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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

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This announcement and the listing document attached hereto 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 attached hereto) forms the basis for any contract or commitment whatsoever. *For the avoidance of doubt, the publication of this announcement and the listing document attached hereto shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of Mianyang Investment Holding (Group) Co., Ltd. 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 (as defined in the offering circular set out herein) confirms that the Bonds (as defined in the offering circular set out herein) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and the Bonds will be listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF OFFERING CIRCULAR

MIANYANG INVESTMENT HOLDING (GROUP) CO., LTD.
(綿陽市投資控股(集團)有限公司)
(incorporated in the People's Republic of China with limited liability)

U.S.$300,000,000 5.0 per cent. Sustainable Bonds due 2028 (the "Bonds") (Stock Code: 5730)

Sole Sustainability Structuring Advisor

Guotai Junan International

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Guotai Junan International	**Orient Securities (Hong Kong)**

Joint Lead Managers and Joint Bookrunners

Hua Xia Bank Co., Limited Hong Kong Branch	**BOSC International**	**Industrial Bank Co., Ltd. Hong Kong Branch**	**Leading Securities**
CNCB Capital	**Huatai International**	**China CITIC Bank International**	**CMBC Capital**
GF Securities	**Haitong International**		**Shenwan Hongyuan (H.K.)**

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

Please refer to the offering circular dated 8 July 2025 (the "**Offering Circular**") appended herein in relation to the Bonds. As disclosed in the Offering Circular, the Bonds are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and will be listed on The Stock Exchange of Hong Kong Limited on that basis.

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

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of the Issuer, and no such inducement is intended.

Hong Kong, 15 July 2025

As at the date of this announcement, the directors of Mianyang Investment Holding (Group) Co., Ltd. are Mr. SUN Ruiyun, Mr. WANG Yuliang, Mr. YANG Anhua, Mr. TIAN Yixiang, Mr. LONG Guilin, and Ms. YUAN Xiaodan.

Appendix – OFFERING CIRCULAR DATED 8 JULY 2025

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

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

Confirmation of Your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. 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 the Joint Lead Managers (as defined herein) that (1) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

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

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

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer and the Joint Lead Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Joint Lead Managers, or any affiliate is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager, or such affiliate on behalf of the Issuer in such jurisdiction. 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.

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

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 AND IN PARTICULAR, TO ANY U.S. ADDRESS, 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.

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OFFERING CIRCULAR

MIANYANG INVESTMENT HOLDING (GROUP) CO., LTD.
(綿陽市投資控股(集團)有限公司)

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

U.S.$300,000,000 5.0 per cent. Sustainable Bonds due 2028
Issue Price: 100.0 per cent.

The 5.0 per cent. sustainable bonds due 2028 in the aggregate principal amount of U.S.$300,000,000 (the "**Bonds**") will be issued by Mianyang Investment Holding (Group) Co., Ltd. (綿陽市投資控股(集團)有限公司) (the "**Issuer**" or the "**Company**"), a company incorporated in the People's Republic of China (the "**PRC**") with limited liability.

The Bonds will bear interest on their outstanding principal amount from and including 14 July 2025 (the "**Issue Date**") at the rate of 5.0 per cent. per annum, payable semi-annually in arrear in equal instalments on 14 January and 14 July in each year commencing on 14 January 2026.

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*) of the terms and conditions of the Bonds (the "**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 Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) (*Negative Pledge*) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC or any political subdivision or any authority therein or thereof having power to tax, to the extent described under "*Terms and Conditions of the Bonds – Taxation*".

Pursuant to 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(國家發展和改革委員會令第56號))issued by the National Development and Reform Commission of the PRC ("**NDRC**") effective from 10 February 2023 and any implementation rules, regulations, certificates, circulars or notices in connection therewith as issued by NDRC from time to time (the "**NDRC Measures**"), the Issuer has registered the issuance of the Bonds with NDRC and obtained a certificate from the NDRC dated 24 January 2025 (the "**NDRC Certificate**") evidencing such registration, which remain in full force and effect. The Issuer undertakes to file or cause to be filed with NDRC the requisite information and document in relation to the issue of the Bonds within the prescribed timeframes after the Issue Date, including but not limited to the filing with NDRC of the requisite information and documents relating to the issue of the Bonds within 10 Registration Business Days (as defined in the Conditions) after the Issue Date, and comply with all applicable PRC laws and regulations (including laws and regulations as issued by the NDRC from time to time) in connection therewith (the "**NDRC Post-issue Filing**").

The Issuer will (i) register or cause to be registered the Bonds with the State Administrative of Foreign Exchange or its local branch (the "**SAFE**") pursuant to the Administrative Measures for Foreign Debt Registration (外債登記管理辦法(匯發[2013]19號)) and its operating guidelines (外債登記管理操作指引) issued by SAFE effective as of 13 May 2013 and as partly amended on 4 May 2015, the Capital Account Foreign Exchange Operational Guidelines (資本項目外匯業務指引 (2024)) and the Circular of the People's Bank of China on Implementing Overall Macro Prudential Management System for Nationwide Cross-border Financing (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知(銀發[2017]9號) (the "**Cross Border Financing Circular**") (the "**Foreign Debt Registration**"), (ii) use its best endeavours to complete the Foreign Debt Registration and obtain a registration record from SAFE on or before the Registration Deadline (as defined in the Conditions), and (iii) comply with all applicable PRC laws and regulations in relation to the Bonds, including but not limited to any rules issued by SAFE and/or the PBOC and, if applicable, the Cross Border Financing Circular and any implementing measures promulgated thereunder from time to time.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 14 July 2028 (the "**Maturity Date**"). The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**"), to the holder of any Bond in accordance with Condition 16 (which shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount (together with any interest accrued up to but excluding the date fixed for redemption) if the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 (*Taxation*) of the Conditions as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax or any change in the application or official interpretation of, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 8 July 2025, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due, as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Conditions. At any time following the occurrence of a Relevant Event (as defined in the Conditions), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Settlement Date (as defined in the Conditions) at 101 per cent. (in the case of redemption for a Change of Control Event (as defined in the Conditions)) or 100 per cent. (in the case of a redemption for a No Registration Event (as defined in the Conditions)) of their principal amount, together in each case with accrued interest up to (but excluding) the Put Settlement Date. See "*Terms and Conditions of the Bonds – Redemption and Purchase*".

The PRC Government shall under no circumstances have any obligation arising out of or in connection with the Bonds or the transaction documents in relation to the Bonds, which are solely to be fulfilled by the Issuer.

The Issuer has been assigned a long-term foreign- and local-currency issuer default rating of 'BBB-' by Fitch Ratings. The Bonds are not rated.

The Bonds are being issued as "Sustainable Bonds" whose terms are aligned with the requirements of the Sustainable Finance Framework of the Issuer (the "**Framework**"). See "*Sustainable Finance Framework Overview*" on page 79.

The specified denomination of the Bonds will be U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

For a more detailed description of the Bonds, see "*Terms and Conditions of the Bonds*" beginning on page 55.

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

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

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

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

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

Investing in the Bonds involves certain risks. See "*Risk Factors*" beginning on page 15 for a discussion of certain factors to be considered in connection with an investment in the Bonds.

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

The Bonds will initially be evidenced by a global certificate (the "**Global Certificate**") in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about 14 July 2025 (the "**Issue Date**") with a common depositary on behalf of, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate. See "*Summary of Provisions relating to the Bonds while in Global Form*".

Sole Sustainability Structuring Advisor

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Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

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CNCB Capital	**Huatai International**	**China CITIC Bank International**	**CMBC Capital**
GF Securities	**Haitong International**		**Shenwan Hongyuan (H.K.)**

Offering Circular dated 8 July 2025

IMPORTANT NOTICE

The Issuer, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, and the Issuer and its subsidiaries taken as a whole (collectively, the "**Group**") and the Bonds which is material in the context of the issue and offering of the Bonds (including all information required by applicable laws and information which, according to the particular nature of the Issuer, the Group and the Bonds, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attaching to the Bonds), (ii) the statements contained in this Offering Circular relating to the Issuer, the Group and the Bonds are true and accurate in all material respects and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are, honestly and reasonably held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in relation to the Issuer, the Group or the Bonds, the omission of which would, in the context of the issue and offering of the Bonds, make any statement, opinions or intentions expressed in this Offering Circular misleading in any material respect, (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular, (vi) this Offering Circular does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements herein, in the light of the circumstances under which they were made, not misleading and (vii) the statistical, industry and market-related data and forward-looking statements included in this Offering Circular, are based on or derived or extracted from sources which the Issuer believes to be accurate and reliable in all material respects.

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

The Issuer has prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of Guotai Junan Securities (Hong Kong) Limited, Orient Securities (Hong Kong) Limited, Hua Xia Bank Co., Limited Hong Kong Branch, BOSC International Securities Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Leading Securities Company Limited, CNCB (Hong Kong) Capital Limited, Huatai Financial Holdings (Hong Kong) Limited, China CITIC Bank International Limited, CMBC Securities Company Limited, GF Securities (Hong Kong) Brokerage Limited, Haitong International Securities Company Limited and Shenwan Hongyuan Securities (H.K.) Limited (together, the "**Joint Lead Managers**") to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, the PRC, Hong Kong, Singapore, Japan and Macau and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Bonds, and distribution of this Offering Circular, please see "*Subscription and Sale*". This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Bonds.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Group or the Bonds 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 Joint Lead Managers, the Trustee or the Agents (each as defined in the Conditions) or their respective affiliates,

directors, employees, agents, representatives, officers or advisers or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Group or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Joint Lead Managers, 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 to subscribe for or purchase the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

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

None of the Joint Lead Managers, 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 independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made or given and no responsibility or liability is accepted, by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them, as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Bonds 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, employees, agents, representatives, officers or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis for any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Joint Lead Managers, 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 that any recipient of this Offering Circular should purchase the Bonds. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the merits and risks involved in investing in the Bonds. Please see "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular or any statement made or purported to be made by any such person or on its behalf in connection with the Issuer, the Group or the issue and offering of the Bonds. Each of the Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, employees, agents, representatives, officers and advisers and any person who controls any of them accordingly disclaims all and any liability, whether arising in tort or

contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them.

Any of the Joint Lead Managers and their respective affiliates may purchase the Bonds for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). Furthermore, investors in the Bonds may include entities affiliated with the Group. Accordingly, references herein to the Bonds being offered should be read as including any offering of the Bonds to the Joint Lead Managers and/or their affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

No assurance is given by the Issuer, the Sole Sustainability Structuring Advisor, any Joint Lead Manager, the Trustee, the Agents, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them that investing in the securities or the use of proceeds by the Group will satisfy, whether in whole or in part, any present or future investor expectations or requirements with respect to green bonds, social bonds or sustainable bonds.

None of the Joint Lead Managers, the Sole Sustainability Structuring Advisor, the Trustee, the Agents, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them makes any representation as to the suitability of any Bonds to fulfil any green, environmental or sustainability criteria required by any prospective investors. The Joint Lead Managers, the Sole Sustainability Structuring Advisor, the Trustee, the Agents, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for the eligible projects, any verification of whether the eligible projects meet such criteria, the monitoring of the use of proceeds of any Bonds (or amounts equal thereto) or the allocation of the proceeds by the Group to particular eligible projects. Investors should refer to any public reporting by or on behalf of the Group in respect of the application of the proceeds of the Bonds for further information. Any such public reporting will not be incorporated by reference in this Offering Circular and none of the Joint Lead Managers, the Sole Sustainability Structuring Advisor, the Trustee, the Agents, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them makes any representation as to the suitability or contents thereof.

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

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

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

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

Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for this offering and are subject to additional requirements under the SFC Code.

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

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such

"proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

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

Industry and Market Data

Market data and certain information and statistics included in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer believes the information to be reliable, it has not been independently verified by the Issuer, the Joint Lead Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives and none of the Issuer, the Joint Lead Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives makes any representation as to the accuracy or completeness of such information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Group and the terms of the offering and the Bonds, including the merits and risks involved.

Presentation of Financial Information

This Offering Circular contains the summary consolidated financial information of the Group as of and for the years ended 31 December 2022, 2023 and 2024, which has been extracted from the audited consolidated financial statements of the Group as of and for the years ended 31 December 2023 (the "**2023 Audited Financial Statements**") and 31 December 2024 (the "**2024 Audited Financial Statements**", together with the 2023 Audited Financial Statements, the "**Audited Financial Statements**"). The Audited Financial Statements were prepared in accordance with the Accounting Standards for Business Enterprises (the "**China Accounting Standards**" or "**PRC GAAP**"). The China Accounting Standards or PRC GAAP differs in certain material respects from the International Financial Reporting Standards (the "**IFRS**"). For a discussion of certain differences between PRC GAAP and IFRS, please see "*Description of Certain Differences between PRC GAAP and IFRS*". The Audited Financial Statements have been audited by ShineWing Certified Public Accountants ("**ShineWing**"), independent auditor of the Issuer.

The Group has implemented the Interpretation No. 16 on 1 January 2023 and made retrospective adjustments to the financial statements figures for comparative periods in accordance with the transition requirements. As a result, certain comparative financial information as at and for the year ended 31 December 2022 included

in the 2023 Audited Financial Statements has been adjusted retroactively. Please refer to "Note V. Notes on changes in accounting policies and accounting estimates and correction of erros — 1. Changes in accounting policies and impacts" to the 2023 Audited Financial Statements for details.

In preparing the 2023 Audited Financial Statements, ShineWing has made certain adjustments to the comparative financial information as at and for the year ended 31 December 2022 included in the 2023 Audited Financial Statements. Please refer to "Note V. Notes on changes in accounting policies and accounting estimates and correction of errors — 3. Significant correction of errors in prior periods and impacts" to the 2023 Audited Financial Statements for details.

The Group has implemented the Interpretation No. 17 on 1 January 2024 and made retrospective adjustments to the financial statements figures for comparative periods in accordance with the transition requirements. As a result, certain comparative financial information as at and for the year ended 31 December 2023 included in the 2024 Audited Financial Statements has been adjusted retroactively. Please refer to "Note V. Notes on changes in accounting policies and accounting estimates and correction of error — 1. Changes in accounting policies and impact" to the 2024 Audited Financial Statements for details.

In preparing the 2024 Audited Financial Statements, ShineWing has made certain adjustments to the comparative financial information as at and for the year ended 31 December 2023 included in the 2024 Audited Financial Statements. Please refer to "Note V. Notes on changes in accounting policies and accounting estimates and correction of error — 3. Significant correction of errors in prior periods and impacts" to the 2024 Audited Financial Statements for details.

This Offering Circular also contains certain information regarding the Group's EBITDA. EBITDA is not a standard measure under PRC GAAP. 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, profit for the year or any other measure of financial performance or as an indicator of the Group's operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. The Group has included EBITDA because it believes it is a useful supplement to cash flow data as a measure of the Group's performance and its ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented in this Offering Circular 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.

CERTAIN DEFINITIONS AND CONVENTIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the "**PRC**", "**China**" and "**mainland China**" are to the People's Republic of China (which for the purpose of this Offering Circular, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan), all references to the "**United States**" and "**U.S.** "are to the United States of America, all references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China and all references to "**EU**" are to the European Union; all references to "**Hong Kong dollar(s)**"and "**HK$**" are to the lawful currency of Hong Kong, all references to "**CNY**", "**Renminbi** "and "**RMB**" are to the lawful currency of the PRC, all references to "**USD**", "**U.S. dollar(s)**"and "**U.S.$**" are to the lawful currency of the United States of America and all references in "**EUR**", "**Euro(s)**"and "**€**"are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union.

Certain monetary amounts in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Solely for convenience, this Offering Circular contains translations of certain Renminbi amounts into U.S. dollar amounts. Unless indicated otherwise, the translation of Renminbi amounts into U.S. dollar amounts has been made at the rate of RMB7.2993 to U.S.$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 31 December 2024. Further information regarding exchange rates is set forth in "Exchange Rate Information" in this Offering Circular. These translations should not be construed as representations that the Renminbi amounts could have been or could actually be converted into U.S. dollar amounts at the rates indicated or at all.

Unless the context otherwise requires, references to "**2022**", "**2023**" and "**2024**" in this Offering Circular are to the years ended 31 December 2022, 2023 and 2024 respectively.

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

- "**CBRC**" are to China Banking Regulatory Commission;
- "**CBIRC**" are to China Banking and Insurance Regulatory Commission;
- "**CSRC**" are to China Securities Regulatory Commission
- "**CPC**" are to the Central Committee of the Communist Party of China;
- "**EIT Law**" are to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法), which came into effect on 1 January 2008;
- "**Foreign Debt Registration Measures**" are to the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines, effective as of 13 May 2013;
- "**Mianyang Government**" are to the People's Government of Mianyang City;
- "**Mianyang SASAC**" are to the State-owned Assets Supervision and Administration Commission of the People's Government of Mianyang City (綿陽市國有資產監督管理委員會) or its successor.
- "**MOF**" are to the Ministry of Finance of the PRC;

- "**MOFCOM**" are to the Ministry of Commerce of the PRC;
- "**Mu**" are to a unit of measurement of land size, equal to 666.7 square metres;
- "**PBOC**" are to People's Bank of China; and
- "**PRC Government**" are to the government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities).

