Estate Co., Ltd	7,190,082.51	

Item	Affiliated party	Closing balance	Opening balance
contract asset	Changsha Yongjing Real Estate Co., Ltd	4,814,782.99	
contract asset	Hengqin Life Insurance Co., Ltd	3,857,592.45	
contract asset	Shenzhen Ronghua Real Estate Investment Co., Ltd	3,408,392.18	
contract asset	Shanghai Qiaopu Real Estate Development Co., Ltd	2,470,084.74	
contract asset	Zhuhai Lihe Environmental Protection Co., Ltd	1,158.47	
dividend receivable	Huajin East No.1 Fund Partnership (Limited Partnership)		85,735,032.62
dividend receivable	Shanghai Huahong Jusheng Real Estate Development Co., Ltd		189,962,000.00
dividend receivable	Ningbo Zhaohai Real Estate Co., Ltd	90,000,000.00	
dividend receivable	Nanjing Huihe Real Estate Co., Ltd	28,560,000.00	
factoring receivable	Jinpu Landscape Inc.	3,385,340.84	5,329,228.29
factoring receivable	Hengqin Huatong Financial Lease Co., Ltd	161,716.65	240,160,000.00
Other current asset	Yangjiang Huachuang Development & Construction Management Co., Ltd	392,720,000.00	376,450,417.77
Other current asset	Zhuhai Qinfa Investment Co., Ltd	1,518,603,314.76	1,259,644,991.20
Other current asset	Nanjing Renheng Jiangdao Real Estate Co., Ltd		286,932,421.44
Other current asset	Nanjing Huihe Real Estate Co., Ltd		18,811,991.00
Other current asset	Zhuhai Bihu Real Estate Development Co., Ltd	1,206,833,905.99	777,314,185.99
Other current asset	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	1,633,333,248.57	1,547,179,322.97
Other current asset	Wuhan Conghong Yuye Real Estate Development Co., Ltd	74,497,369.00	9,426,210.75
Other current asset	Shanghai Xinpu East Bank Real Estate Co., Ltd	45,000,000.00	45,000,000.00
Other current asset	Jiaotou Jiahua (Yichang) Urban Development Co., Ltd	238,892,755.83	224,330,000.00
Other current asset	Huizhou Rongtuo Real Estate Co., Ltd	72,962,500.00	362,501,424.77
Other current asset	Tianjin Ruijun Business Management Co., Ltd	217,220,426.43	202,400,000.00
Other current asset	Guangzhou Runhua Real Estate Co., Ltd	303,755,443.17	266,526,461.71
Other current asset	Fu'an Business Co., Ltd		238,870,030.49
Other current asset	Guangzhou Haihao Techical Industry Operation Co., Ltd	263,793,727.77	557,726,443.33
Other current asset	Shanghai Jinlan Real Estate Development Co., Ltd		859,935,515.00
Other current asset	Shanghai Qiaopu Real Estate Development Co., Ltd		141,855,804.26
Other current asset	Suzhou Hefa Real Estate Development Co., Ltd		264,948,550.58
Other current asset	Suzhou Shenglan Meike Real Estate Co., Ltd		433,738,570.39
Other current asset	Taicang Huaren Real Estate Development Co., Ltd		1,260,000,000.00
Other current asset	Yangjiang Huayu Development & Construction Management Co., Ltd	603,200,000.00	574,504,164.98
Other current asset	Shanghai Huaxi Real Estate Development Co., Ltd		486,217,372.91
Other current asset	Nanjing Huaduo Real Estate Development Co., Ltd	964,686,324.35	875,915,302.28