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.

FORWARD-LOOKING STATEMENTS

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

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

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

- the ability of the Group to successfully implement its business plans and strategies;
- future developments, trends and conditions in the industry and markets in which the Group operates;
- the Group's business prospects and capital expenditure plans;
- the actions and developments of the Group's competitors;
- the continued availability of capital and financing;
- macroeconomic measures taken by the PRC Government to manage economic growth;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which the Group operations;
- 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 Group's business; and
- other factors, including those discussed in the "*Risk Factors*" section of this Offering Circular.

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SUMMARY

The summary below is only intended to provide a limited overview of detailed information described elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read the entire Offering Circular, including the section entitled "Risk Factors" and the consolidated financial statements of the Group and related notes thereto, before making an investment decision.

OVERVIEW

The Group is a state-owned enterprise located in Mianyang City, Sichuan Province in China and is the largest urban infrastructure construction and state asset operation platform in terms of total assets in Mianyang City. The Group mainly operates in five industries, namely, (1) urban construction, (2) urban operations, (3) culture and tourism, (4) education and (5) modern services. The Group's business comprises nine principal segments including (i) infrastructure construction, (ii) primary land development, (iii) procurement and supply of goods, (iv) education, (v) public transportation, (vi) water supply (including replacement of water meters and redevelopment of water pipelines), (vii) procurement and supply of food and edible oil, (viii) real estate sales and (ix) hotel management.

As at the date of this Offering Circular, the registered capital of the Issuer is RMB850.0 million. The Issuer is 90 per cent. owned by Mianyang SASAC and 10 per cent. owned by the Sichuan Finance Department.

HISTORY AND DEVELOPMENT

The Issuer was initially established as Sichuan Mianyang Xindali Assets Operation Co., Ltd. (四川省綿陽市新大力資產經營有限公司) on 17 May 1999 pursuant to the Approval of the Mianyang State-Assets Management Commission in relation to the State Assets Operation Plan for Sichuan Mianyang Xindali Assets Operation Co., Ltd. (Mian Guo Zi Wei [1999] No.11) (綿陽市國有資產管理委員會《關於對四川綿陽新大力資產經營有限公司國有資產授權經營方案的批復) (綿國資委[1999]11號) and the Notice by the Mianyang Government in relation to the Establishment of Sichuan Mianyang Xindali Assets Operation Co., Ltd. (Mian Fu Han [1999] No.35 (綿陽市人民政府《關於組建綿陽資產經營有限公司的通知》) (綿府函[1999]35號). At the time of establishment, the total registered capital of the Issuer was RMB200 million, which was contributed by Mianyang Nanjiao Airport Management Bureau (綿陽南郊機場管理局), Mianyang Water Company No.3 Branch (綿陽市自來水總公司第三水廠), Mianyang Fule Mountain Hotel (綿陽富樂山國際酒店) and Mianyang Mianzhou Hotel Co., Ltd. (綿陽綿州酒店有限公司). At the early stage of its establishment, the Group, with the Issuer and its three subsidiaries, focused on the preservation and enhancement of value of state-owned assets.

RECENT DEVELOPMENT

Acquisition of China National Heavy Duty Truck Group Jinan Power Co., Ltd.

In March 2022, the Group acquired through bidding 66 per cent. of the equity interest in China National Heavy Duty Truck Group Jinan Power Co., Ltd. (中國重汽集團濟南動力有限公司) from China National Heavy Duty Truck Group Jinan Power Co., Ltd. (中國重汽集團濟南動力有限公司) ("**CNHTC**") for a consideration of RMB124.6 million. As at the date of this Offering Circular, the relevant industrial and business registrations have been completed. This merger is part of the restructuring of the CNHTC group and will facilitate the expansion of its production capacity in Mianyang City. The Group, as a municipal-level state-owned enterprise with commercial functions, expects to be able to assist with the optimisation of the overall layout of the automobile industry in Mianyang City and the development of Mianyang City into an important automobile manufacturing base in Southwest China. Following this merger, the Group plans to

expand its business in a sustainable manner in three directions: making use of the Group's idle land and existing regional advantages, developing new businesses related to commercial vehicle modification and supporting industries; investing in automated welding robot equipment and developing a closed coating production line to upgrade its production equipment; and undertaking new energy vehicle and automobile part projects to expand its business into the new energy industry.

RELATIONSHIP WITH THE MIANYANG GOVERNMENT

As of the date of this Offering Circular, the Issuer is one of the only two enterprises acting as the investment and financing platforms under Mianyang SASAC. The Issuer is 90 per cent. owned by Mianyang SASAC and 10 per cent. owned by the Sichuan Finance Department.

The Mianyang Government has authorised Mianyang SASAC as the capital contributor (出資人) of the establishment of the Issuer. Mianyang SASAC enjoys the right of an authorised capital contributor over the Issuer and exercises powers such as supervisory right over the Issuer's board of directors, right of returns on capital, approval right of significant matters, as well as right of appointment, management and evaluation of leadership personnel of the Issuer.

Notwithstanding the extensive relationship between the Issuer and Mianyang SASAC and any financial support from the latter, the Issuer is independent of Mianyang SASAC in terms of assets, personnel, organisation, financials and business operation. The Issuer's functions and departments are separate from those of the Mianyang Government and does not share any premises with the Mianyang Government. Although the board of directors and other members of the management team of the Issuer are appointed by Mianyang SASAC, they are not government officers and do not have any employment outside of the Group. The Issuer has a budget and financial reporting system and assets and liabilities separate from those of the Mianyang Government. The Mianyang Government as the ultimate equity holder of the Issuer only has limited liability to the Issuer in the form of its capital contribution in the Issuer.

The PRC Government (including the Mianyang Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds or the Trust Deed relating to the Bonds in lieu of the Issuer. This position has been reinforced by Circular 23, Circular 706 and Circular 666. The Mianyang Government as the ultimate shareholder of the Issuer only has limited liability in the form of its equity contribution in the Issuer. As such, the Mianyang Government (and the PRC Government) does not have any payment or other obligations under the Bonds or the Trust Deed relating to the Bonds. The Bonds are solely to be repaid by the Issuer as an obligor and the obligations of the Issuer under the Bonds and the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person. Circulars 23 and 706 do not, however, prohibit the PRC Government (including the Mianyang Government) from providing support (in various forms including capital injection and subsidies, but excluding injecting any kinds of public assets and land reserves as the Group's assets) to the Group in its ordinary course of business in compliance with PRC laws and regulations. The detailed description of the relationships between the Issuer and the Mianyang Government in this Offering Circular does not imply in any way any explicit or implicit credit support of the Mianyang Government in respect of the Bonds, the repayment of which remains the sole responsibility of the Issuer.

COMPETITIVE STRENGTH

The Group believes that its success and prospects are primarily attributable to the following competitive strengths:

- Leveraging the geostrategic advantages and economic growth potential of Mianyang City

- Strategic importance as an investment, financing, infrastructure construction and state asset operation platform of the Mianyang Government
- Strong historical support from the PRC Government on policies, resources and finances
- Diversified businesses and revenue channels
- Diversified funding channels with good banking relationships
- Sound corporate governance system
- Experienced management team and operation staff

STRATEGIES

The Group aims to strengthen its position by focusing on the following strategies:

- Further diversify its business operations
- Align its development goals with Mianyang City's strategic plan

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The following tables set forth the summary consolidated financial information of the Group as of and for the periods indicated. The summary audited consolidated financial information as of and for the years ended 31 December 2022, 2023 and 2024 set forth below is derived from the Audited Financial Statements, which have been audited by ShineWing and included elsewhere in this Offering Circular.

The Audited Financial Statements have been prepared and presented in accordance with PRC GAAP. PRC GAAP differs in certain material respects from the IFRS. For a discussion of certain differences between PRC GAAP and IFRS, please see "Description of Certain Differences between PRC GAAP and IFRS". Potential investors should read the following data together with the more detailed information contained in the Audited Financial Statements, including the notes thereto. The following data is qualified in its entirety by reference to all of that information. The Group has prepared the Financial Statements Translation as set out elsewhere in this Offering Circular. The Financial Statements Translation does not itself constitute audited financial statements. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them has independently verified or checked the accuracy of the Financial Statements Translation and gives no assurance that the information contained in the Financial Statements Translation is accurate, truthful or complete. Potential investors must exercise caution when they use such financial information to evaluate the Group's financial condition, results of operations and cash flows.

The Group has implemented the Interpretation No. 16 on 1 January 2023 and made retrospective adjustments to the financial statements figures for comparative periods in accordance with the transition requirements. As a result, certain comparative financial information as at and for the year ended 31 December 2022 included in the 2023 Audited Financial Statements has been adjusted retroactively. Please refer to "Note V. Notes on changes in accounting policies and accounting estimates and correction of errors — 1. Changes in accounting policies and impacts" to the 2023 Audited Financial Statements for details.

In preparing the 2023 Audited Financial Statements, ShineWing has made certain adjustments to the comparative financial information as at and for the year ended 31 December 2022 included in the 2023 Audited Financial Statements. Please refer to "Note V. Notes on changes in accounting policies and accounting estimates and correction of erros — 3. Significant correction of errors in prior periods and impacts" to the 2023 Audited Financial Statements for details.

The Group has implemented the Interpretation No. 17 on 1 January 2024 and made retrospective adjustments to the financial statements figures for comparative periods in accordance with the transition requirements. As a result, certain comparative financial information as at and for the year ended 31 December 2023 included in the 2024 Audited Financial Statements has been adjusted retroactively. Please refer to "Note V. Notes on changes in accounting policies and accounting estimates and correction of error — 1. Changes in accounting policies and impact" to the 2024 Audited Financial Statements for details.

In preparing the 2024 Audited Financial Statements, ShineWing has made certain adjustments to the comparative financial information as at and for the year ended 31 December 2023 included in the 2024 Audited Financial Statements. Please refer to "Note V. Notes on changes in accounting policies and accounting estimates and correction of error — 3. Significant correction of errors in prior periods and impacts" to the 2024 Audited Financial Statements for details.

SUMMARY CONSOLIDATED BALANCE SHEET

	As at 31 December		
	2022	**2023**	**2024**
	RMB	*RMB*	*RMB*
	(audited)	*(audited)*	*(audited)*
Current assets:			
Cash at bank and on hand	11,508,158,026.75	18,857,142,832.41	16,638,841,154.55
Financial assets held for trading	–	–	2,400,000,000.00
Derivative financial assets	–	–	–
Bills receivable	498,850,620.89	589,756,247.51	542,777,087.14
Accounts receivable	6,409,598,417.43	3,282,148,830.46	3,562,643,719.43
Prepayments	5,398,665,853.49	6,127,829,660.53	1,710,557,845.75
Other receivables	18,875,120,718.64	16,740,209,977.19	17,105,069,394.80
Inventories	7,467,107,299.28	9,808,909,691.10	13,901,917,286.60
Contract assets	116,427,443.85	98,230,692.77	116,558,121.19
Assets held for sale	–	–	–
Non-current assets due within one year	490,802.357.47	1,330,760,716.05	1,081,709,714.35
Other current assets	589,873,679.02	880,792,839.40	1,428,256,759.48
Total current assets	51,359,304,416.82	57,721,781,487.42	58,489,118,613.29
Non-current assets:			
Available-for-sale financial assets	–	–	–
Debt investments	3,360,173,111.04	2,421,973,624.11	1,499,068,642.41
Held to maturity investments	–	–	–
Long-term receivables	1,623,513,441.26	1,777,430,147.22	1,758,586,427.44
Long-term equity investments	18,115,526,988.86	20,055,290,360.34	18,823,255,229.00
Investment in other equity instruments	4,614,251,155.91	4,501,703,354.60	5,217,973,196.59
Other non-current financial assets	–	12,001,365.92	10,350,375.82
Investment properties	5,953,806,401.25	5,947,087,236.57	6,172,358,150.57
Fixed assets	9,715,105,308.08	9,788,626,407.09	11,701,123,313.73
Construction in progress	5,219,248,760.15	6,367,578,912.88	5,592,681,774.81
Right-of-use assets	67,412,707.82	65,578,762.92	85,685,132.79
Productive biological assets	–	–	–
Oil and gas assets	–	–	–
Intangible assets	1,927,207,072.41	1,920,622,199.47	1,850,634,121.50
Development costs	–	–	–
Goodwill	2,188,608.99	2,188,608.99	2,188,608.99
Long-term deferred expenses	209,070,106.79	215,151,510.43	184,163,492.72
Deferred tax assets	60,972,415.45	79,545,478.80	191,884,399.97
Other non-current assets	21,734,464,618.26	22,682,717,863.40	27,551,711,425.04
Total non-current assets	72,602,940,696.27	75,837,495,832.74	80,641,664,291.38
Total assets	123,962,245,113.09	133,559,277,320.16	139,130,782,904.67

	As at 31 December		
	2022	**2023**	**2024**
	RMB	*RMB*	*RMB*
	(audited)	*(audited)*	*(audited)*
Current liabilities:			
Short-term loans	8,361,474,205.38	12,974,072,328.59	11,925,639,831.97
Financial liabilities held for trading	–	–	–
Derivative financial liabilities	–	–	–
Bills payable	1,971,700,000.00	2,492,937,632.86	3,681,752,604.32
Accounts payable	2,436,119,996.08	3,835,486,743.76	4,504,508,528.86
Advance payments received	66,996,796.10	66,237,403.56	77,029,151.24
Contract liabilities	1,222,636,371.57	5,346,695,312.86	7,434,045,386.00
Employee benefits payable	182,069,205.63	206,257,290.31	201,040,972.24
Taxes payable	531,452,163.99	542,677,403.00	505,151,356.57
Other payables	5,040,365,120.55	5,749,557,422.17	5,320,349,258.90
Of which: Dividend payable	–	–	–
Liabilities held for sale	–	–	–
Non-current liabilities due within one year	17,270,423,275.42	19,345,301,977.99	19,818,136,917.83
Other current liabilities	306,481,401.31	496,486,822.64	743,760,416.72
Total current liabilities	37,389,718,536.03	51,055,710,337.74	54,211,414,424.65
Non-current liabilities:			
Long-term loans	16,434,673,655.16	15,031,704,840.39	18,939,717,722.17
Debentures payable	24,049,102,406.01	19,216,929,919.98	13,555,798,828.03
Of which: Preference shares	–	–	–
Perpetual bonds	–	–	–
Lease liabilities	43,604,958.95	40,991,982.55	50,351,901.66
Long-term payables	10,776,492,902.87	11,016,295,679.79	13,586,303,992.60
Provisions	316,275,791.89	377,220,547.40	324,754,989.98
Deferred income	212,433,041.04	218,631,119.24	227,016,966.06
Deferred tax liabilities	287,179,541.45	276,658,094.45	761,922,722.76
Other non-current liabilities	–	1,406,378.52	1,406,378.52
Total non-current liabilities	52,119,762,297.37	46,179,838,562.32	47,447,273,501.78
Total liabilities	89,509,480,833.40	97,235,548,900.06	101,658,687,926.43

	As at 31 December		
	2022	**2023**	**2024**
	RMB	*RMB*	*RMB*
	(audited)	*(audited)*	*(audited)*
Shareholders' equity:			
Share capital	850,000,000.00	850,000,000.00	850,000,000.00
Other equity instruments	–	–	–
Of which: Preference shares	–	–	–
Perpetual bonds	–	–	–
Capital reserves	17,648,120,867.04	18,038,396,214.54	18,100,586,037.42
Less: Treasury shares	–	–	–
Other comprehensive income	480,216,826.76	412,033,804.28	1,644,493,144.23
Special reserves	14,488,866.96	17,890,533.40	17,201,054.95
Surplus reserves	280,645,102.92	280,645,102.92	280,645,102.92
Of which: Statutory surplus reserves	–	–	–
General risk provisions	2,612,935.61	2,612,935.61	2,722,935.88
Retained earnings	1,306,349,785.04	1,078,559,809.56	904,072,426.29
Total equity attributable to shareholders of the Company	20,582,434,384.33	20,680,138,400.31	21,799,720,701.69
Non-controlling interests	13,870,329,895.36	15,643,590,019.79	15,672,374,276.55
Total shareholders' equity	34,452,764,279.69	36,323,728,420.10	37,472,094,978.24
Total liabilities and shareholders' equity	123,962,245,113.09	133,559,277,320.16	139,130,782,904.67

SUMMARY CONSOLIDATED INCOME STATEMENT

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB	*RMB*	*RMB*
	(audited)	*(audited)*	*(audited)*
Total operating income	11,992,262,795.55	9,302,249,751.39	9,862,553,986.53
Operation income	11,987,540,417.46	9,292,251,507.91	9,859,858,002.13
Interest income	4,722,378.09	9,998,243.48	2,695,984.40
Total operating costs	13,870,946,480.59	11,546,879,676.11	12,152,928,535.36
Operating costs	10,573,410,784.29	8,116,673,841.41	8,854,265,321.66
Taxes and surcharges	164,418,017.57	128,595,653.16	113,737,034.42
Selling expenses	199,929,558.57	224,213,990.64	224,931,349.47
Administration expenses	741,783,036.08	739,688,117.87	772,605,870.57
Research and development expenses	4,981,600.97	5,611,420.31	4,722,551.15
Financial expenses	2,186,423,483.11	2,332,096,652.72	2,182,666,408.09
Of which: Interest expenses	3,034,157,095.28	3,277,696,394.37	3,041,440,653.64
Interest income	1,154,255,188.29	1,254,952,762.74	1,068,110,797.68
Add: Other income	1,216,455,646.94	1,374,792,333.74	1,735,320,369.94
Investment income (Loss is marked with brackets)	202,442,485.97	988,125,373.43	819,442,067.66
Of which: Investment income from joint ventures and joint ventures	188,557,871.84	342,267,409.82	272,898,417.30
Gains from changes in fair value (Loss is marked with brackets)	(8,316,584.78)	(19,572,792.15)	(16,665,901.69)
Credit losses (Loss is marked with brackets)	364,452.77	(10,337,234.81)	(59,664,847.81)
Impairment losses (Loss is marked with brackets)	(2,161,649.26)	3,710,203.67	(204,656,684.19)
Gains from asset disposals (Loss is marked with brackets)	514,802.23	179,762,269.44	77,167,167.28
Operating profit (Loss is marked with brackets)	(469,384,531.17)	271,850,228.60	60,567,622.36
Add: Non-operating income	482,023,396.88	98,137,781.09	299,722,391.49
Less: Non-operating expenses	148,660,131.36	60,736,256.31	65,848,697.46
Profit before income tax (Loss is marked with brackets)	(136,021,265.65)	309,251,753.38	294,441,316.39
Deduct: Income tax expenses	90,246,720.67	83,470,993.41	145,844,187.16
Net profit for the year (Loss is marked with brackets)	(226,267,986.32)	225,780,759.97	148,597,129.23
Classification by the attribution of ownership			
1. Net profits attributable to the owner of the parent company	(425,743,628.10)	34,556,822.94	153,436,915.44
2. Non-controlling interests income	199,475,641.78	191,223,937.03	(4,839,786.21)
Classification by continuity of operations			
1. Net profits from continuing operations	(226,267,986.32)	225,780,759.97	148,597,129.23
2. Net profits from discontinued operations	–	–	–
Other comprehensive income, net of tax	155,478,854.94	(77,109,897.48)	1,037,439,191.41
The net after-tax value of other comprehensive income attributable to the owner of parent company	155,478,854.94	(68,183,022.48)	1,129,371,141.51
1. Items that will not be reclassified to profit or loss	–	(48,277,485.78)	1,129,210,929.14
2. Items that may be reclassified to profit or loss	155,478,854.94	(19,905,536.70)	160,212.37
Total comprehensive income	(70,789,131.38)	148,670,862.49	1,186,036,320.64
Total comprehensive income attributable to shareholders of the Company	(270,264,773.16)	(33,626,199.54)	1,282,808,056.95
Total comprehensive income attributable to non-controlling interests	199,475,641.78	182,297,062.03	(96,771,736.31)

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB *(audited)*	*RMB* *(audited)*	*RMB* *(audited)*
Cash flow from operating activities:			
Proceeds from sale of goods and rendering of services	9,973,426,790.39	15,661,532,713.99	12,727,944,843.16
Cash received from interest, fees and commissions	7,759,230.74	6,913,887.36	2,755,547.99
Refund of taxes	118,806,186.25	13,156,857.47	10,492,460.44
Proceeds from other operating activities	2,007,499,898.08	8,441,104,612.88	5,418,026,360.98
Subtotal of cash inflow from operating activities	12,107,492,105.46	24,166,604,954.00	18,122,179,430.28
Payment for goods and services	9,559,312,744.61	15,044,786,678.45	12,055,397,971.01
Net increase in loans and advances to customer	14,843,205.37	–	–
Payment to and for employees	1,644,539,975.00	1,556,101,526.74	1,571,985,707.95
Payment of various taxes	485,047,145.75	776,643,160.96	1,031,433,956.41
Payment for other operating activities	1,755,710,286.49	5,830,945,360.19	3,804,221,177.36
Subtotal of cash outflow from operating activities	13,459,453,357.22	23,208,476,726.34	18,463,038,812.73
Net cash flow from operating activities	(1,351,961,251.76)	958,128,227.66	(340,859,382.45)
Cash flow from investment activities:			
Proceeds from disposal of investments	3,303,434,513.68	1,125,884,776.35	5,824,046,550.75
Investment returns received	11,830,837.94	37,219,989.31	14,379,176.87
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	5,838,270.25	211,859,719.81	115,885,273.11
Net proceeds from disposal of subsidiaries and other business units	–	160,284,316.43	501,916,900.00
Proceeds from other investing activities	5,438,397,302.87	5,331,430,908.51	216,915,611.12
Subtotal of cash inflows from investing activities	8,759,500,924.74	6,866,679,710.41	6,673,143,511.85
Payment for acquisition of fixed assets, intangible assets and other long-term assets	1,563,630,094.21	1,815,949,260.89	2,304,421,096.17
Payment for acquisition of investments	1,888,277,068.73	1,455,642,788.96	4,670,504,342.00
Net payment for acquisition of subsidiaries and other business units	1,271,023.47	–	1,960,000.00
Payment for other investing activities	2,955,014,320.96	117,222,964.46	360,067,770.11
Subtotal of cash outflow from investment activities	6,408,192,507.37	3,388,815,014.31	7,336,953,208.28
Net cash flow from investment activities	2,351,308,417.37	3,477,864,696.10	(663,809,696.43)
Cash flow from financing activities:			
Proceeds from investors	73,665,000.00	107,882,353.00	39,040,000.00
Including: Proceeds from non-controlling shareholders of subsidiaries	–	–	–
Proceeds from borrowings	33,887,784,481.04	31,136,935,005.87	36,098,508,266.85
Cash received from the issuance of bonds	–	–	–
Proceeds from other financing activities	1,525,371,846.02	5,934,102,192.47	8,765,108,475.26
Subtotal of cash inflows from financing activities	35,486,821,327.06	37,178,919,551.34	44,902,656,742.11
Repayments of borrowings	29,639,105,750.18	31,182,978,182.90	39,436,026,990.25
Payment for dividends, profit distributions or interest	3,466,383,904.58	4,054,390,784.80	3,605,631,245.35
Including: dividends and profits paid to non-controlling shareholders of subsidiaries	–	1,069,467.30	–
Payment for other financing activities	3,565,652,330.58	1,244,036,764.02	4,294,153,686.94
Subtotal of cash outflows from financing activities	36,671,141,985.34	36,481,405,731.72	47,335,811,922.54
Net cash flow from financing activities	(1,184,320,658.28)	697,513,819.62	(2,433,155,180.43)
Effect of foreign exchange rate changes on cash and cash equivalents	119,054,102.38	(86,087.25)	2,610.93
Net increase in cash and cash equivalents	(65,919,390.29)	5,133,420,656.13	(3,437,821,648.38)
Add: balance of cash and cash equivalents at the beginning of the period	7,324,572,492.51	7,258,653,102.22	12,392,073,758.35
Cash and cash equivalents at the end of the year	7,258,653,102.22	12,392,073,758.35	8,954,252,109.97

OTHER FINANCIAL DATA

	Year ended 31 December		
	2022	2023	2024
EBITDA[(1)] (RMB million)	3,370	4,155	3,895

Note:

EBITDA for any period is calculated as total profit adjusted for depreciation, amortisation and interest expenses. 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, profit for the year or any other measure of financial 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 sales and operating expenses under the amount by which EBITDA exceeds capital expenditures and other charges. The Group has included EBITDA because it believes that it is a useful supplement to the cash flow data as a measure of the Group's 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 Group's EBITDA to EBITDA presented by other companies because not all companies use the same definition.

THE OFFERING

The following contains summary information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in "Terms and Conditions of the Bonds" and "Summary of Provisions Relating to the Bonds in Global Form" shall have the same meanings in this summary. For a comprehensive description of the terms of the Bonds, see "Terms and Conditions of the Bonds" of this Offering Circular.

Issuer	Mianyang Investment Holding (Group) Co., Ltd. (綿陽市投資控股(集團)有限公司).
Issue	U.S.$300,000,000 in aggregate principal amount of 5.0 per cent. sustainable bonds due 2028.
Issue Price	100.0 per cent.
Form and Denomination	The Bonds are issued in registered form in the specified denomination of U.S.$200,000 and integral multiples of U.S. $1,000 in excess thereof.
Interest	The Bonds will bear interest from and including the Issue Date at the rate of 5.0 per cent. per annum, payable semi-annually in arrear in equal instalments on 14 January and 14 July in each year commencing on 14 January 2026.
Issue Date	14 July 2025.
Maturity Date	14 July 2028.
Status of the Bonds	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*) of the 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 Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) (*Negative Pledge*) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Sustainable Bonds	The Bonds are being issued as "Sustainable Bonds" under the Framework. See "*Sustainable Finance Framework Overview*".
Negative Pledge	The Bonds will contain a negative pledge as further described in Condition 4(a) (*Negative Pledge*) of the Conditions.
Events of Default	The Bonds will contain certain events of default provisions as further described in Condition 9 (*Events of Default*) of the Conditions.

Cross-Acceleration	The Bonds are subject to a cross-acceleration provision in respect of any present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised, in respect of which one or more of the events mentioned in Condition 9(c) (*Cross-Default*) of the Conditions have occurred equals or exceeds U.S.$30,000,000 or its equivalent in any other currency.
Taxation	All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay (except in certain circumstances set out in Condition 8 (*Taxation*) of the Conditions) such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required. See "*Terms and Conditions of the Bonds – Taxation*".
Final Redemption	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.
Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders (which shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount (together with interest accrued up to but excluding the date fixed for redemption), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 8 July 2025, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due, as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Conditions.

Redemption for Relevant Event .	At any time following the occurrence of a Relevant Event (as defined in the Conditions), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Settlement Date (as defined in the Conditions) at 101 per cent. (in the case of redemption for a Change of Control Event (as defined in the Conditions)) or 100 per cent. (in the case of a redemption for a No Registration Event (as defined in the Conditions)) of their principal amount, together in each case with accrued interest up to but excluding such Put Settlement Date, as further described in Condition 6(c) (*Redemption for Relevant Events)* of the Conditions.
Clearing Systems	The Bonds will be represented initially by interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with, a common depositary for Euroclear and Clearstream. Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in this Offering Circular, certificates for the Bonds will not be issued in exchange for interests in the Global Certificate. The Common Code and ISIN for the Bonds are 311255312 and XS3112553121, respectively.
Governing Law	English law.
Trustee and Registrar	China Construction Bank (Asia) Corporation Limited（中國建設銀行(亞洲）股份有限公司.
Principal Paying Agent	China Construction Bank (Asia) Corporation Limited（中國建設銀行(亞洲）股份有限公司.
Transfer Agent	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 Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. It is expected that dealing in, and listing of, the Bonds on the Hong Kong Stock Exchange will commence on 15 July 2025.
Further Issues	The Issuer may from time to time without the consent of the Bondholders create and issue further securities having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, the first payment of interest on them and the timing for complying with the Registration Conditions (as defined in the Conditions) and making of the Foreign Debt Registration, the NDRC Post-issue Filing and the filing of the Bonds under the Cross Border Financing Circular) and so that the same shall be consolidated and form a single series with the outstanding Bonds. Any further securities shall be constituted by a deed supplemental to the Trust Deed.

Use of Proceeds	See "*Use of Proceeds*".
Selling Restrictions	There are restrictions on the offer, sale and delivery of the Bonds in the United States, the United Kingdom, the PRC, Hong Kong, Singapore, Japan and Macau. See "*Subscription and Sale*".

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below, before deciding to invest in the Bonds. The following describes some of the significant risks relating to the Group, its business, the market in which the Group operates and the value of Bonds. Some risks may be unknown to the Issuer and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations or prospects of the Issuer and the Group or the value of the Bonds. The Issuer believes that the risk factors described below represent the principal risks inherent in investing in the Bonds, but the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may be affected by some factors that may not be considered as significant risks by the Issuer on information currently available to them or which they are currently unable to anticipate. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.

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

Risks Relating to the Group's Business

The Group's business, financial condition, results of operations and prospects are subject to the level of economic development in Mianyang City and the PRC.

The Group mainly operates in Mianyang City, Sichuan Province and its assets and operations are highly concentrated in Mianyang City. The Group's major business segments include infrastructure construction and primary land development, which are closely related to the regional and national development. The stability of the Group's operation results and control of its capital expenditure are largely dependent on the level of economic activity in Mianyang City. Any fluctuations in the regional or national economic environment would directly and materially affect the Group's operations and subject the Group to various risks periodically.

In recent years, there has been a slowdown in the growth of China's economic development as evidenced by the decrease in China's gross domestic product annual growth rate. It is unclear how the economic development in Mianyang City will be affected by a slowdown in the growth of the PRC economy, and there is no assurance that the policies and measures issued by the PRC Government will be effective in stimulating the recovery of the economy. There can be no assurance that the level of economic development in Mianyang City will continue to be maintained at the past rate of growth, if at all. Any slowdown in the economic development in Mianyang City may decrease the demand for the Group businesses and adversely affect the Group's business, financial condition, results of operations and prospects.

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

The Issuer is a state-owned company and the Mianyang Government is in a position to significantly influence the Group's major business decisions and strategies, including the scope of its activities, investment decisions, and the appointment of its directors and certain senior management positions and dividend policy. The Mianyang Government may use its ability to influence the Group's business in a

manner that may not be in the Group's best interest (as the case may be). The Mianyang Government and/or the central government of the PRC may also change their policies, intention, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the economic, political and social environment, its projections of population and employment growth. Any amendment, modification or repeal could modify the existing regulatory regime and materially and adversely affect the Group's financial condition and results of operations. Examples of how the Group's results of operations may be affected by national and local government policies include:

- tightening of any monetary policy which makes it more difficult for the Group to obtain financing;
- adopting more stringent fiscal policies which may lead to a decline in the government's investment in local infrastructure;
- any failure of the government to match the prices for the public goods and services offered by the Group with any increase in its production costs;
- any adjustment in national or local industrial policies relating to people's livelihood, especially in the fields of infrastructure and public utilities where the Group operates, in accordance with different phases of economic development; and
- impact on the Group's operation of state-owned capital brought about by policy or systematic changes such as any reform in the state-owned asset management system, the government investment and financing system and state-owned asset disposal policies.

The Group faces risks associated with contracting with public bodies.

As the Group focuses on, among other things, the construction of infrastructure projects and primary land development within Mianyang City, the Group collaborates with various governmental authorities and their controlled entities in Mianyang City. Although the Group believes that it currently maintains close working relationships with those governmental authorities and entities relevant to its businesses, there can be no assurance that these relationships will continue to be maintained on good terms in the future. If there are any material disagreements between the Group, and any local government or any of the government controlled entities, there can be no assurance that the Group is able to successfully resolve them in a timely manner.

Local governments and the government-controlled entities with which the Group collaborates may (i) have economic or business interests or consideration that are inconsistent with the Group's; (ii) take actions contrary to the Group's requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the contractual terms or other matters. As the largest urban infrastructure and state-owned asset management entity in Mianyang City, the Group undertakes most of the infrastructure construction operation in Mianyang City, and the Mianyang Government is responsible for repurchasing the developed projects. Therefore, the Group's income derived from this business segment is closely related to the Mianyang Government's repurchasing ability. The Mianyang Government currently has a relatively high debt ratio. If the local debt level continues to deteriorate, it may result in a decline in the Mianyang Government's repurchase capacity in the future, which may in turn adversely impact the Group's business, financial condition, results of operations and prospects.

In addition, disputes with public bodies may last for considerably longer periods of time than for those with private sector counterparties, and payments from the public bodies may be delayed as a result. Any of these may materially and adversely affect the business relationships between the Group, and the local governments and the governmental entities, which may in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The PRC regulatory framework governing the incurrence of financial obligations and indebtedness by local governments and local government financing vehicles is undergoing significant change, and may have a material impact on the Group's business model and sources of financing, and significantly increase operating or compliance costs of the Group.