Item	Affiliated party	Closing balance	Opening balance
Other current asset	Wuhan Central Business District Investment & Development Co., Ltd	1,820,933,748.85	799,403,934.34
Other current asset	Wuhan Huaqi Real Estate Development Co., Ltd		1,155,073.55
Other current asset	Wuhan Huazhongtou Real Estate Development Co., Ltd		1,416,426.16
Other current asset	Wuhan Huayicheng Real Estate Development Co., Ltd		15,706,044.52
Other current asset	Hunan Dream Waterfront Bay Real Estate Co., Ltd	121,861,327.03	424,922,853.27
Other current asset	YANLORD ECO ISLAND INVESTMENTS PTE.LTD	417,876,172.35	382,542,121.92
Other current asset	Zhuhai Yongjing Huayue Real Estate Co., Ltd		6,095,245.32
Other current asset	Zhuhai Jinghua Real Estate Co., Ltd	141,249,922.72	233,871,169.29
Other current asset	Beijing Xingtai Tongfu Real Estate Co., Ltd	308,802,172.21	298,363,040.46
Other current asset	Nanjing Huayu Real Estate Development Co., Ltd		1,002,458,574.74
Other current asset	Zhuhai Henghua Education Investment Co., Ltd	40,560,000.00	20,000,000.00
Other current asset	Nanjing Yihuaju Real Estate Co., Ltd	346,011,723.63	221,017,330.60
Other current asset	Beijing Zhongye Mingying Real Estate Development Co., Ltd	1,431,572,400.00	1,767,702,266.67
Other current asset	Changsha Yongjing Real Estate Co., Ltd	8,730,768.04	24,346,495.48
Other current asset	Zhuhai Huafa Guangchang Real Estate Development Co., Ltd	28,815,000.00	21,165,000.00
Other current asset	Guangzhou Huaxiao Real Estate Development Co., Ltd	1,115,433,000.00	
Other current asset	Hubei Lianchen Real Estate Development Co., Ltd	167,450,000.00	
Other current asset	Ezhou Binhu Real Estate Co., Ltd	6,000,000.00	
Other current asset	Xi'an Zisheng Real Estate Co., Ltd	59,590,682.31	
Other current asset	Zhuhai Haihao Industrial Investment Co., Ltd	186,200,000.00	
Other current asset	Chengdu Huajin Minghong Industrial Co., Ltd	45,227,288.38	
Other current asset	Suzhou Xinhuaheng Construction & Development Co., Ltd	45,842,768.01	
Other current asset	Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	80,655,715.21	
Other current asset	Shenzhen Ronghua Real Estate Investment Co., Ltd	11,435,157.69	
Other current asset	Hubei Port Industry Investment Co., Ltd	300,000.00	
Other current asset	Taicang Renfa Real Estate Development Co., Ltd	5,880.00	
fund lent	Hengqin Huatong Financial Lease Co., Ltd	990,000,000.00	1,100,000,000.00
other non-current asset	Hengqin Huatong Financial Lease Co., Ltd	271,238,304.93	240,160,000.00
other non-current asset	Zhuhai Huanxin Founder Investment Partnership (Limited Partnership)	268,874,681.50	
loan issued and payment made for others	Huajin Capital and its subsidiaries		242,000,000.00

Item	Affiliated party	Closing balance	Opening balance
loan issued and payment made for others	Wuhan Huazhongtou Real Estate Development Co., Ltd	450,000,000.00	650,000,000.00
loan issued and payment made for others	Wuhan Huaqi Real Estate Development Co., Ltd		250,000,000.00
loan issued and payment made for others	Guangdong Gaojing Solar Energy Technology Co., Ltd		516,000,000.00
Creditor right investment	Zhuhai Hualong Investment Co., Ltd		350,000,000.00

(2) Payable to related parties

Item	Related parties	Closing balance	Opening balance
Other payable	Zhuhai People's Government State Asset Supervision and Administration Commission	7,083,100.00	7,083,100.00
Other payable	Guangzhou Nansha District Meiduoli Real Estate Development Co., Ltd	333,984,572.50	369,384,572.50
Other payable	Guangzhou Zhengcheng District Yuehua Real Estate Development Co., Ltd	76,341.22	18,337,266.28
Other payable	Hengqin Life Insurance Co., Ltd	707,083.50	694,256.40
Other payable	Jinpu Landscape Inc.	447,943.42	63,314.47
Other payable	Nanjing Huasong Real Estate Development Co., Ltd	263,479,928.97	61,579,513.42
Other payable	Nanjing Huihe Real Estate Co., Ltd	126,708,977.59	112,428,977.59
Other payable	Nanjing Yusheng Real Estate Co., Ltd	300,000,000.00	453,600,000.00
Other payable	Ningbo Zhaohai Real Estate Co., Ltd	470,824,972.22	454,040,041.66
Other payable	Shanghai Zhaosheng Real Estate Development Co., Ltd	518,420,000.00	668,850,000.00
Other payable	Shenzhen Ronghua Real Estate Investment Co., Ltd	72,153.77	69,570,200.00
Other payable	Shenzhen Rongqi Investment Development Co., Ltd	26,432,854.17	48,975,798.61
Other payable	Taicang Shangsheng Business Consultancy Co., Ltd	5,747,210.00	5,747,210.00
Other payable	Tianjin Ruijun Business Management Co., Ltd	81,588,303.08	81,588,303.08
Other payable	Zhuhai Qinfa Industrial Co., Ltd	1,748,586.81	1,729,366.00
Other payable	Zhuhai Bihai Biguiyuan Real Estate Development Co., Ltd	41,177,400.00	55,111,333.00
Other payable	Suzhou Hefa Real Estate Development Co., Ltd		516,897,256.40
Other payable	Zhuhai Urban Rail Underground Traffic Exchange Center Construction Co., Ltd		9,382,152.51
Other payable	Infinity Capital Management Co., Ltd		468,773.27
Other payable	Zhuhai Zhongying Urban Construction Cinema City Co., Ltd	554,700.00	54,700.00
Other payable	Zhuhai Lover Coast Construction Co., Ltd		1,642,503.00