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

In September 2014, the State Council released the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (關於加強地方政府性債務管理的意見(國發[2014]43號)) ("**Circular 43**"), which provides that LGFVs are no longer permitted to function as the financing arm of the relevant local government, to incur indebtedness that would be characterised as local government debt (being debt that is subject to any payment undertakings or is otherwise guaranteed by the local government), and should operate and obtain financing on commercial terms as corporate borrowers. According to Circular 43, local governments should finance the development of public interest projects via the issuance of government bonds. Public interest projects that are profit generating may be developed either by private investors independently or by a special purpose company jointly set up by the local government and private investors. Private investors and the special purpose companies jointly set up by the local government and the private investors are required to invest in accordance with market-oriented principles and development of the projects may be financed by bank loans, corporate bonds, project revenue bonds and asset-backed securitisation. Furthermore, private investors and special purpose companies shall bear the obligation to repay their debts and the relevant local government shall not be liable for any of the private investors' or the special purpose companies' debts. For the avoidance of doubt, according to Circular 43, the Mianyang Government has no obligation to repay any amount under the Bonds. An investment in the Bonds is relying solely on the credit risk of the Issuer. In the event the Issuer does not fulfil its obligations under the Bonds, investors will only be able to claim as an unsecured creditor against the Issuer, and not any other person including the Mianyang Government.

In April 2017, the MOF, the NDRC, the Ministry of Justice of the PRC, the PBOC and the CBRC jointly promulgated Notice on Further Regulating Local Governments' Loaning and Financing Activities (關於進一步規範地方政府舉債融資行為的通知) ("**Circular 50**"), which preserves the principle of Circular 43, and further makes clear the legality of governments' financing activities. To further optimise the information disclosure mechanism, when carrying out debt financing at home and abroad, the LGFVs shall voluntarily make a written declaration to the creditor on their non-performing governmental financing function and clarify that their new debts occurred since 1 January 2015 shall not belong to local governmental debts.

On 28 March 2018, the MOF issued the Circular of the Ministry of Finance on Issues relevant to the Regulation on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知(財金[2018]23號)) ("**Circular 23**") which took effect on the same day. According to Circular 23, (i) state owned financial enterprises are prohibited from increasing loans provided to LGFVs in violation of

regulations that include the new Budget Law of the PRC effective on 1 January 2015, Circular 43 and others, except in the case of purchasing local government debt; (ii) state owned financial enterprises shall ensure that the capital raised for financing state owned financial enterprises, LGFV or public private partnership construction projects is lawfully sourced and that the financing satisfies all required capital ratios; (iii) state owned financial enterprises when providing agency services to local state owned financial enterprises are obliged to evaluate the financial capabilities of the entity seeking to raise capital and the source of the funds such as when a LGFV issues domestic or overseas bonds. With respect to the sources of income from debt issuing enterprises involved in the arrangement of financial funds, state owned financial enterprises shall carry out due diligence investigations and carefully verify that the arrangement complies with all applicable laws and regulations; and (iv) documents including offering circulars shall not disclose information that can implicitly or explicitly indicate the government's endorsement of the LGFV's capital raising, such as local financial revenues and expenditures and government debt information, or conduct misleading publicity that implies an association with the government's credit.

On 11 May 2018, the NDRC and the MOF jointly issued the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (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**") which took effect on the same day. Circular 706 imposes higher standards on enterprises engaging in foreign debt financings generally to ensure such enterprises and their financing plans are sufficiently robust and viable. According to Circular 706, enterprises incurring medium to long term foreign debts may not count public schools, public hospitals, public cultural facilities, parks, public squares, office buildings of government offices and public institutions, municipal roads, non toll bridges, non managed water conservancy facilities, non chargeable network facilities or any other public assets or the rights to use land reserves, as assets owned by the enterprises for reporting purposes. In addition, such enterprises may not implicitly or explicitly publicise any misleading link to government credit in offering documentation or otherwise; where an enterprise is owned by a local government entity, the documentation must make clear that the liability of the local government is limited to the amount of its capital contribution and the debts of the enterprise are to be solely repaid by the enterprise itself as an independent legal person.

On 6 June 2019, the NDRC issued the Notice on the Requirements relating to the Foreign Debt Issuance Filings and Registrations Application of local State- Owned Enterprises (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**"), which restated Circular 706's supervision requirement. According to Circular 666, local state-owned enterprises shall assume the responsibility of repaying foreign debts as independent legal persons, while local governments and departments thereof shall not directly repay or undertake to repay the foreign debts of local state-owned enterprises with fiscal funds, nor shall they provide guarantee for the issuance of foreign debts by local state-owned enterprises. Local state-owned enterprises that issue foreign debts shall strengthen information disclosure. In documents such as a bond prospectus, it is strictly prohibited to contain misleading promotional information that may be linked to government credit. Foreign debts issued by a local state-owned enterprise undertaking local government financing function can be only used for repaying medium- and long-term foreign debts due within the future one year.

The ongoing nature of developments in this area has also resulted in there being little precedent on the interpretation of such laws and regulations by the relevant authorities. Any new laws and regulations, or changes in the interpretation of existing laws and regulations, may materially and adversely affect the Group's business, prospects, profitability, financial condition and results of operations or may result in the Group incurring significant compliance costs.

Any public assets of the Group should not be taken into account when the Group's business, financial condition, results of operations and prospects are assessed.

According to Circular 706, any public assets such as public schools, public hospitals, public cultural facilities, parks, public squares, office buildings of government departments and public institutions, municipal roads, non-toll roads, non-operating water conservancy facilities, no-charge pipe network facilities and other public assets and the usage rights of reserve land (together, "**Public Assets**") cannot be counted towards the Group's assets for the purposes of issuing medium and long-term foreign debts.

As of 31 December 2024, the Group holds assets such as post-disaster transportation reconstruction projects and parks with face value of approximately RMB3,651.55 million. Such assets may constitute public assets under Circular 706 and have not been excluded from the Group's consolidated financial statements included elsewhere in this Offering Circular. Investors should exercise caution when using such consolidated financial statements to evaluate the Group's businesses, financial conditions, results of operations and prospects. To the extent that any of the Group's assets are deemed to be Public Assets under Circular 706, prospective investors should not take into account such assets when assessing the Group's business, financial condition, results of operations and prospects, and such assets cannot be utilised to discharge any obligations of the Group, including the repayment of any amount under the Bonds.

In addition, there can be no assurance that the PRC Government will not impose additional or stricter laws and regulations relating to foreign debt financing, which may increase the Group's financing costs and in turn could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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

Force majeure events, natural disasters, catastrophes 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. In addition, the Group's operations are subject to outbreaks of contagious diseases.

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 revenues. Insurance policies for civil liability and damages taken out by the Group could prove to be significantly inadequate, and there can be no assurance that the Group will always be able to maintain a level of cover at least equal to current cover levels and at the same cost. Such events 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 or similar risks.

The Group's business operations and investments require substantial capital expenditure and failure to obtain sufficient capital on acceptable terms or in a timely manner may adversely affect its business and growth prospects.

The Group's business activities and investments require substantial capital expenditure, especially its infrastructure construction business. For the years ended 31 December 2022 and 2023, the Group's net cash flow generated from investment activities were approximately RMB2,351 and RMB3,478 million, respectively. For the year ended 31 December 2024, the Group's net cash outflow from investment activities was RMB663.8 million. The Group has historically satisfied its capital expenditure need with the cash flow generated from its operating activities, bank and other borrowings, government subsidies and funds raised in the PRC domestic and offshore capital markets. There is no assurance that the Group's

operations will be able to generate sufficient cash flow at all times, if at all. The Group's ability to access and raise sufficient capital through different sources depends upon a number of factors, such as the PRC's economic condition, relationships with key commercial banks, prevailing conditions in capital markets, regulatory requirements, the Group's financial condition, and costs of financing. Some of these factors are beyond the Group's control.

The Group's capital expenditure and investment plans are affected by a number of factors, such as changes in project requirements, the Group's ability to generate sufficient cash flows from its operations, the availability and costs of external financing and the local government's plan in project buybacks and granting government funds. Any material changes in these factors, which may be out of the Group's control, may create capital shortfall. In particular, any delays in government funding and cost overruns may also cause such shortfall. In these cases, the Group's reliance on external financings and its internal capital resources may increase. As at 31 December 2024, the Group had obtained credit facilities of approximately RMB76.09 billion, out of which approximately RMB53.37 billion had been utilised, representing 70.14 per cent. of the aggregate credit facilities obtained. As its usable credit facilities decrease, the Group also faces a certain degree of financing risks.

If the Group fails to raise sufficient funds in a timely manner or fails to obtain external financing on commercially acceptable terms, it may not be able to fund the capital expenditure necessary to implement its business plans and strategies, which may in turn have a material and adverse impact on its business, financial condition, results of operations and prospects.

The net cash flow from operating activities of the Group is subject to fluctuations and may adversely affect the Group's financial condition.

For the years ended 31 December 2022 and 2024, the Group's net cash outflow from operating activities was approximately RMB1,352 million and RMB340.9 million respectively. For the year ended 31 December 2023, the Group's net cash flow generated from operating activities was RMB958.1 million. This is due to the fact that the Group undertakes a large amount of infrastructure construction projects and primary land development projects and there are uncertainties around when the Group is able to recover its costs from the relevant government departments. If the Group's net cash flow from operating activities continues to fluctuate, the Group's financial stability may be undermined, which may adversely affect the Group's financial position and results of operations.

The Group may be exposed to credit risks relating to its guarantee liabilities.

The Group had outstanding external guarantees of approximately RMB8,706.8 million in total as at 31 December 2024, mainly relating to borrowings by Mianyang Science and Technology City Development Investment (Group) Co., Ltd. (綿陽科技城發展投資(集團)有限公司), Mianyang Fucheng Investment Group Co., Ltd. (綿陽富誠投資集團有限公司), Sichuan Changhong Electronics Holding Group Co., Ltd. (四川長虹電子控股集團有限公司), Mianyang Miangao Equity Investment Fund (Limited Partnership) (綿陽綿高股權投資基金(有限合夥)), Sichuan Xingshu Railway Investment Co., Ltd. (四川興蜀鐵路投資有限責任公司) and Sichuan Aichuang Technology Co., Ltd. (四川愛創科技有限公司). The Group has entered into such guarantees for various reasons, including the satisfaction of the Group's business needs. Prior to entering into any guarantee transaction, the Group carefully considers the commercial merits of such transaction and obtains approval from the relevant municipal government departments. Although the Group has specific internal policies in relation to its guarantee liabilities, in the event that the guaranteed entities are unable to fulfil their obligations under the respective loan agreements, the Group will be required to repay the outstanding debts on behalf of the guaranteed entities and its financial conditions and businesses could be materially and adversely affected.

The Group incurs substantial period costs and a failure to manage its period costs could materially and adversely affect its financial condition and results of operations

For the years ended 31 December 2022, 2023 and 2024, the Group's period costs (comprising sales expenses, management expenses and financial expenses) were approximately RMB3,128.1 million, RMB3,296.0 and RMB3,180.2 million, respectively, accounting for 26.08 per cent., 35.43 per cent. and 32.25 per cent., respectively, of the Group's total operating income over the same periods. Although the Group has endeavoured to monitor and control its period costs, the Group may not be able to successfully manage its period costs in the future. Any failure in the Group's ability to control its period expenses could materially and adversely affect its financial condition and results of operations.

Significant amount of other receivables may affect the Group's liquidity and restrict the Group's business activities.

As at 31 December 2022, 2023 and 2024, the Group's other receivables amounted to RMB18,875.1 million, RMB16,740.2 million and RMB17,105.1 million, respectively, representing 15.23 per cent., 12.53 per cent. and 12.29 per cent., respectively, of the total assets of the Group as at the same dates. A considerable proportion of other receivables of the Group is attributable to the Mianyang Government, mainly comprising the repurchase amounts payable for the Group's infrastructure construction projects and the land transfer fees payable for the Group's primary land development projects. As at 31 December 2022, 2023 and 2024, the Group's other receivables owed by the government accounted for 66.68 per cent., 52.85 per cent. and 71.61 per cent., respectively, of the total amount of the Group's other receivables as at the same dates. Although the Mianyang Government has a detailed repayment plan according to the Explanation in relation to Other Receivables of Mianyang Investment Holding (Group) Co., Ltd. (Mian Fu Han [2016] No.26) (《綿陽市人民政府關於綿陽市投資控股(集團)有限公司其他應收款相關事項的説明》(綿府函[2016]26號)), there are inherent risks associated with the ability of the Mianyang Government to make timely payments and any failure to make timely payments could materially and adversely affect the Group's liquidity and in turn affect its business, financial condition or results of operations.

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

The Group relies on bank loans and proceeds from bond issuances to satisfy a portion of its capital requirements and the Group has a significant amount of outstanding indebtedness. As at 31 December 2024, the Group's total indebtedness (comprising short-term and long-term loans, bills and debentures payable, and long-term loans and debentures payable due within one year) was approximately RMB66,495 million. Moreover, as at 31 December 2024, the Group's interest-bearing liabilities amount to RMB62,813 million, representing 94.46 per cent. of the Group's total liabilities. Among such interest-bearing liabilities, the Group's outstanding bonds payable amounted to RMB24,290 million as at 31 December 2024, representing a relatively high proportion of 23.89 per cent. of the Group's total liabilities. As at 31 December 2024, the Group's interest-bearing liabilities due in 2025 and due after 2025 amounted to RMB31.66 billion and RMB35.04 billion, respectively. If, for instance, the inflow of fiscal subsidies from the government decreases or the Group's income derived from its main businesses drops significantly, the Group may not be able to repay the principal and interest of its interest-bearing liabilities on time. As at 31 December 2024, a subsidiary of the Company Mianyang Fuhai Asset Management Co., Ltd. had overdue interest of mortgage loan borrowed from Mianyang Xinhua sub-branch of ICBC ("**ICBC Loan**") amounted to approximately RMB35,228,300. The Group is currently in discussion with Mianyang Xinhua sub-branch of ICBC on the treatment of ICBC Loan and please refer to "Note VIII – Notes on the principal items of the financial statements – 26. Short-term loans – (2) Situation of overdue short-term loans" to the 2024 Audited Financial Statements for further details. As at 30 September 2024, a subsidiary of the Company Mianyang High-grade Highway Development Co., Ltd. had overdue principal and interest of loans borrowed from China Construction Bank Corporation Mianyang Branch ("**CCB Loans**") amounted to RMB6.7 million and

RMB152.9 million, respectively. On 27 December 2024, the Group has made agreement with China Construction Bank Corporation Mianyang Branch for the repayment and waiver of the outstanding principal and interest and as at 31 December 2024, the outstanding amount under CCB Loans. Please refer to "Note IX – Contingencies – 2. Contingent liabilities formed by other events of the Group as of December 31st, 2024" to the 2024 Audited Financial Statements for further details.

Substantial indebtedness could impact the Group's businesses in a number of ways, including:

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

As at 31 December 2024, the Group held restricted assets with a total book value of approximately RMB17,745 million, accounting for 12.75 per cent of total assets and 47.36 per cent of the Group's net assets. Third-party security rights may limit the Group's use of the underlying collateral assets and adversely affect its operation efficiency. If the Issuer and its subsidiaries are unable to service and repay their debts under such loan facilities on a timely basis, the assets provided as security for such bank loans may be subject to foreclosure, which may adversely affect the Group's business, financial condition, results of operations and prospects.

The Group has received government subsidies and grants in the past and any reduction in subsidies and grants could substantially reduce the Group's profits or increase losses.

As the main body tasked with infrastructure construction and the primary operator of urban public services such as water supply, the Group has been receiving financial support from the Mianyang Government in the form of government subsidies to fund its operations. For the years ended 31 December 2022, 2023 and 2024, the government subsidies received by the Group amounted to approximately RMB1,219 million, RMB1,368 million and RMB1,731 million, respectively. The government's provision of subsidies and grants depends on the future fiscal revenue and fiscal policies of the local and central government of the PRC. There can be no assurance that the Group will continue to receive the same level of government subsidies and grants or enjoy the same preferential treatments that it currently enjoys, since the relevant government policies may change over time. Any loss or reduction in government subsidies and grants or other form of government support could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to project development risks and cost overruns, and delays may adversely affect the Group's results of operations.

There are a number of construction, financing, operating and other risks associated with project developments in the PRC. Projects of the types undertaken by the Group typically require substantial capital expenditure during the construction phase and usually take many years before they become operational and generate revenue. The time taken and the costs involved in completing construction of projects can be adversely affected by many factors, including shortages in materials, equipment and labour,

adverse weather conditions, natural disasters, labour disputes, disputes with sub-contractors, accidents, changes in governmental policies, approval time and other unforeseen circumstances. Any of these could give rise to delays in the completion of the construction phase and/or cost overruns. Construction delays may result in loss of revenues. The failure to complete construction in accordance with the agreed specifications may result in penalties or other liabilities, reduced efficiency and lower financial returns.

As at 31 December 2022, 2023 and 2024, the Group's construction-in-progress amounted to RMB5,219.3 million, RMB6,367.6 million and RMB5,592.7 million, representing approximately 4.12 per cent., 4.77 per cent. and 4.02 per cent. of the Group's total assets. If the Group's construction projects cannot be completed on schedule, this may negatively impact the Group's liquidity and profitability. In addition, the Group's ongoing construction projects are mainly infrastructure construction projects undertaken by the Group which are to be repurchased by the Mianyang Government. The Group will only enter into repurchase agreements with the government when the repurchase conditions have been satisfied, i.e. after the completion of construction and/or financial settlement. Although Mianyang Finance Bureau has already set aside funds for the repurchase of the Group's projects in future, thus mitigating the repurchase risk faced by the Group, there is inherent uncertainty as to the repurchase price which the Group will be receiving ultimately and when the Group will be able to generate income from these projects.

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

Infrastructure and land development projects require substantial capital expenditures prior to and during the construction period. The construction of such projects may take many months or several years before the Group receives its funds from the Mianyang Government, which is generated from the land grant premium payable by real property developers in the granting of land use rights of the land developed by the Group. Meanwhile, the progress and cost for a development project can be adversely affected by many factors, including:

- delays in obtaining necessary licences, permits or approvals from governmental agencies or authorities;
- relocation of existing residents and/or demolition of existing structures;
- shortage of materials, equipment, contractors and skilled labour;
- labour disputes;
- construction accidents;
- natural catastrophes;
- adverse weather conditions; and
- changes in city zoning, planning and plot rations.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedules or budgets as a result of the above factors may adversely affect the Group's results of operations and financial position and may also cause reputational damage. There is no assurance that the Group will not experience such delays in delivery of its property projects in the future or that they will not be subject to any liabilities for any such delays.

The Group may be unable to comply with all relevant laws and regulations in the PRC relating to the development, construction and operation of its business projects.

The Group's projects are subject to strict PRC laws and regulations relating to their development, construction, licensing and operation. These laws and regulations relate to, among other things, project approval and other government approval and licensing requirements for building, operation and construction of new projects, landscape conservation and environmental conservation. In particular, before the Group constructs and operates its various projects, the Group must first obtain operational and construction permits from various authorities. Procedures for granting operational and construction permits vary by local area and certain provinces may reject requests for permits for a variety of reasons. Furthermore, operational and construction permits granted successfully to the Group in some provinces may be subject to challenges by third parties. Moreover, the Group must comply with the relevant laws and regulations and the conditions imposed in the operations and construction permits, and there can be no assurance that the Group will be able to do so, which may result in fines, sanctions, criminal penalties and/or the suspension, revocation or non-renewal of approvals, licences or permits. See also "Risks relating to the Group's business – The Group may fail to obtain or renew required government approvals, permits and licences for its operating activities". These factors could have a material and adverse effect on the Group's business, financial condition or results of operations.

The Group may fail to obtain or renew required government approvals, permits and licences for its operating activities.

The Group is required to obtain certain government approvals, permits and licences for its operating activities across its respective business segments. The Group's ability to carry on its business across its respective business segments is therefore subject to its ability to obtain, and the PRC government's decision to issue, renew and not revoke, such requisite approvals, permits and licences.

The Group from time to time acquires land and properties for its business operations. According to applicable PRC laws, the granting of land use rights is customarily conducted through a public tender and bidding process. A number of factors are taken into consideration when the government determines the granting of land use rights, such as the reputation, track record and financial conditions of the bidders and project budgeting. Granting of property ownership certificates is also subject to a number of conditions and procedures and sometimes requires documents and co-operation provided by contractors and third parties. Many of these factors are beyond the Group's control.

There can be no assurance that the Group will be able to obtain or renew its existing approvals, permits and licences on commercially reasonable terms in a timely manner, or at all, or that such approvals, permits and licences will not be revoked by the relevant authorities. The Group could be subject to fines or penalties imposed by the relevant government authorities, or required to cease the construction or operation of certain of the Group's projects due to non-compliance with the terms of the government approvals, permits and licences. Any such fines, penalties or orders for the cessation of construction or operation could materially and adversely affect the Group's business, financial condition and results of operations.

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

Under applicable PRC laws and regulations, the PRC Government may impose an idle land fee equal to 20 per cent. of the land premium or allocation fees if the Group does not commence development on the land held by the Group for more than one year after the date specified in the relevant land use rights grant contract, the Group commences development on an area which is less than one-third of the area granted, or the capital invested in the development is less than one-fourth of the total investment approved for the development, and the development is suspended for more than one year without governmental approval. The

PRC Government may revoke the land use rights certificate without compensation if the Group does not commence development for more than two years after the date specified in the relevant land use rights grant contract without compelling causes. The State Council issued the Notice on Promoting the Saving and Intensification of Use of Land (國務院關於促進節約集約用地的通知) which states, among other things, that the Ministry of Land and Resources and other authorities are required to research and commence the drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, the Ministry of Land and Resources issued in August 2009 the Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) which reiterates its policy on idle land.

As at the date of this Offering Circular, the Group has not received any fine or penalty or notice of fine or penalty from the relevant governmental authorities relating to its idle land. However, no assurance can be given that the governmental authorities will not penalise the Group in the future. The imposition of fines and penalties could have a material and adverse effect on the Group's business, financial condition and results of operations.

The PRC Government may adopt measures aimed at slowing down growth in the real estate sector, which in turn may affect the primary land development industry. The Group's profitability may also be affected by land or other policies in general.

Since 2005, the PRC Government has from time to time introduced various measures to curtail property speculation in response to concerns over, among other things, the increases in property investments and property prices and the overheating of the property market. For example, according to the Notice of the State Council on Issues Relating to Further Well Managing the Central Control of the Real Estate Market (國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知) issued by the General Office of the State Council on 26 January 2011 and the Notice of the State Council on Continuity to Well Manage the Central Control Work of the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知) promulgated by the General Office of the State Council on 26 February 2013, the government will firmly restrain speculative demands and strengthen market supervision to better control the overheating of the PRC real estate market. Such measures may limit property developers' access to capital resources, reduce market demand for their properties and increase their operating costs in complying with these measures, which in turn could have an adverse impact on the demand for land developed by the Group. There can be no assurance that the PRC Government will not adopt additional and more stringent measures to further dampen the growth of the property sector, which could slow down property development in China.

The Group's profitability may also be affected by land policies in general. As the Group's primary land development business is susceptible to the influence of national macro-economic policies, where there are unfavourable adjustments to such policies, the Group's overall profit margin may decrease. For the years ended 31 December 2022, 2023 and 2024, the Group's operating gross profit margin was 11.30 per cent., 12.65 per cent. and 10.20 per cent., respectively, and the Group's gross profit margin for its primary land development business was -10.36 per cent., -112.89 per cent. and -6.14 per cent., respectively, over the same periods. Pursuant to the Notice on Issues Concerning the Transfer of Government Non-tax Income Including the State-owned Land Use Right Transfer Income, Specialised Income from Mineral Resources, Territorial Waters Usage Fees and Uninhabited Island Usage Fees to Taxation Departments for Collection (Cai Zong [2021] No.19) (關於將國有土地使用權出讓收入、礦產資源專項收入、海域使用金、無居民海島使用金四項政府非稅收入劃轉稅務部門徵收有關問題的通知(財綜[2021]19號)) issued by MOF, the Ministry of Natural Resources, the State Administration of Taxation and PBOC on 21 May 2021, land use right transfer fees are to be collected in a centralised manner by the relevant taxation departments of the PRC Government. The Group's income derived from its primary land development business shall be recognised based on the surplus of the land use transfer price after deducting the proceeds and related taxes turned over to the government at the provincial level and above. The income derived from this business segment remains subject to considerable uncertainty. For example, since 2021, the Group has adopted a conservative

accounting approach and matched its primary land development income to its operating cost, but such approach may be further adjusted according to the changes in actual circumstances. Thus, any unfavourable policy changes may have a material adverse effect on the Group's business, financial condition and results of operations.

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

The commodities trading industry is characterised by strong competition. The Group faces intense competition with domestic and international competitors with greater diversification across different commodity groups and global geographical presences and scales. These competitors are generally in a better position in regards of operating scale, profitability, resources, distribution networks, relevant import and export permits and completeness of the industrial chain, whereas the Group mainly focuses on a narrower commodity group and geographic area. They may, in the future, use their resources to expand into all of the markets in which the Group operates and therefore compete against the Group. These competitors may also expand and diversify their commodity sourcing, processing or marketing operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on the Group across each of its business segments. Increased competition may result in losses of market share and could materially adversely affect the Group's business, financial condition and results of operations.

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

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

The Group is exposed to fluctuations in the expected volumes of supply and demand for commodities.

The expected volumes of supply and demand for the commodities that the Group is actively trading vary over time, based on the supply policies of competitors, changes in resource availability, government policies and regulation, costs of production, global and regional economic conditions, demand in end markets for products in which the commodities are used, natural disasters and diseases, all of which impact markets and demand for commodities. Furthermore, changes in expected supply and demand conditions impact the expected future prices (and thus the price curve) of each commodity.

Fluctuations in the volume of each commodity traded by the Group could materially impact the Group's business, financial condition and results of operations. These fluctuations could result in a reduction or increase in the income generated in respect of the volumes handled by the Group's trading activities.

The Group is subject to counterparty credit, performance and concentration risk.

Non-performance by the Group's suppliers and customers may occur in a range of situations, such as:

- a significant increase in commodity prices could result in suppliers being unwilling to honour their contractual commitments to sell commodities at the pre-agreed prices;

- a significant reduction in commodity prices could result in customers being unwilling or unable to honour their contractual commitments to purchase commodities at the pre-agreed prices; and

- suppliers may take payment in advance and then find themselves unable to honour their delivery obligations due to financial distress or other reasons.

Any disruptions in the supply of product, which may be caused by factors outside the Group's control, could adversely affect the Group's margins. The Group's business, financial condition and results of operations could be materially and adversely impacted if the Group is unable to continue to source required volumes of commodities from its suppliers on reasonable terms or at all.

In addition, the Group's customer and supplier base is highly concentrated. As at 31 December 2024, the amount of products supplied by the Group's top five suppliers supplied accounted for approximately 65.64 per cent. of the total amount of goods that the Group purchased and the amount of products purchased by the Group's top five customers accounted for approximately 59.31 per cent. of the total amount of goods that the Group supplied. In the event that a large supplier or customer switches to another company, this could have a material effect on the Group's business, financial condition and results of operation.

The education sector is subject to extensive regulation in the PRC, and the Group's ability to conduct business is highly dependent on the Group's compliance with these regulatory frameworks.

The PRC Government regulates all aspects of the education sector, including licensing of parties to perform various services, pricing of tuition and other fees, curriculum content, standards for the operations of schools and learning centres associated with foreign participation. The laws and regulations applicable to the education sector are in some aspects vague and uncertain, and often lack detailed implementing regulations. These laws and regulations are subject to change, and new laws and regulations may be adopted, some of which may have retroactive application or have a negative effect on the Group's business, financial condition and results of operations.

If the Group has to attract students to enrol in its courses with a significant decrease in course fees, the Group's revenues may decline and it may not be able to maintain profitability in its education business.

The success of the Group's education business depends primarily on the number of student enrolments in the Group's courses and the amount of tuition fees that the Group's students are willing to pay. Therefore, the Group's ability to continue to attract students to enrol in its courses without a significant decrease in tuition fees is critical to the continued success and growth of its business. This in turn will depend on several factors, including the Group's ability to retain professional teaching staff, expand its geographic reach, develop and license additional high-quality educational content, respond to competitive pressures, maintain its existing student base and effectively market its programmes to prospective students. If the Group is unable to continue to attract students to enrol in its courses without a significant decrease in course fees, the Group's revenue may decline and it may not be able to maintain profitability. This may result in a material adverse effect on the Group's education business.

The Group's education business depends on its dedicated and capable faculty, and if the Group is not able to continue to hire, train and retain qualified teachers, the Group may not be able to maintain consistent teaching quality throughout its school network, and the Group's education business results may be materially and adversely affected.

The Group operates two schools in Mianyang City and generates revenue mainly from the collection of tuition fees and boarding fees. As of 31 December 2024, it hires approximately 1,117 teaching staff in total. In order for the Group to continue to develop its education business and derive a steady stream of revenue from this principal business, the Group must continue to attract professionally qualified teachers who have a strong expertise in their respective subject areas. In addition, criteria such as commitment and dedication are difficult to ascertain during the recruitment process, in particular as the Group expects to continue its expansion and thus recruit teachers at a faster pace to meet rising student enrolments. The Group must also

provide continuous training to its teachers so that they can stay abreast of changes in student demands, admissions and assessment tests, admissions standards and other key trends. The Group may not be able to hire, train and retain enough qualified teachers to keep pace with the Group's anticipated growth while maintaining consistent teaching quality across different schools, which may result in a material adverse effect on the Group's education business.

The Group's bus fare rates are subject to the regulation by the Mianyang Government.

Bus fares charged by the Group are determined by the relevant pricing department and relevant transportation department of the Mianyang Government. As the current bus fare scale is set according to the low fare policy imposed by the Mianyang Government, the Group needs to maintain profitability in its public transportation business through obtaining government subsidies and exploring other sources of income such as offering customised bus services and bicycle rental services. While the Group has not encountered a reduction in toll rates in the past three years, it is possible that the relevant governmental authorities could mandate the Group to reduce the bus fare rates or keep the bus fare rates at the present level despite increased operation costs. If the bus fare rates applicable to the Group's public transportation business were to be reduced or fail to reflect the Group's costs, it could adversely affect the Group's revenue and results of operations.

A decline in traffic volume or the implementation of toll fee exemption measures may adversely affect the revenue and earnings of the Group's toll road business.

Traffic volume is directly and indirectly affected by a number of factors, including the availability, quality, proximity and toll rate differentials of alternative roads, the existence of other means of transportation, including rail and waterway, fuel prices, taxation and environmental regulations and seasonality. The increase in transport capacity of railways in recent years may also impact on the overall highway transportation industry. Widening and expansion works of nearby highways and local roads, as well as openings of new roads, further expansion and improvement of the highway network, parallel roads or substitutive routes, may hinder the traffic growth on the tolled expressway operated by the Group and bring negative impact on the growth of toll revenue of the Group. Any material decrease in income from the Group's toll road business may adversely affect the Group's financial condition and results of operations.

Significant increases in transportation costs may materially and adversely affect the Group's business, financial condition and results of operations. Capital expenditures on toll roads is subject to events outside the Group's control.

Transportation costs are significantly affected by a variety of factors, including fuel prices, vehicle taxes and duties, many of which are beyond the Group's control. As the Group's bus fare scale is set according to the low fare policy imposed by the Mianyang Government, the inability to pass on to the Group's clients any significant increases in transportation costs could therefore materially and adversely affect the Group's business, financial condition and results of operations.

Moreover, the Group is responsible for the maintenance and repair of its toll road at its own cost throughout the operating concession period. Such costs are typically stable and predictable, including periodic road upgrades that require higher capital expenditures. However, the condition and operation of the toll roads operated by the Group may be affected by catastrophic events including but not limited to serious adverse weather conditions, natural disasters, epidemics and major road accidents. Such catastrophic events could damage and disrupt the operation of the toll roads, leading to loss of toll revenues, or require significant unexpected capital expenditures to fix the toll roads and related infrastructure and equipment. There can be no guarantee that such events will not occur. If the condition or the Group's operation of the toll roads were

seriously affected as a result of any such events, the Group's toll revenue and earnings from toll-related business may be adversely affected, which could in turn have an adverse effect on the Group's results of operations and financial results.

The Group's water supply business may be affected by water pollution issues and the progress of surrounding environmental protection works.