Item	Related parties	Closing balance	Opening balance
Other payable	Zhuhai Huashi Meiyuan Ecological Technology Operation & Management Co., Ltd	5,000.00	5,000.00
Other payable	Infinity (Zhuhai) Venture Capital Investment & Management Co., Ltd	9,379.65	8,584.80
Other payable	Hangzhou Jinyu Real Estate Co., Ltd		916,109,277.89
Other payable	Wuhan Central Business District Investment & Development Co., Ltd	807,349,035.83	807,519,486.25
Other payable	Changsha Yide Real Estate Co., Ltd	747,774,138.24	723,658,445.24
Other payable	Huizhou Hehui Real Estate Co., Ltd		683,458,400.00
Other payable	Shenzhen Runzhao Real Estate Co., Ltd	520,200,000.00	605,200,000.00
Other payable	Nantong Zhaotong Real Estate Co., Ltd	958,020,414.44	433,651,873.28
Other payable	Xi'an Zihai Real Estate Co., Ltd	290,000,000.00	340,000,000.02
Other payable	Zhuhai Xiangzhou District Bizhu Biguiyuan Real Estate Development Co., Ltd	63,462.80	332,186,000.00
Other payable	Xi'an Zitao Real Estate Co., Ltd	39,850,681.79	245,850,681.78
Other payable	Zhuhai Zhenghan Real Estate Co., Ltd	734,731,178.75	108,366,331.79
Other payable	Weihai Mofangcheng Real Estate Development Co., Ltd		78,547,474.60
Other payable	Shanghai Huahong Jusheng Real Estate Development Co., Ltd	35,022,938.46	59,988,000.00
Other payable	Zhuhai Jindao Biguiyuan Real Estate Development Co., Ltd	55,050,000.00	49,898,516.35
Other payable	Zhuhai Yongjing Huayue Real Estate Co., Ltd	32,082,960.96	19,842,960.96
Other payable	Beijing Xingtai Tongfu Real Estate Co., Ltd	3,827,044.72	3,955,246.91
Other payable	Guangzhou Zhongqi Energy Technology Co., Ltd		9,035,477.14
Other payable	Shanghai Dijun Information Technology Co., Ltd	22,789,292.57	24,868,336.57
Other payable	Yunfu Zhongqi Telecommunication Technology Co., Ltd		1,344,503.96
Other payable	Shanghai Gufeng Real Estate Development Co., Ltd	1,525,393,038.71	
Other payable	Hangzhou Zhaoyue Real Estate Co., Ltd	1,312,041,741.74	
Other payable	Taicang Renhua Real Estate Development Co., Ltd	1,298,500,000.00	
Other payable	Huizhou Daya Bay Kangcheng Real Estate Co., Ltd	1,122,000,000.00	
Other payable	Shanghai Qiaopu Real Estate Development Co., Ltd	362,844,195.74	
Other payable	Suzhou Shenglan Meike Real Estate Co., Ltd	124,245,079.89	
Other payable	Nanjing Renheng Jiangdao Real Estate Co., Ltd	120,264,016.67	
Other payable	Zhuhai Huafa New City Real Estate Co., Ltd	58,703,276.68	
Other payable	Guangzhou Huaxiao Real Estate Development Co., Ltd	39,600,000.00	
Other payable	Shanghai Huaxi Real Estate Development Co., Ltd	24,000,000.00	
Other payable	Nanjing Huamei Decoration Engineering Co., Ltd	20,400,000.00	
Other payable	Hubei Lianchen Real Estate Development Co., Ltd	14,815,511.57	
Other payable	Zhuhai Huafa Phoenix Real Estate Development Co., Ltd	5,100,000.00	
Other payable	Yunnan Digitone Investment Co., Ltd	300,000.00	

Zhuhai Huafa Group Co., Ltd (Consolidated)
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Item	Related parties	Closing balance	Opening balance
Other payable	Shanghai CAPPU Electronic Technology Co., Ltd	13,520.00	
Other payable	Zhuhai Construction Safety Science Research Institute Co., Ltd	30,417.22	5,266.52
Other payable	Zhuhai Front-line Technology Research Institute Co., Ltd	226,000.00	
Other payable	Guangdong Financial Asset Transaction Center Co., Ltd	15,456.42	
Other payable	Hengqin Huatong Financial Lease Co., Ltd	169,700.67	
Other payable	Zhuhai Rural Commercial Bank Inc.	728.00	
Other payable	HUA AO SPORTS GROUP CO LTD	355.19	
Other payable	Chengdu Huajin Minghong Industrial Co., Ltd	37,198.24	
Account payable	Jinpu Landscape Inc.	2,809,117.29	26,883.98
Account payable	Yangjiang Huayang Investment Holding Co., Ltd		3,469.59
Account payable	Shanghai Huahong Jusheng Real Estate Development Co., Ltd		1,657,560.00
Account payable	Huashi Zhongjian New Technology (Zhuhai) Co., Ltd	9,520,766.10	24,809,966.43
Account payable	Wuhan Central Business District Investment & Development Co., Ltd	2,086,795.35	
Account payable	Wuhan Conghong Yuye Real Estate Development Co., Ltd	96,245.80	
Account payable	Wuhan Huayicheng Real Estate Development Co., Ltd	19,500.00	
Account payable	Zhuhai Zhongying Urban Construction Cinema City Co., Ltd	24,500.00	
Advance receipt	Zhuhai Construction Safety Science Research Institute Co., Ltd		7,169.61
Advance receipt	Zhuhai Lover Coast Construction Co., Ltd		2,262,991.04
Advance receipt	Zhuhai Gongbei Port Reform and Expansion Project Management Co., Ltd		462,959.75
Advance receipt	Zhuhai Lihe Environmental Protection Co., Ltd	666,500.10	
Advance receipt	Hengqin Huatong Financial Lease Co., Ltd	4,963,010.71	
Advance receipt	Zhuhai Huajin Capital Inc.	23,324.91	
Advance receipt	Infinity (Shanghai) Venture Capital Investment & Management Co., Ltd	155,712.91	
Advance receipt	Zhuhai Zhenghan Real Estate Co., Ltd	158,591.27	
Advance receipt	Hengqin Life Insurance Co., Ltd	8,716.98	
contract liabilities	Jinpu Landscape Inc.		214,511.05
contract liabilities	Hengqin Huatong Financial Lease Co., Ltd	9,340.16	3,371.70
contract liabilities	Guangdong United Property Right Transaction Center Co., Ltd		161,290,190.48
contract liabilities	Guangdong Financial Asset Transaction Center Co., Ltd	17,396.50	9,507.55