As at the date of this Offering Circular, all of the water supply plants operated by the Group possess abundant water resources of high quality. The quality of the Group's water resources has attained Type II to III water quality standard pursuant to the Surface Water Environmental Quality Standards (《地表水環境品質標準》) issued by the PRC Government. Water inflow quality is of Type II standard of the Surface Water Environmental Quality Standards GB3838-2002 while water outflow quality has reached the Drinking Water Hygiene Standard GB5749-2006. In recent years, the Group's integrated passing rates in water quality and water pressure has been maintained at a stable level of 99 per cent. or above. However, as the economy in Mianyang City and other neighboring cities (especially the upstream cities) develops, there is a corresponding increase in surrounding sewage discharges. If the progress of environmental protection works in Mianyang City and other neighboring cities cannot keep up with the pace of urbanisation and economic development, there may be a deterioration of water quality which could adversely affect the water supply plants operated by the Group. In addition, the quality of water resources may be adversely affected by various factors beyond the Group's control, such as water pollution, climate changes, changes in underwater ecosystem, environmental accidents or disasters and other force majeure events. The Group's water supply business is subject to a certain degree of external pressure and threats which the Group may not be able to mitigate or alleviate. If such threats materialise, the Group's business, financial condition and results of operations.

The Group is exposed to fluctuations in food and edible oil prices, market demand and is affected by changes in PRC government's policies.

The Group's food and edible oil procurement and supply business involves the sale of food and edible oil products. The price of these products can be affected by various factors such as international and domestic economic environment, cyclical price movements, supply and demand and there can be no assurance that the market price of any of these products will not decline in the future or that such prices will otherwise remain at sufficiently high levels to support the profitability of the Group's business.

Furthermore, food and edible oil is of strategic importance to national development and subject to stringent regulations of the PRC Government. There can be no assurance that any changes in the PRC Government's policies towards the sale and purchase of food and edible oil will not have a material adverse effect on the Group's business, financial condition, results of operations, profitability and prospects.

The Group is subject to various health and safety regulations in the PRC and changes in the existing food safety laws may affect the Group's agricultural product sales business.

The Group is required to comply with extensive health and safety regulations in the PRC in respect of technical, hygiene or environmental requirements on the Group's food and edible oil procurement and supply business. Failure to comply with these regulations may result in fines and/or suspension or revocation of the Group's licences or permits to conduct its business.

In addition, changes in the existing food safety laws may affect the Group's food and edible oil procurement and supply business. The Group's food and edible oil sales is subject to the food safety laws and regulations of the PRC, which set out hygiene, safety and manufacturing standards with respect to food as well as hygiene, safety, packaging and other requirements for food production, production facilities and equipment used for the transportation and sale of food. In particular, according to the Food Safety Law of the PRC

which became effective on 1 June 2009 and its implementation regulations which became effective on 8 July 2009, the Group is required to follow more stringent quality control and food safety standards, including, among others:

- chemicals other than specifically permitted additives and any substance that may harm human health are forbidden in food production;

- no food product is exempt from inspection by the relevant food safety supervision authority; and

- all food manufacturers will have to suspend production immediately and recall all products from the market if such products are found to have failed to meet the requisite food safety standards. The manufacturers are also required to notify the relevant food producers and traders, as well as consumers of such recall and keep records in this regard.

The Food Safety Law of the PRC was last amended on 29 April 2021 and became effective on the same date. Under the amended Food Safety Law of the PRC, if the food safety risk assessment shows that a food, a food additive or a food-related product is unsafe, not only will its production be terminated, the result of the risk assessment shall also be announced to the public. Any failure to comply with the Food Safety Law of the PRC, its implementation regulations or other food safety and hygiene laws and regulations in the PRC may result in fines, suspension of operations or loss of licences, which could in turn have a material adverse impact on the Group's production, business, results of operations and financial condition.

There can be no assurance that the PRC government will not change the existing law or regulations or adopt additional or more stringent laws or regulations applicable to the Group and its business operations. Such new laws and regulations may require the re-configuration of the Group's methods for sourcing raw materials, production, processing and transportation, including more onerous food safety, labelling and packaging requirements, more stringent compliance requirement for waste management, increases in transportation costs and greater uncertainty in production and sourcing estimates. The Group's failure to comply with any applicable law and regulations could subject it to civil liabilities, including fines, injunctions, product recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on its business, results of operations and financial condition.

The Group's food and edible oil procurement and supply business is affected by weather conditions and other natural disasters and phenomena.

The Group's food and edible oil procurement and supply business is susceptible to weather conditions and natural disasters. The quantity or quality of the Group's food and edible oil may be affected by prolonged periods of adverse weather conditions, natural disasters (such as storms, earthquakes or floods), pest infestations or diseases. In addition, natural disasters occurring elsewhere which do not affect the Group's production directly may nonetheless have an effect on prices on the worldwide market and indirectly impact the Group's business and profitability.

The occurrence of natural disasters may also have an effect on the Group's food and edible oil procurement and supply business by interrupting the supply chains or distribution networks. As a result, the Group or its suppliers may not be able to continue obtaining an adequate supply of raw materials to meet their present and future production demands and quality requirements. Any interruptions or declines in the supply or quality of raw materials could materially disrupt the Group's business.

The Group's hospitality business is subject to seasonality factors and macroeconomic conditions affecting consumers' travel patterns.

The performance of the hospitality industry is inherently seasonal. Sales and prices of packages and services, hotel room and restaurant revenues, occupancy levels and room rates will normally be higher for holiday seasons and lower for off-peak seasons. Higher revenues are normally generated during festive holidays including without limitation, New Year, Chinese New Year, Mid-Autumn Festival and National Day Golden Week in China, when more travellers tend to go on holidays. Moreover, changes in the macroeconomic conditions such as inflation (or deflation), unemployment rate and national income may have an impact on consumers' willingness to spend on personal travel, resulting in changes in their travel pattern. The Group's operating results in the hospitality segment may therefore be subject to fluctuations due to seasonality factors and changes in the macroeconomic environment from time to time. If such seasonality and other macroeconomic factors are unfavourable, the Group's business, financial condition and results of operations may be adversely affected.

Refurbishments or further development of the Group's existing properties may result in cost overruns or disruptions of its hotel operations.

In order to improve and maintain the conditions of its hotels, the Group may conduct refurbishments of its hotels from time to time. These refurbishments may be more costly than expected and are subject to risk of delays and cost overruns. In addition, even though the operations of hotels under refurbishment or development may not need to be closed down entirely, there may be instances where refurbishment or development would seriously disrupt hotel operations and adversely affect the revenues of the relevant hotels. The disruptions and other risks associated with refurbishments and further development or the Group's failure to improve and maintain the conditions of the hotels could have an adverse effect on its business, financial condition and results of operations.

The Group may not successfully implement its growth strategy.

The Group has historically been focused on the infrastructure construction and primary land development businesses in Mianyang City. Whether the Group can successfully implement its growth strategy, to some extent, depends on the Group's ability to identify attractive projects, obtain required approvals from relevant regulatory authorities in the PRC, obtain sufficient capital on acceptable terms in a timely manner and maintain close working relationships with various governmental authorities and agencies. The success of negotiations with respect to any particular project cannot be assured. There can be no assurance that the Group will be able to successfully implement its strategy, manage or integrate newly-acquired operations with its existing operations. Failure to implement the Group's growth strategy could have a material adverse impact on its business, financial condition and results of operations.

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

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

- production interruptions caused by operational errors, electricity outages, raw material shortages, equipment failure and other production risks;
- operating limitations imposed by environmental or other regulatory requirements;
- work-related personal injuries;
- on-site production accidents;

- disruption in the economy in general;
- loss on investments;
- environmental or industrial accidents; and
- catastrophic events such as fires, earthquakes, explosions, floods, collapse of mine or other natural disasters.

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

The Group's labour costs may increase for reasons such as the implementation of the PRC employment regulation.

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

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

Further, in the event that there is a labour shortage or a significant increase to labour costs, the Group's business operation costs is likely to increase. In such circumstances, the profit margin may decrease and the financial results may be adversely affected. In addition, inflation in the PRC has increased in recent years. Inflation in the PRC increases the costs of raw materials required by the Group for conducting its businesses and the costs of labour as well. Rising labour costs may increase the Group's operating costs and partially erode the cost advantage of the Group's PRC-based operations and therefore negatively impact the Group's profitability.

The Group is required to comply with extensive environmental, safety and health laws and regulations and quality control standards and the compliance of which may be onerous or expensive.

The Group is required to comply with extensive environmental, health and safety laws and regulations promulgated by the PRC Government, as well as quality control standards. Given the magnitude and complexity of these laws and regulations, compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. If the Group fails to comply with these laws and regulations and industry standards applicable to its operations, it could be subject to suspension of its operations, failed evaluation when the project is delivered for review, substantial penalties, fines, suspension or revocation of its licences or permits to conduct business, termination of government contracts, administrative proceedings or litigation. Such events could have a material and adverse impact on its business, results of operations, financial condition and reputation. As these laws and regulations continue to evolve, there can be no assurance that the PRC Government will not impose additional or more onerous laws or regulations, compliance with which may cause the Group to incur significantly increased costs, which the Group may not be able to pass on to its customers.

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

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

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

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

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;

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

The Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective.

The Group is exposed to litigation risks.

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

The Group may not be able to expand its business effectively through acquisitions, investments and joint ventures.

The Group may consider expanding its business by acquiring certain interests in other companies. During the course of these transactions, the Group may conduct due diligence investigations with respect to the target companies, but the due diligence with respect to any acquisition opportunity may not reveal all

relevant facts that are necessary or useful in evaluating such opportunity, which could subject the Group to unknown financial and legal risks and liabilities. When determining the price for any acquisition, the Group may consider various factors, including the quality of the target business, estimated costs associated with the acquisition and the management of the target business, prevailing market conditions and intensity of competition. The Group may also face various issues arising from the acquisition after the relevant transaction is completed, such as integration of the business into its operations and allocation of internal resources. There can be no assurance that the Group will be able to address these issues effectively. Any major acquisition or transaction of similar nature may consume substantial management attention and financial resources of the Group or even cause the Group to incur significant indebtedness. Any material decrease in its financial resources may limit the Group's ordinary operating activities and increase pressure on its liquidity, and in turn could adversely affect its business, financial condition and results of operations.

As at the date of this Offering Circular, the Group has not entered into any definitive agreement for any acquisition. The Group, however, is unable to predict whether there will be any target suitable for acquisition or when any suitable acquisition opportunities could arise. In the event that the Group enters into any letter of intent or agreement for any material acquisition after the issue of the Bonds, the market price and the trading volume of the Bonds may be adversely affected.

The Group may also explore business opportunities by investing in new assets and businesses and entering into new strategic alliances and joint ventures. However, the Group may not have any board representation or veto power in its joint ventures or equity investments. In case of disagreements with the Group's partners, management may be required to divert attention away from other aspects of its businesses to address these disagreements.

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

The Group relies on its quality control systems to ensure the safety and quality of its projects. Therefore, it needs to maintain an effective quality control system for the Group's principal business. The Group has undertaken a large number of infrastructure construction tasks in Mianyang City. At the same time, the Group's real estate development and sales business focuses on the construction of affordable housing. The PRC implements a "zero tolerance" policy on the quality of affordable housing construction as it concerns the safety of its people's livelihood. Although the Group undertakes to strictly adhere to the relevant national requirements when carrying out its construction projects, the Group still faces a certain degree of project quality management risks.

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

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

Adverse weather conditions, such as extreme cold weather, snow, typhoons, flooding and heavy or sustained rainfall and natural disasters such as earthquakes, landslides or mudslides, may prevent the Group from conducting its construction activities or otherwise affect its productivity, preventing the Group from completing its construction projects on schedule, delaying its receipt of payment and possibly causing the Group to incur additional operating expenses. Adverse climatic conditions that are unusually severe or last longer than usual could therefore have a material adverse effect on the Group's business, financial condition and results of operations.

The Issuer's board of supervisors has not been fully appointed.

According to the Company Law of the PRC, the members of the supervisory board of a wholly state-owned company shall not be less than five, of which the proportion of employee representatives shall not be less than one third. As at the date of this Offering Circular, the Issuer has not appointed any members to its board of supervisors. The Issuer has established an Audit Committee which exercises the functions and powers of the board of supervisors as stipulated by the Company Law of the PRC. However, if the Issuer's failure to appoint supervisors continues for a considerable time, the Issuer may face internal governance risks which may adversely affect the operation of the Issuer.

There are inherent risks relating to the Issuer's status as a holding company.

The Issuer is one of the main entities responsible for carrying out the Group's infrastructure construction and primary land development businesses. A significant part of the Group's revenue and profit is derived from the operations of the Issuer's subsidiary, while the liabilities of the Group are mainly borne by the Issuer as the holding company. For the year ended 31 December 2022, the Group recorded a net loss of RMB226.3 million. For the years ended 31 December 2023 and 2024, the Group recorded net profit of RMB225.8 million and RMB148.6 million, respectively. The Issuer's net loss on a non-consolidated basis was RMB493.9 million, RMB100.2 million and RMB223.9 million, respectively, for the years ended 31 December 2022, 2023 and 2024 respectively. In terms of liabilities, for the years ended 31 December 2022, 2023 and 2024, the total liabilities of the Group amounted to RMB89,510 million, RMB97,236 million and RMB101,659 million respectively, while the Issuer's total liabilities on a non-consolidated basis amounted to RMB60,032 million, RMB60,619 million and RMB55,463 million, respectively. If the Issuer loses or weakens its control over its subsidiaries, this may have an adverse impact on the operation, liquidity and profitability of the Issuer, as well as its ability to repay the Bonds.

Risks Relating to Financial and Other Information

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

The Issuer from time to time issues corporate bonds and short-term commercial paper in the domestic capital markets in the PRC. According to applicable PRC securities regulations on debt capital markets, the Issuer needs to publish its semi-annual and annual financial information to satisfy its continuing disclosure obligations relating to its corporate bonds and short-term commercial paper. After the Bonds are issued, the Issuer is obligated by the terms of the Bonds, among others, to provide holders of the Bonds with its audited annual financial statements and unaudited semi-annual (or any other interim reporting period required by applicable law or regulations) 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 Issuer is not responsible to holders of the Bonds 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.

The Issuer's published financial information in the PRC may be adjusted or restated to address retrospective impacts of subsequent changes in applicable accounting standards and/or policies and to correct errors contained therein.

The Issuer's published financial information in the PRC may be adjusted or restated by the Issuer to address retrospective impacts of subsequent changes in applicable accounting standards, the Issuer's accounting policies and/or applicable laws and regulations affecting the Group's financial reporting, to reflect the subsequent comments given by the independent auditors during the course of their audit or review or to correct errors in its published financial statements. For example, the Issuer's consolidated financial statements as of and for the years ended 31 December 2023 and 2024, respectively included in its audited consolidated financial statements as of and for the years ended 31 December 2023 and 2024, have been adjusted to reflect the changes in accounting policies and accounting estimates and the correction of errors in the financial figures relating to the previous accounting period. See "Notes to Financial Statements – V. Changes in accounting policies and accounting estimates and correction of errors" in the notes accompanying the Audited Financial Statements on pages F-58 to F-59 and F-214 to F-215. Such adjustment or restatement may cause discrepancies between the financial information with respect to a particular period or date published in the past on the one hand and the financial information with respect to the same period or date subsequently published in the PRC or the relevant financial information (if any) contained in this Offering Circular on the other hand.

The Audited Financial Statements have been prepared and presented in accordance with PRC GAAP, which is different from IFRS in certain respects.

The Audited Financial Statements have been prepared and presented in accordance with the PRC GAAP. PRC GAAP differs in certain material respects from the IFRS. The PRC GAAP is substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. For a discussion of certain differences between PRC GAAP and IFRS, please see "*Description of Certain Differences between PRC GAAP and IFRS*". Each investor should consult its own professional advisers for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein. Potential investors must exercise caution when they use such financial information to evaluate the Group's financial condition, results of operations and cash flows.

ShineWing, the Issuer's independent auditor, has previously been investigated, censured or penalised by relevant regulatory authorities.

ShineWing, the Issuer's independent auditors, is a registered accounting firm in the PRC supervised by the relevant PRC regulatory agencies, including the CSRC. ShineWing has received a few administrative and regulatory actions, where the relevant PRC regulatory agencies indicated that there were certain accounting irregularities during the audit processes carried out for its client company. ShineWing has confirmed that the auditors who participates in the audit of the Issuer's financial statements included elsewhere in this Offering Circular were not the subject of, or involved in, such investigations or suspension. ShineWing has further confirmed that their audit work and provision of other services for the Issuer, as well as its ability to provide comfort letters and the qualifications participating in this offering, are not affected by such investigations or suspension.

As at the date of this Offering Circular, the Issuer is not aware of any fact or occurrence of development which causes it to believe that individual auditors who participated in the audit or review of its financial statements are or would become that subject to any censure, investigation or other similar proceedings. Potential investors should consider these factors prior to making any investment decision.

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. The historical financial information is not intended to represent or predict the Group's results of operations of any future periods. The Group's future results of operations may change materially if its future growth deviates from the historical trends for various reasons, including factors beyond its control, such as changes in economic environment, PRC environmental rules and regulations and the competitive landscape of the industries in which the Group operates its businesses. The Group may also acquire businesses or companies or dispose of its subsidiaries or assets from time to time in accordance with the Group's business objectives. Period-to-period comparisons of the Group's historical operating results must be evaluated in light of the impact of any such transactions.