Item	Related parties	Closing balance	Opening balance
contract liabilities	Nanjing Yusheng Real Estate Co., Ltd		255.43
contract liabilities	Shanghai Zhaosheng Real Estate Development Co., Ltd		27,306.07
contract liabilities	Zhuhai Jinghua Real Estate Co., Ltd		1,929,797.65
contract liabilities	Zhuhai Qinfan Industrial Co., Ltd		14,491.48
contract liabilities	Hengqin Life Insurance Co., Ltd	1,240,266.06	
contract liabilities	Zhuhai People's Government State Asset Supervision and Administration Commission	218,000.00	
contract liabilities	Zhuhai Rural Commercial Bank Inc.	6,219.95	
contract liabilities	Zhuhai Huafang Property Operation & Management Co., Ltd	600.00	
Account payable	Hengqin Huatong Financial Lease Co., Ltd	4,513,345.70	2,847,677.78
Account payable	Beijing Jingdixin Technology Co., Ltd	23,264,582.17	118,724,754.18
Account payable	Shanghai Diju Information Technology Co., Ltd	1,590,416.00	1,590,416.00
Account payable	Shanghai CAPPU Electronic Technology Co., Ltd	63,056.67	
Account payable	Hengqin Life Insurance Co., Ltd	135,179.08	
Account payable	Zhuhai Huajin Zhihui Bay Venture Capital Co., Ltd	227,500.00	
special payable	Zhuhai People's Government State Asset Supervision and Administration Commission	200,000,000.00	
short term loan	Zhuhai Hengqin Rare and Valuable Trading Co., Ltd		14,880,504.38
non-current liabilities due within one year	Zhuhai Huarun Bank Inc.		200,000,000.00
non-current liabilities due within one year	Hengqin Huatong Financial Lease Co., Ltd	21,142,857.12	39,948,288.34
non-current liabilities due within one year	Wuhan Central Business District Investment & Development Co., Ltd	8,108,718.61	3,344,011.02
non-current liabilities due within one year	Zhuhai Rural Commercial Bank Inc.	14,000,000.00	
non-current liabilities due within one year	Zhuhai Huajin Zhihui Bay Venture Capital Co., Ltd	4,181,344.24	

Zhuhai Huafa Group Co., Ltd (Consolidated)
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Item	Related parties	Closing balance	Opening balance
non-current liabilities due within one year	Zhuhai Huajin Capital Inc.	333,411.53	
long term loan	Zhuhai Runhai Investment Co., Ltd		282,721,006.95
long term loan	Zhuhai Rural Commercial Bank Inc.	678,000,000.00	400,000,000.00
long term loan	Zhuhai Huarun Bank Inc.	399,500,000.00	400,000,000.00
long term loan	Hengqin Huatong Financial Lease Co., Ltd	323,142,857.16	43,014,844.28
Lease liabilities	Zhuhai Huajin Capital Inc.	18,764.55	868,746.42
Lease liabilities	Wuhan Central Business District Investment & Development Co., Ltd	3,206,514.99	2,763,029.89
Lease liabilities	Zhuhai Huajin Zhihui Bay Venture Capital Co., Ltd	15,361,396.99	9,394,868.87
Interbank deposit	Hengqin Huatong Financial Lease Co., Ltd	990,923,960.08	1,106,262,002.00
deposit taking	Huajin Capital and its subsidiaries	136,574,643.72	5,211,235.74
deposit taking	Zhuhai Urban Rail Underground Traffic Exchange Center Construction Co., Ltd	10,171,151.49	676,815.88
deposit taking	Zhuhai Gongbei Port Reform and Expansion Project Management Co., Ltd		629,298.49
deposit taking	Zhuhai Lover Coast Construction Co., Ltd		47,930,360.98
deposit taking	Yangjiang Huayang Investment Holding Co., Ltd	64,264,092.80	336,802,493.07
deposit taking	Yangjiang Huayang Merchant Consultancy Co., Ltd	469,506.56	307,606.92
deposit taking	Yangjiang Huayang Development and Construction Co., Ltd	80,407,500.08	9,043,584.51
deposit taking	Zhuhai Hualong Investment Co., Ltd	11,721,944.37	211,517,425.69
deposit taking	Zhuhai Hengqin Rare and Valuable Trading Co., Ltd	17,826.17	17,696.83
deposit taking	Zhongye Huafa Public Utility Tunnel Co., Ltd	109,662,354.08	99,773,883.46
deposit taking	Zhuhai Qinfa Investment Co., Ltd		122,225.15
deposit taking	Zhuhai Qinfa Industrial Co., Ltd		9,939,614.23
deposit taking	Zhuhai Huajin Alpha No.3 Equity Investment Fund Partnership (Limited Partnership)	35,895.43	35,560.46
deposit taking	Zhuhai Huajin Alpha No.1 Fund Partnership (Limited Partnership)	333,174.91	329,398.86
deposit taking	Infinity (Zhuhai) Venture Capital Investment & Management Co., Ltd	82.85	36,569.91
deposit taking	Zhuhai Smart Industrial Park Development Co., Ltd	41,902,982.57	41,495,007.47
deposit taking	Zhuhai Huajin Tongda Equity Investment Fund Partnership (Limited Partnership)	92,416.23	1,087,177.18
deposit taking	Zhuhai Lihe Huajin Emerging Industry Venture Investment Fund (Limited Partnership)	1,082,733.62	1,070,281.25
deposit taking	Yangjiang Huachuang Development & Construction Management Co., Ltd	213,076.85	1,238,136.83

Item	Related parties	Closing balance	Opening balance
deposit taking	Zhuhai Huajin Alpha No.4 Equity Investment Fund Partnership (Limited Partnership)	250,628,764.46	440,012.47
deposit taking	Yangjiang Huayu Development & Construction Management Co., Ltd	14,345.11	1,020,813.27
deposit taking	Zhuhai Huajin Alpha No.5 Equity Investment Fund Partnership (Limited Partnership)	301,161,892.98	909,371,158.73
deposit taking	Wuhan Central Business District Investment & Development Co., Ltd	11,836.43	2,559,830.31
deposit taking	Guangdong Gaojing Solar Energy Technology Co., Ltd	87,680.70	11,840,878.72
deposit taking	Wuhan Huazhongtou Real Estate Development Co., Ltd	1,132,244.01	9,886.85
deposit taking	Wuhan Huaqi Real Estate Development Co., Ltd	135,613.74	3,790.25
deposit taking	Guangdong Jinwan Gaojing Solar Energy Technology Co., Ltd	300,610,273.98	
deposit taking	Luoding Huayi Development & Construction Co., Ltd	7,791,005.66	
deposit taking	Zhuhai Huajin Capital Inc.	47,525,030.68	
deposit taking	Luoding Huafu Development & Construction Co., Ltd	9,415,182.92	
deposit taking	Tianjin Gaojing Solar Energy Technology Co., Ltd	200,107,605.57	
deposit taking	Zhuhai Huajin Alpha No.6 Equity Investment Fund Partnership (Limited Partnership)	401,367,792.75	
deposit taking	Luoding Huading Development & Construction Co., Ltd	7,086,342.81	

XIII. Notes to important items in the financial statements of the parent company

1. Account receivable

Age	Closing	Opening
< 1 year	4,579,692.83	3,254,556.35
1-2 years	3,209,530.68	1,751,849.06
2-3 years	1,213,322.33	3,144,919.67
> 3 years	3,144,919.67	
Subtotal	12,147,465.51	8,151,325.08
Minus: bad debt reserve	3,550,150.60	4,075,503.43
Total	8,597,314.91	4,075,821.65

(1). Account receivable classified by the withdrawal method of bad debt reserve

type	Closing balance				Book value
	Book balance		Bad debt reserve		
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items					

type	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by combination	12,147,465.51	100.00	3,550,150.60	29.23	8,597,314.91
Incl. combination of related parties	2,770,899.65	22.81			2,770,899.65
Combination of age	9,376,565.86	77.19	3,550,150.60	37.86	5,826,415.26
Total	12,147,465.51	100.00	3,550,150.60	29.23	8,597,314.91

Continued:

type	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Bad debt reserve withdrawn by single items	8,151,325.08	100.00	4,075,503.43	50.00	4,075,821.65
Bad debt reserve withdrawn by combination					
Incl. combination of related parties	2,753,703.89	33.78			2,753,703.89
Combination of age	5,397,621.19	66.22	4,075,503.43	75.51	1,322,117.76
Total	8,151,325.08	100.00	4,075,503.43	50.00	4,075,821.65

Account receivable for which the bad debt reserve is withdrawn by combination of credit risk features
 Combination withdrawal items: combination of related parties