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

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

Risks Relating to the PRC

All of the Group's assets are located in the PRC and all of the Group's revenue is sourced from the PRC. Accordingly, the Group's results of operations, financial position and prospects are subject to economic, political and legal developments in the PRC.

The Group is subject to the political and economic risks of doing business in the PRC.

The PRC economy differs from the economies of most developed countries in many respects, including, but not limited to the extent of government involvement; level of development; growth rate; economic and political structure; the control of foreign exchange; allocation of resources; and regulation of capital reinvestment. While the PRC economy has experienced significant growth in the past 20 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC Government has

implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy but may also have a negative effect on the Group's operations. For example, the Group's business and financial condition may be adversely affected by the PRC Government's control over capital investments or any changes in tax regulations or foreign exchange controls that are applicable to it. The PRC economy has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the PRC Government has implemented measures emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in the PRC is still owned by the PRC Government. In addition, the PRC Government continues to play a significant role in regulating the development of industries in the PRC by imposing top-down policies. It also exercises significant control over PRC economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. There is no assurance that future changes in the PRC's political, economic and social conditions, laws, regulations and policies will not have a material adverse effect on the Group's current or future business and financial condition.

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

The economy of China experienced rapid growth in the past 30 years. However, there has been a decrease in China's GDP growth rate since the second half of 2013 and this has raised market concerns that the historic rapid growth of the economy of China 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 May 2017, Moody's changed China's long-term sovereign credit rating and foreign currency issuer ratings to "A1" from "Aa3". In September 2017, S&P Global Ratings also downgraded China's long-term sovereign credit rating to "A+" from "AA-", citing increasing economic and financial risks from a prolonged period of strong credit growth. In April 2024, Fitch Ratings has revised the outlook on China's long-term foreign-currency issuer default rating to "negative" from "stable", citing increasing risks to China's public finance outlook. 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. In 2020, the annual growth rate of China's GDP dropped to 2.3 per cent., as a result of the outbreak of the COVID-19 pandemic and large-scale quarantine and shutdown measures implemented by the PRC government. While the PRC economy gained strength in 2021 with a GDP growth rate of 8.1 per cent., it slowed down to 3.0 per cent. in 2022 and 5.2 per cent. in 2023.

The future performance of China's economy is not only affected by the economic and monetary policies of the PRC government, but it is also exposed to material changes in global economic and political environments 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 European Union (the "**EU**") on 31 January 2020 ("**Brexit**"). With Brexit taking full effect, there remains uncertainty about the future relationship between the United Kingdom and the EU. It is unclear how Brexit will ultimately affect the fiscal, monetary and regulatory landscape within the United Kingdom, the EU and the rest of the world. Furthermore, the Russo-Ukrainian conflict has led to significant volatility in the 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 has been growing tension 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. The ongoing trade war between the United States and the PRC and any further escalations thereof could have a material adverse impact on the Chinese economy. Sustained or escalating tension between the United States and the PRC over trade policies could significantly undermine the stability of the global economy and thereafter 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 have 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.

The legal system in the PRC is evolving and may have uncertainties that could limit the legal protection available to or against the Group.

The PRC legal system is a civil law system. Unlike the common law system, the civil law system is based on written statutes in which decided legal cases have little value as precedents. Since 1979, the PRC Government has begun to promulgate a comprehensive system of laws and has introduced many new laws and regulations to provide general guidance on economic and business practices in the PRC and to regulate foreign investment. Progress has been made in the promulgation of new laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. Such new laws, regulations, policies and legal requirements (including but not limited to Circular 23, Circular 706 and Circular 666) have only been recently adopted by PRC central or local government agencies, and their implementation, interpretation and enforcement may involve uncertainty due to the lack of established practice available for reference. The Group cannot predict the effect of future legal developments in the PRC, including the promulgation of new laws, changes in existing laws or their interpretation and enforcement, or the pre-emption of local regulations by national laws. As a result, there is substantial uncertainty as to the legal protection available to the Group. Furthermore, due to the limited volume of published cases and the non-binding nature of prior court decisions, the outcome of dispute resolution may involve uncertainties, which may limit the legal protection available to the Group. In addition, any litigation in China may be protracted and result in substantial costs and the diversion of resources and management attention. As the PRC legal system develops, the promulgation of new laws, changes to existing laws, the pre-emption of local regulations by national laws and the uncertainty as to how such laws are interpreted and enforced may have an adverse effect on the Group's business and financial condition.

The PRC Government's regulation of foreign currency may limit the Group's foreign exchange transactions.

Substantially all of the Group's revenues and expenses are denominated in Renminbi, which is not currently a freely convertible currency. Conversion and remittance of foreign currencies are subject to PRC laws and regulations that affect exchange rates and foreign exchange transactions. Under the current PRC foreign exchange regulation system, foreign exchange transactions under the Group's current account do not require prior approval from SAFE, but the Group is required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks. There can be no assurance that policies regarding foreign exchange transactions under current accounts or capital accounts will continue in the future. The PRC Government may restrict future access to foreign currencies under current or capital account transactions at its discretion. A change in policy could restrict the Group's ability to obtain sufficient foreign currency, which could have an effect on the Group's ability to meet foreign exchange requirements. In addition, foreign exchange transactions under current accounts may no longer be freely convertible and could require the approval of the SAFE. Failure to obtain approval from the SAFE to convert Renminbi into any foreign currency for foreign exchange transactions could have an adverse effect

on the Group's results of operations and financial condition. Moreover, if the Group was unable to obtain sufficient foreign currency, it might not be able to pay interest to the holders of the Bonds in foreign currencies.

The fluctuation of the Renminbi may materially and adversely affect the Issuer's operations and financial results.

The Group receives substantially all of its revenues in Renminbi, which currently is not a freely convertible currency. A portion of these revenues must be converted into other currencies to allow it to make payments on obligations denominated in currencies other than the Renminbi. The value of the Renminbi against the U.S. dollar and other currencies fluctuates and is affected by, among other things, changes in China's political and economic conditions. On 21 July 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. Since then, the PRC Government has made, and may in the future make, further adjustments to the exchange rate system. The PBOC announces the closing price of a foreign currency traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each working day, and makes it the central parity for the trading against the Renminbi on the following working day. The People's Bank of China surprised markets in August 2015 by thrice devaluing the Renminbi, lowering its daily mid-point trading price significantly against the U.S. dollar. The currency devaluation of the Renminbi was intended to bring it more in line with the market by taking market signals into account. Renminbi depreciated significantly against the U.S. dollar following this August 2015 announcement by the PBOC. In January and February 2016, Renminbi experienced further fluctuation in value against the U.S. dollar. The International Monetary Fund announced on 30 September 2016 that the Renminbi joined its Special Drawing Rights currency basket. Since 2018, escalating U.S.-China trade hostilities have brought further uncertainty to global markets and, to a certain extent, impacted business and financial market sentiment, influenced financial market volatility and slowed investment and trade, which might cause further fluctuations in the exchange rates between the Renminbi and U.S. dollar. With an increased floating range of the Renminbi's value against foreign currencies and a more market-oriented mechanism for determining the mid point exchange rates, the Renminbi may further appreciate or depreciate significantly in value against the U.S. dollar or other foreign currencies in the long-term. Any significant depreciation of the Renminbi may adversely affect the value of its businesses and its proceeds from the offering. In addition, there are limited instruments available for the Issuer to reduce its foreign currency risk exposure at reasonable costs. All of these factors could materially and adversely affect the Issuer's businesses, financial conditions and results of operations of the Issuer.

The operations of the Issuer may be affected by rising inflation rates within the PRC.

Inflation rates within the PRC have been on a sharp uptrend in recent years. Increasing inflationary rates are due to many factors beyond the Issuer'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 Issuer's expectations, the costs of payouts to customers may become significantly higher than the Issuer has anticipated for the future, and the Issuer may be unable to increase rates charged to customers in amounts that are sufficient to cover their increasing operating costs. These unanticipated costs may be exacerbated by the fact that the Issuer's investment portfolio is comprised primarily of fixed income securities. The Issuer's ability to make a profit on their products depends in part on the returns on investments supporting their obligations under these products, and given that the return on such fixed income investment holdings remain roughly constant despite inflation, the Issuer's investment income may not be sufficient to meet increasingly expensive payouts to customers. Furthermore, the Issuer may not be able to dispose of its fixed income securities on short notice, or may have to sell such securities at prices

significantly lower than the prices it has recorded in its consolidated financial information. As a result, further inflationary pressures within the PRC may have a material adverse effect on the Issuer's businesses and financial conditions and results of operations, as well as its liquidity and profitability.

It may be difficult to enforce judgments against, the Issuer or its directors or members of the Issuer's senior management who reside in the PRC in connection with judgments obtained in non-PRC courts.

On 18 January 2019, the Supreme People's Court 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 "**2019 Arrangement**"). The 2019 Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645) of Hong Kong), which came into operation on 29 January 2024. In mainland China, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 26 January 2024 (the "**Judicial Interpretation**"). The 2019 Arrangement applies to judgments made on or after 29 January 2024.

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant people's court in mainland China for recognition and enforcement of the judgment, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant people's court in mainland China consider that the enforcement of such judgment is contrary to the basic principles of PRC law or the social and public interests of the PRC. While it is expected that the relevant people's court in mainland China will recognise and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area of law in mainland China and Hong Kong.

In addition, the Terms and Conditions, the Trust Deed and Agency Agreement are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. There can be no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of English law governed matters or disputes. In order to hear English law governed matters or disputes, Hong Kong courts may also require certain additional procedures to be taken. Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the holders of the Bonds will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the holder's ability to initiate a claim outside of Hong Kong will be limited.

Furthermore, the PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions such as the United States, the United Kingdom, most of the other European countries and Japan. Hence, the recognition and enforcement in the PRC of judgment of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

The Group's labour costs may increase for various reasons including the implementation of the PRC Labour Contract Law or inflation in the PRC.

The PRC Labour Contract Law (中華人民共和國勞動合同法) became effective on 1 January 2008 in the PRC and was amended on 28 December 2012 which came into effect on 1 July 2013. It imposes more stringent requirements on employers in relation to entry into fixed-term employment contracts and dismissal of employees. Pursuant to the PRC Labour Contract Law, an employer is required to make a compensation payment to a fixed-term contract employee when the term of their employment contract expires, unless the

employee does not agree to renew the contract, even though the conditions offered by the employer for renewal are the same or better than those stipulated in the current employment contract. In general, the amount of compensation payment is equal to the monthly wage of the employee multiplied by the number of full years that the employee has worked for the employer. A minimum wage requirement has also been incorporated into the PRC Labour Contract Law. In addition, unless otherwise prohibited by the PRC Labour Contract Law or objected to by the employees themselves, the employer is also required to enter into non-fixed-term employment contracts with employees who have previously entered into fixed-term employment contracts for two consecutive terms.

In addition, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which became effective on 1 January 2008, employees who have worked continuously for more than one year are entitled to paid annual leave ranging from five to 15 days, depending on the length of the employees' service. Employees who consent to waive such vacation at the request of employers shall be compensated an amount equal to three times their normal daily salaries for each vacation day being waived. As a result of the PRC Labour Contract Law, the Regulations on Paid Annual Leave for Employees and the National Leisure and Tourism Outline 2013-2020, the Group's labour costs (inclusive of those incurred by contractors) may increase. Further, under the PRC Labour Contract Law, when an employer terminates its PRC employees' employment, the employer may be required to compensate them for such amount which is determined based on their length of service with the employer, and the employer may not be able to efficiently terminate non-fixed-term employment contracts under the PRC Labour Contract Law without cause. In the event the Group decides to significantly change or decrease its workforce, the PRC Labour Contract Law could adversely affect its ability to effect these changes in a cost-effective manner or in the manner that the Group desires, which could result in an adverse impact on the Group's businesses, financial condition and results of operations.

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

In addition, inflation in the PRC has increased in recent years. Inflation in the PRC increases the costs of labour and the costs of raw materials the Group must purchase for production. Rising labour costs may increase the Group's operating costs and therefore negatively impact the Group's profitability.

PRC regulations on the administration of financing platform of local governments will have a material impact on the Group's financing model, business model and sources of financing.

To strengthen the management of financing platforms and effectively prevent fiscal financial risks, the State Council issued the Notice on Strengthening Management of Financing Platform of Local Government (國務院關於加強地方政府融資平台公司管理有關問題的通知) ("**Circular 19**") in June 2010 and the General Office of the NDRC issued the Notice on Further Regulating Issuance of Bonds by Financing Platform of Local Governments (國家發展改革委辦公廳關於進一步規範地方政府投融資平台公司發行債券行為有關問題的通知) ("**Circular 2881**") in November 2010. According to Circular 19, all levels of local governments shall settle the existing debts of their respective financing platforms. According to Circular 2881, the level of indebtedness of local governments will impact a financing platform's issuance of enterprise bonds. In order to regulate the relevant financing business of local governments, in July 2021, the China Banking and Insurance Regulatory Commission (the "**CBIRC**") issued the Guiding Opinions on Further Effectively Preventing and Resolving Hidden Debt Risks of Local Governments by Banking and Insurance Institutions (Yin Bao Jian Fa [2021] No.15) (銀行保險機構進一步做好地方政府隱性債務風險防

範化解工作的指導意見) ("**Circular 15**") and the supplementary circular thereof. Circular 15 provides that the banks and insurance institutions shall not increase any new local government implicit debt in any form, and requires the local governments to properly resolve the existing hidden debts of local governments and strengthen the risk management and supervision of local financing platform companies. According to Circular 15, such requirements may have a significant impact on the Group's access to financing and operations.

In addition, the PRC government may issue more stringent policies that could affect the business of the financing platforms of local governments in the PRC in the future. It is uncertain whether the Issuer would be deemed to be a local financing platform under Circular 19, Circular 2881 or Circular 15. If the Issuer is recognised as a local financing platform, there can be no assurance that the Group will be able to continue to carry out its business activities under the current business model in the future, which in turn may have a material adverse effect on the Group's business model, sources of financing and results of operations.

PRC regulations on the administration of fiscal debts of local governments may impact the Group's financing model, business model and business scope.

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 (國發[2014]43號)) ("**Circular 43**"). According to Circular 43, financing platform companies are no longer permitted to function as the financing vehicle of the local government or incur new government debts and should carry on its operations and financing in accordance with market-oriented principles. Local governments should instead finance the development of public interest projects via the issuance of government bonds. Public interest projects that are profit generating may be developed either by private investors independently or by a special purpose company jointly set up by the local government and private investors. Private investors and the special purpose companies jointly set up by the local government and the private investors are required to invest in accordance with market-oriented principles and development of the projects may be financed by bank loans, corporate bonds, project revenue bonds and asset-backed securitisation. Furthermore, private investors and special purpose companies shall bear the obligation to repay their debts and the relevant local government shall not be liable for any of the private investors' or the special purpose companies' debts. There are a few cases where certain debts of local financing platforms were classified as non-government debts since the release of Circular 43. However, whether the factual basis for such individual cases is comparable or relevant to other local governments' financing platforms is unclear and different local governments' interpretation and application of Circular 43 may vary from one another. If the Group is recognised as a local financing platform, the Group's financing model, business model and business scope may be required to change significantly and going forward, investors in the Group's indebtedness will only have recourse to the Group's assets (and not those of the local government).

Circular 43 also sets forth the general principles of dealing with existing debts of local financing platforms. In 2014, the local counterparts of Ministry of Finance began an audit on the existing debts of the financing vehicles of local governments whereby the existing debts of the financing vehicles reported by the local governments were to be classified into four categories, namely (i) debts that shall be repaid with funds of the local governments (the "**First Type of Borrowings**"), (ii) debts that are guaranteed by the local governments (the "**Second Type of Borrowings**"), (iii) debts that may be repaid by the local governments with public funds at its option when the borrowing financing vehicles are not able to repay (the "**Third Type of Borrowings**"); and (iv) debts that will not be repaid or financed with the funds of the local governments. Circular 43 is not applicable to the Bonds and the Mianyang Government has no obligation to repay any amount under the Bonds and the repayment obligations under the Bonds remain the sole obligation of the Issuer. Investment in the Bonds relies solely on the credit risk of the Group. In the event the Issuer does not fulfil its obligations under the Bonds, investors will only be able to claim as an unsecured creditor against the Group, and not any other person including the Mianyang Government.