Age	Closing balance			Opening balance		
	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)
≤1 year	581,638.16			1,001,854.83		
1-2 years	986,121.93			1,751,849.06		
2-3 years	1,203,139.56			2,753,703.89		
Total	2,770,899.65			1,001,854.83		

Combination withdrawal item: age combination

Age	Closing balance			Opening balance		
	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)	Account receivable	Bad debt reserve	Anticipated credit loss rate (%)
≤1 year	3,998,054.67	212,368.52	5.31	2,242,518.75	1,262,255.54	56.29
1-2 years	2,223,408.75	190,753.41	8.58	10,182.77	8,101.36	79.56
2-3 years	10,182.77	2,109.00	20.71	3,144,919.67	2,805,146.53	89.20
> 3 years	3,144,919.67	3,144,919.67	100.00			
Total	9,376,565.86	3,550,150.60	37.86	5,397,621.19	4,075,503.43	75.51

(2). Bad debt reserve withdrawn, recovered or reversed in 2022

Type	Opening	Change in 2022			Closing
		Withdrawn	Recovered or reversed	Carryover and canceled or canceled after verification	
Single item					
Combination	4,075,503.43	-525,352.83			3,550,150.60
Receivable from related parties					
Receivable from other clients	4,075,503.43	-525,352.83			3,550,150.60
Total	4,075,503.43	-525,352.83			3,550,150.60

(3). There is no account receivable that is actually canceled after verification in 2022.

(4). Account receivables of top five debtors in terms of closing balance

Debtor	Book balance	Percentage of total receivable %	Bad debt reserve
Zhuhai Guoli Trading Co., Ltd	9,335,480.67	76.85	3,546,431.12
Huafa Property Service Co., Ltd	2,464,254.49	20.29	
Zhuhai Huafa Comprehensive Development Co., Ltd	180,000.00	1.48	
Shanghai Huasong Minghong Real Estate Development Co., Ltd	117,501.37	0.97	
Zhuhai Tianbang Property Management Co., Ltd	31,159.29	0.26	3,223.40
Total	12,128,395.82	99.85	3,549,654.52

(5). There is no account receivable no longer recognized due to transfer of financial assets in 2022.

(6). There is no assets and liabilities arising from continual involvement after transfer of account receivable in 2022

2. Other receivable

Item	Closing balance	Opening balance
Interest receivable		
Dividend receivable		
Other receivable	33,087,579,312.89	15,171,509,975.45
Total	33,087,579,312.89	15,171,509,975.45

(2). Other receivable

Age	Closing balance	Opening balance
<1 year (inclusive 1 year)	26,143,927,567.22	13,300,520,913.21
1-2 years	5,663,957,129.60	591,769,552.87
2-3 years	279,763,018.87	125,245,525.88
>3 years	1,013,193,646.96	1,167,236,033.25
Subtotal	33,100,841,362.65	15,184,772,025.21
Minus: bad debt reserve	13,262,049.76	13,262,049.76
Total	33,087,579,312.89	15,171,509,975.45

Other receivable classified by withdrawal method of bad debt reserve

Type	Closing				
	Book balance		Bad debt reserve		Book value
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Other receivable for which bad debt reserve is withdrawn by single items	13,262,049.76	0.04	13,262,049.76	100.00	
Other receivable for which bad debt reserve is withdrawn by combination of credit risk features inc	33,087,579,312.89	99.96			33,087,579,312.89
Receivable-current account with associated parties	32,932,756,922.71	99.49			32,932,756,922.71
Receivable-other account	154,822,390.18	0.47			154,822,390.18
Total	33,100,841,362.65	100.00	13,262,049.76	0.04	33,087,579,312.89

Continued:

Type	Opening				
	Book balance		Bad debt reserve		Book value
	Amount	Ratio (%)	Amount	Anticipated credit loss rate (%)	
Other receivable for which bad debt reserve is withdrawn by single items	13,262,049.76	0.09	13,262,049.76	100.00	
Other receivable for which bad debt reserve is withdrawn by combination of credit risk features incl:	15,171,509,975.45	99.91			15,171,509,975.45
Receivable-current account with associated parties	14,738,073,875.48	97.06			14,738,073,875.48
Receivable-other account	433,436,099.97	2.85			433,436,099.97
Total	15,184,772,025.21	100.00	13,262,049.76	0.09	15,171,509,975.45

(1). Other receivable for which bad debt reserve is withdrawn by single items

Debtor	Closing balance			Withdrawal reason
	Book balance	Bad debt reserve	Anticipated credit loss rate %	
Project management fee paid for others	13,260,049.76	13,260,049.76	100.00	Can't be recovered as anticipated
Wuhan Xinrui Network Technology Co., Ltd	2,000.00	2,000.00	100.00	Can't be recovered as anticipated
Total	13,262,049.76	13,262,049.76		

(2). Other receivable for which bad debt reserve is withdrawn based on the combination of credit risk features

Combination of receivable from associated parties

Combination	Closing			Opening		
	Book balance	Withdrawal ratio (%)	Bad debt reserve	Book balance	Withdrawal ratio (%)	Bad debt reserve
current account with associated parties	32,932,756,922.71			14,738,073,875.48		
Total	32,932,756,922.71			14,738,073,875.48		

Other combination:

Combination	Closing			Opening		
	Book balance	Withdrawal ratio (%)	Bad debt reserve	Book balance	Withdrawal ratio (%)	Bad debt reserve
Other receivable	154,822,390.18			433,436,099.97		
Total	154,822,390.18			433,436,099.97		

Withdrawal of bad debt reserve for other receivable

Bad debt reserve	Phase 1	Phase 2	Phase 3	Total
	Anticipated credit loss in future 12 months	Anticipated credit loss in entire lifespan (no credit impairment)	Anticipated credit loss in entire lifespan (credit impairment already incurred)	
Opening balance			13,262,049.76	13,262,049.76
Opening balance in 2021				
-Carry-forward to phase 2				
-Carry-forward to phase 3				
-Reverse to phase 2				
-Reverse to phase 1				
Current withdrawal				
Current reversal				
Current transfer and cancellation				
Current cancellation after verification				
Other change				
Closing			13,262,049.76	13,262,049.76

(3). There is no bad debt reserve recovered or reversed in 2022.

(4). There is no other receivable that is actually canceled after verification in 2022.

(5). Other receivables of top five debtors in terms of closing balance

Debtor	Nature	Book balance	Age	Percentage of total of other receivable	Bad debt reserve
Zhuhai Urban Construction Group Co., Ltd	current account	12,280,611,112.32	<1 year: RMB7,275,914,429.60; 1-2 years: RMB 5,004,696,682.72	37.10	
Zhuhai Huafa Technical Industry Group Co., Ltd	current account	5,413,000,000.00	<1 year	16.35	
Zhuhai Huaqin Development & Construction Co., Ltd	current account	2,746,657,530.89	<1 year	8.30	

Debtor	Nature	Book balance	Age	Percentage of total of other receivable	Bad debt reserve
Zhuhai Huajin Development & Construction Co., Ltd	current account	2,395,379,747.83	<1 year	7.24	
Zhuhai Huafa Urban Center Construction Holding Co., Ltd	current account	2,315,638,121.60	<1 year	7.00	
Total		25,151,286,512.64		75.99	

(6). There is no other receivable that is no longer recognized due to transfer of financial assets in 2022.

(7). There is no asset or liability arising from continual involvement after transfer of other receivable in 2022.

3. Long-term equity investment

Item	Opening balance	Current change	Closing balance
Investment into subsidiaries	81,743,714,778.54	2,550,920,213.91	84,294,634,992.45
Investment into joint operation enterprises			
Investment into cooperative operation enterprises	3,055,300,233.83	92,838,049.38	3,148,138,283.21
Subtotal	84,799,015,012.37	2,643,758,263.29	87,442,773,275.66
Minus: long-term equity investment impairment reserve			
Total	84,799,015,012.37	2,643,758,263.29	87,442,773,275.66

(2) Investment into subsidiaries

Investee	Opening balance	Current increase	Current decrease	Closing balance	closing balance of impairment reserve
Zhuhai Huafa Industrial Inc.	1,948,718,977.71			1,948,718,977.71	
Zhuhai Huafa Commerce & Trade Holding Co., Ltd	1,020,000,000.00			1,020,000,000.00	
Zhuhai Huafa Comprehensive Development Co., Ltd	32,761,826,485.31			32,761,826,485.31	
Zhuhai Huafa Investment Holding Co., Ltd	19,021,541,400.00	1,732,200,000.00		20,753,741,400.00	
Zhuhai Huafa Cultural, Education, Tourism Industry Development Co., Ltd	616,547,705.82			616,547,705.82	
Zhuhai Huafa Innovation Investment Holding Co., Ltd	233,164,648.25			233,164,648.25	
Hong Kong Huafa Investment Holding Co., Ltd	60,912,720.00			60,912,720.00	

Zhuhai Huafa Group Co., Ltd (Consolidated)
 Annotation to Financial Statements
 Year 2022 (The Currency Unit is RMB unless it is otherwise designated).

Investee	Opening balance	Current increase	Current decrease	Closing balance	closing balance of impairment reserve
Zhuhai Huafa Group Financial Co., Ltd	735,446,436.00			735,446,436.00	
Zhuhai Huafa Holding Co., Ltd	100,000,000.00			100,000,000.00	
Zhuhai Development & Investment Fund (Limited Partnership)	2,594,240,000.00	85,760,000.00		2,680,000,000.00	
Zhuhai Huafa Technical Industry Group Co., Ltd	17,000,000,000.00	3,000,000,000.00		20,000,000,000.00	
Zhuhai Huafa Group Technical Research Institute Co., Ltd	50,000,000.00			50,000,000.00	
Zhuhai Affordable Housing Group Co., Ltd	119,005,769.69			119,005,769.69	
Zhuhai Urban Construction Group Co., Ltd	5,482,310,635.76		2,467,039,786.09	3,015,270,849.67	
Zhuhai Huafa Industry New Space Holding Co., Ltd		200,000,000.00		200,000,000.00	
Zhuhai Textile Industry Group Co., Ltd					
Total	81,743,714,778.54	5,017,960,000.00	2,467,039,786.09	84,294,634,992.45	

(3) Investment into joint and cooperative operation enterprises

Investee	Current change							Withdraw the impairment reserve	Closing balance	Closing balance of impairment reserve
	Opening balance	Increase investment	Reduce investment	Invest recognized equity method	profit/loss under	Change of other comprehensive income	Change of other equity			
I. Joint operation enterprise										
II. Cooperative operation enterprise	3,055,300,233.83			72,544,756.47		-4,730,302.40	46,299,910.43	21,276,315.12		3,148,138,283.21
Zhuhai Huajin Huiyuan Equity Investment Fund (Limited Partnership)	69,833,130.80			-208,869.29						69,624,261.51
Zhuhai Venture Investment Pilot Fund Co., Ltd	197,964,729.54			-26,125,146.40						171,839,583.14
Zhuhai Rural Commercial Bank Inc.	750,307,043.70			56,920,244.47		-4,730,302.40	46,299,910.43	21,276,315.12		827,520,581.08
Zhuhai Hairun Real Estate Development Co., Ltd	2,037,195,329.79			41,958,527.69						2,079,153,857.48
Total	3,055,300,233.83			72,544,756.47		-4,730,302.40	46,299,910.43	21,276,315.12		3,148,138,283.21

4. Operating income and operating cost

(1) Operating income and operating cost

Item	2022		2021	
	Income	Cost	Income	Cost
Main operation	185,192,720.35	147,281,173.10	38,591,884.31	17,829,094.51
Other operation	221,139,876.48	1,947,920.85	239,270,887.93	1,910,208.61
Total	406,332,596.83	149,229,093.95	277,862,772.24	19,739,303.12

(2). Main operation

Item	2022		2021	
	Operating income	Operating cost	Operating income	Operating cost
Rental income	23,902,529.87	13,428,847.89	25,421,990.98	13,346,585.24
Real estate sales income	161,290,190.48	133,852,325.21	13,169,893.33	4,482,509.27
Total	185,192,720.35	147,281,173.10	38,591,884.31	17,829,094.51

5. Investment income

Source of investment income	2022	2021
Long-term equity investment income calculated by equity method	72,544,756.47	376,603,591.09
Investment income from disposal of long-term equity investment	1,904,049,213.91	197,909,388.00
Investment income while holding other non-current financial assets	9,992,846.89	20,141,659.96
Profit declared by the investee accounted by cost method	626,437,656.78	1,982,188,518.40
Total	2,613,024,474.05	2,576,843,157.45

Zhuhai Huafa Group Co., Ltd
 28th April 2023

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Business License

(Duplicate) (20-1)

Unified Social Credit Code: 91110105592343655N

Name: GrantThorton CPA Office (special general partnership)

Establishment date: 22nd December 2011

Type: Special general partnership

Partnership term: 22nd December 2011- long term

Executive partner: Xu Hua

Address: 5th Floor, Saite Square No. 22, Jianguomenwai Street, Chaoyang District, Beijing

Business scope: audit corporate financial statements; issue audit report; verify the corporate asset, issue the asset verification report, provide audit service in corporate merger, spin-off and liquidation; issue reports; audit the final account for construction projects, bookkeeping agency, accounting consultancy, tax consultancy, management consultancy, accounting training and other business stipulated by the law or regulations. The enterprise chooses and carries out business activities. Where business should be approved by law, approval from related department shall be obtained before conducting such activities. Shall not engage in business activities under the prohibited and restricted category of the city's industrial policy).

Register: Beijing Chaoyang Market Supervision and Administration Bureau

10th March 2022

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CPA Office
Certificate to Practice

Name: GrantThorton CPA Office (special general partnership)
Chief CPA: Xu Hua
Address: 5th Floor, Saite Square No. 22, Jianguomenwai Street, Chaoyang District, Beijing
Type of organization: special general partnership
CPA Office No.: 11010156
Registered Capital (capital contribution): RMB 50 million
Approval Certificate No.: JCHXK [2011] No. 0130
Approval Date of Establishment: 13th December 2011

Certificate No.: 0014469

Remarks

1. "CPA Office Certificate to Practice" is the certificate that proves the holder is allowed to practice statutory CPA service after approval by the fiscal authority in accordance with the law.
2. Please apply to the fiscal authority for re-issuance of the "CPA Office Certificate to Practice" in case of any change to recorded items.
3. "CPA Office Certificate to Practice" shall not be forged, altered, leased, lent or transferred.
4. Please hand "CPA Office Certificate to Practice" to the fiscal authority when the CPA office's operation is ended.

Issued by Beijing Fiscal Bureau
11th Nov. 2020

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