On 26 April 2017, the MOF, the National Development and Reform Commission ("**NDRC**"), the Ministry of Justice, the People's Bank of China, the CBRC and the CSRC jointly issued the Circular on Further Regulating the Debt Financing Behaviours of Local Government (關於進一步規範地方政府舉債融資行為的通知) ("**Circular 50**"). Circular 50 reaffirmed the Circular 43 policy that local government debts shall only be incurred through the issuance of local government bonds within the quota approved by the State Council, and the local governments and their departments are not permitted to use any other means for debt financing. The local governments and their departments are prohibited from requesting or ordering enterprises to issue debts for or on behalf of the local governments. For the avoidance of doubt, the Mianyang SASMC has no obligation to repay any amount under the Bonds and the repayment obligations under the Bonds remain the sole obligation of the Issuer. If the Issuer does not fulfil its obligations under the Bonds, investors will only have recourse against the Group, and not the Mianyang SASMC. The description of support from the PRC government in this section should not be read as any indication that the PRC government will provide any financial support to the Group in respect of its obligations under the Bonds. Any ownership or control of the Group by the PRC government (including the Mianyang Government and the Mianyang SASMC) does not necessarily correlate to, or provide any assurance as to, the Issuer's or the Group's financial condition. If the Issuer does not fulfil its obligations under the Bonds or the Trust Deed (as the case maybe), the Bondholders will only have recourse against the Group, and not any other person including the PRC government or other government entities.

On 28 May 2017, the MOF issued the Notice on Firmly Curbing Local Governments' Illegal Financing Activities 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) ("**Circular 87**") which came into effect on the same day. According to Circular 87, it is prohibited to include certain kinds of infrastructure construction projects into the government's lists of procurement. Such requirements may have a significant impact on the Issuer and the Group's access to financing and operations.

On 11 May 2018, the NDRC and the MOF jointly issued the Circular of the National Development and Reform Commission and the Ministry of Finance on Improving the Market Restraint Mechanism and Taking Strict Precautions against Foreign Debt Risks and Local Debt Risks (國家發展改革委、財務部關於完善市場約束機制嚴格防範外債風險和地方債務風險通知) ("**Circular 706**"). According to Circular 706, any enterprise that intends to incur medium and long-term foreign debt is prohibited to include public schools, public hospitals, public cultural facilities, parks, public squares, office buildings of government departments and public institutions, municipal roads, non-toll roads, non-operating water conservancy facilities, pipe network facilities, other public assets and the land use rights of reserve land in its assets. There is no clear definition of public assets in Circular 706 so its interpretation may involve uncertainty. Circular 706 also reaffirms that the offering circulars of bond issuances shall not disclose information that can implicitly or explicitly indicate the government's endorsement of capital raising or conduct misleading publicity that implies an association with the government's credit. In addition, the liability of the local government as shareholder shall be limited to its agreed obligation to contribute to the registered capital of such enterprises, and the relevant foreign debts should be solely repaid by the Issuer.

The Group believes that the PRC government will continue to implement Circular 43, Circular 50, Circular 87, Circular 706 and other relevant regulations to control local government debts. Accordingly, the Group should rely on 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 PRC government may continue to release new policies or amend existing regulations to control the increase in local government debts in China. The Group may be required to further change its financing model and business model, which may have a material impact on its business, financial condition, results of operations and prospects.

Risks Relating to the Bonds

Any ownership or control by the PRC Government does not necessarily correlate to, or provide any assurance as to, the Issuer's financial condition. The PRC Government shall under no circumstances have any obligation arising out of or in connection with the Bonds or the transaction documents in relation to the Bonds, which are solely to be fulfilled by the Issuer.

Any ownership or control by the PRC Government (including Mianyang SASAC and the Sichuan Finance Department) does not necessarily correlate to, or provide any assurance as to, the Issuer's financial condition. Notwithstanding the Group's extensive relationships with the PRC Government (including the Mianyang Government and the People's Government of Sichuan Province and the other entities controlled by it), the Issuer is not part of the PRC government. The PRC Government (including Mianyang SASAC, Sichuan Finance Department, the Mianyang Government, the People's Government of Sichuan Province and the other entities controlled by each of the foregoing) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds or the transaction documents in relation to the Bonds in lieu of the Issuer. This position has been reinforced by Circular 23, Circular 706 and Circular 666 which emphasised that local state-owned enterprises shall bear the responsibility for the repayment of foreign debt as independent legal persons, and local governments and their departments shall not pay the foreign debt of local state-owned enterprises directly or by committing to the payment of the foreign debt with financial funds, nor shall they provide guarantees for the issuance of foreign debt by local state-owned enterprises. Circular 23 and Circular 706 do not, however, restrict the PRC Government from providing relevant support to the Issuer, provided that such support is granted in compliance with relevant PRC laws. The detailed description of the relationships between the Issuer, the Mianyang Government and the People's Government of Sichuan Province in this Offering Circular does not imply in any way any explicit or implicit credit support of the Mianyang Government or the People's Government of Sichuan Province in respect of the Bonds, the repayment of which remains the sole responsibilities of the Issuer. The PRC Government as the ultimate shareholder of the Issuer only has limited liability in the form of its equity contribution in the Issuer. As such, the PRC Government does not have any payment obligations under the Bonds, or the transaction documents in relation to the Bonds. The Bonds are solely to be repaid by the Issuer as an obligor under the Bonds and the relevant transaction documents in relation to the Bonds shall solely be fulfilled by the Issuer as an independent legal person. Therefore, investors should base their investment decision only on the financial condition of the Issuer and the Group and base any perceived credit risk associated with an investment in the Bonds only on the Group's own financial information reflected in its financial statements. In the event the Issuer does not fulfil its obligations under the Bonds, investors will only be able to claim as an unsecured creditor against the Issuer and its assets, and not any other person including the PRC Government, the Mianyang Government or any other local or municipal government. 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.

The Bonds are unsecured obligations.

The Bonds are unsecured obligations of the Issuer. The payment obligations under the Bonds may be adversely affected if:

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

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

The Issuer may issue additional Bonds in the future.

The Issuer may, from time to time, and without prior consultation of the Bondholders, create and issue further securities having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, the first payment of interest on them and the timing for complying with the Registration Conditions and making of the Foreign Debt Registration, the NDRC Post-issue Filing and the filing of the Bonds under the Cross Border Financing Circular) or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Bonds. The issue of any such debt securities may also reduce the amount recoverable by investors in the Bonds upon the Issuer's bankruptcy, winding-up or liquidation.

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

The Bonds may be purchased as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Bonds unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio. Additionally, the investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Bonds are legal investments for it, (b) Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

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

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

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

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

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

The NDRC issued the NDRC Measures on 5 January 2023, which came into effect on 10 February 2023 and replaced the Notice on the Administrative Reform for the Registration of Offshore Debt Issuances（國家發展改革委關於推進企業發行外債備案登記制管理改革的通知（發改外資[2015]2044號） (the "**NDRC Circular**") issued by the NDRC and which came into effect on 14 September 2015. On 9 February 2023, the NDRC published the frequently asked questions on the NDRC New Measures and its responses (the "**FAQs**"), which provided further clarifications on the practical implications of certain provisions in the NDRC New Measures. According to the NDRC Measures, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued, with a maturity term of more than one year, outside the PRC with the NDRC prior to borrowing a foreign debt (prior to the completion of delivery of the Bonds) and submit the information report within the prescribed time after borrowing a foreign debt (after the completion of delivery of the Bonds). The NDRC Measures stipulates that an enterprise shall, before borrowing a foreign debt, obtain the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises（企業借用外債審核登記證明）and complete examination and registration. In accordance with the NDRC Measures, the Issuer has obtained the's NDRC pre-issuance registration certification dated on 24 January 2025 which remains in full force and effect as at the date of this Offering Circular, and that the Issuer shall comply with the provisions relating to foreign debt risk management and interim and ex-post supervision under the NDRC New Measures. For any enterprise failing to comply with filing and reporting requirements under the NDRC New Measures, the NDRC will order such enterprise to take rectification actions within a prescribed time limit; and if the circumstances are severe or the enterprise fails to take rectification action within the prescribed time limit, give a warning to the relevant enterprise and its principal liable person. Furthermore, conducts in violation of the NDRC New Measures committed by enterprises will be publicised on, among others, the Credit China (信用中國) website and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統). As new regulation, the NDRC New Measures will be subject to a certain degree of uncertainty as well as executive and policy discretion by the NRDC. It remains unclear what impact non-compliance will have on the Bonds. As the NDRC Measures is relatively new and lacks interpretation and guidance, in the worst-case scenario, such non-compliance with the post-delivery notification requirement under the NDRC Measures may result in it being unlawful for the Issuer to perform or comply with any of their respective obligations under the Terms and Conditions. Prospective investors of the Bonds are advised to exercise due caution when making their investment decisions. The Issuer has undertaken to notify the NDRC of the particulars of the issue of the Bonds within the prescribed time after the delivery of the Bonds.

The Issuer is required to submit the Bonds to the local branch of the SAFE for registration in accordance with the procedures and within the period prescribed by the Foreign Debt Registration, the Cross Border Financing Circular and any applicable laws and the requirements of competent SAFE. Pursuant to article 27(5) of the Foreign Debt Registration Measures, a failure to comply with registration requirements may result in a warning and fine as set forth under article 48 of the Foreign Exchange Administrative Regulations (外匯管理條例) promulgated by the State Council in 2008. The Issuer intends to submit the registration application of the Bonds to the local branch of the SAFE within the prescribed period. If the Issuer 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 Issuer as PRC domestic banks may require evidence of the SAFE registration in connection with the Bonds in order to effect such remittance. In addition, the Issuer may not be able to effect the remittance of the net proceeds from the issue of the Bonds into the PRC if the Issuer is not able to complete the post-issue registration with the SAFE and obtain the registration record from SAFE. This may have a negative impact on Issuer's use of the proceeds from this offering and may in turn adversely affect the Issuer's business activities and the implementation of the Issuer's business plans in the

future. Furthermore, in the unlikely event that having exercised the Issuer's best endeavours, it is unable to complete such registration within the above mentioned time period, a No Registration Event will be triggered. See "*Terms and Conditions – Condition 6(c) Redemption for Relevant Events*".

The Bonds being issued as sustainable bonds may not be a suitable investment for all investors seeking exposure to sustainable assets.

In connection with the issue of the Bonds, the Issuer engaged Sustainable Fitch and Lianhe Green Development Company Limited to provide a second party opinion in relation to the Bonds (the "**Second Party Opinion**"). The Second Party Opinion may not reflect the potential impact of all risks related to the structure, marketability, trading price or liquidity and other factors that may affect the price or value of the Bonds. The Second Party Opinion is not a recommendation to buy, sell or hold securities and is only current as of its date of issue and is subject to certain disclaimers set out therein, and may be updated, suspended or withdrawn at any time. Currently, the providers of second-party opinions and certifications and validations are not subject to any regulatory regime or oversight. The Second Party Opinion is not incorporated into, and does not form part of, this Offering Circular. Whilst the Issuer has agreed to certain obligations relating to reporting and use of proceeds as described under the sections headed "*Sustainable Finance Framework Overview*" and "*Use of Proceeds*", it would not be an Event of Default under the Terms and Conditions of the Bonds if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds of the issue of the Bonds, in the manner specified in this Offering Circular and/or (ii) the Second Party Opinion issued in connection with such Bonds were to be withdrawn. Any failure to use the proceeds of the issue of the Bonds in connection with eligible projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with environmental and/or social concerns with respect to such Bonds, may affect the value and/or trading price of the Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green, sustainable or social projects. Furthermore, the Second Party Opinion is for information purposes only and Sustainable Fitch and Lianhe Green Development Company Limited do not accept any form of liability for the substance of the Second Party Opinion and/or any liability for loss arising from the use of the Second Party Opinion and/or the information provided in it.

Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. In the event that the Bonds are included in any dedicated "green", "environmental", "social", "sustainable" or other equivalently-labelled index, no representation or assurance is given by the Issuer or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates. Each potential investor should have regard to the factors described in the Framework.

None of the Issuer, the Group, the Joint Lead Managers, the Sole Sustainability Structuring Advisor, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them makes any representation as to the suitability for any purpose of the Second Party Opinion or (i) whether the Bonds will meet investor criteria and expectations regarding environmental impact and sustainability performance for any investors, (ii) whether the net proceeds will be used to finance and/or refinance the eligible projects in accordance with the criteria described in the Framework, or (iii) the characteristics of the eligible projects, including their environmental and sustainability criteria. The Joint Lead Managers have not undertaken, nor are responsible for, any assessment of the eligibility criteria of the assets within the definition of eligible projects, any verification of whether the eligible projects meet such criteria, the monitoring of the use of proceeds from the offering of the Bonds or the allocation of the proceeds by the Issuer to particular eligible projects. Each potential purchaser of the Bonds should have regard to the relevant projects and eligibility criteria described under the section headed "*Sustainable Finance Framework Overview*" and determine for itself the relevance of the

information contained in this Offering Circular regarding the use of proceeds, and its purchase of any Bonds should be based upon such investigation as it deems necessary. The Bonds may not be a suitable investment for all investors seeking exposure to sustainable assets.

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

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to their principal amount, together with interest accrued to (but not including) the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer has or will become obliged to pay Additional Tax Amounts, as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Conditions. If the Issuer redeems the Bonds prior to their maturity, investors may not receive the economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds.

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

On the Maturity Date, the Bonds will be redeemed at their principal amount, or following the occurrence of a Relevant Event (as defined in the Conditions), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Settlement Date at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with accrued interest accrued up to but excluding the Put Settlement Date. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The ability to redeem the Bonds on the Maturity Day or in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's or the Group's other indebtedness.

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

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

The Bonds will be the Issuer's unsecured obligations and will (i) rank at least equally in right of payment with all the Issuer's other present and future unsecured and unsubordinated obligations; (ii) be effectively subordinated to all of the Issuer's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Issuer's present and future subordinated obligations. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's bankruptcy, insolvency,

liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Bonds, these assets will be available to pay obligations on the Bonds only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Bondholders rateably with all of the Issuer's other unsecured and unsubordinated creditors, including trade creditors. If there are insufficient assets remaining to pay all these creditors, then all or a portion of the Bonds then outstanding would remain unpaid.

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

The price and trading volume of the Bonds 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, changes in government regulations and general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds 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 Bonds.

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

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

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

An active trading market for the Bonds may not develop.

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

Investors in the Bonds may be subject to foreign exchange risks.

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

The insolvency laws of the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Bonds are familiar.

As the Issuer was incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer would likely involve PRC insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

A change in English law which governs the Bonds may adversely affect holders of the Bonds.

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

The Trustee may request holders of the Bonds to provide an indemnity and/or security and/or pre-funding to its satisfaction.

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

The Trust Deed contains provisions for convening meetings of holders of the Bonds to consider any matters affecting their interests. These provisions permit defined majorities to bind all holders of the Bonds 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 the holders of the Bonds may be adverse to the interests of individual Bondholders.

Modifications and waivers may be made in respect of the Conditions and the Trust Deed by the Trustee.

The Conditions provide that the Trustee may agree, without the consent of the holders of the Bonds, to any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with, any of the Conditions or any of the provisions of the Trust Deed or the Agency Agreement which in its opinion is not materially prejudicial to the interest of the holders of the Bonds, and may agree, without the consent of the holders of the Bonds, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of applicable law.

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

The Bonds will be represented by beneficial interests in a Global Certificate. Such Global Certificate will be registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream (the "**Clearing Systems**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates. The Clearing Systems will maintain records of the beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems. While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the relevant Clearing System for distribution to their account Bondholders. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate. Bondholders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such Bondholders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Gains on the transfer of the Bonds may be subject to income tax and value-added tax under PRC tax laws.

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

enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

Pursuant to the EIT Law, the PRC Individual Income Tax Law (the "**IIT Law**") which took effect on 1 January 2019, and the implementation regulations in relation to both the EIT Law and IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals respectively, subject to adjustment by applicable treaty. As the Issuer is a PRC resident enterprise for tax purposes, interest paid to non-resident Bondholders shall be regarded as PRC-sourced, and therefore be subject to PRC income tax at a rate of 10 per cent. for non-resident enterprise Bondholders and at a rate of 20 per cent. for non-resident individual Bondholders (or a lower treaty rate, if any), which the Issuer would be obliged to withhold from payments of interests in respect of the Bonds to non-resident Bondholders. On 23 March 2016, the MOF and the State Administration of Taxation jointly issued the Circular of Full Implementation of Business Tax to VAT Reform (Cai Shui [2016] No. 36) (關於全面推開營業税改徵增值税試點的通知) (財税[2016]36號) ("**Circular 36**"), which provides that all business tax payers are included into the pilot programme to pay value-added tax (the "**VAT**") from 1 May 2016. VAT is applicable where the entities or individuals provide services within the PRC. The services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. If the issuance of Bonds is treated by the relevant tax authorities as the Bondholders providing financing services within the PRC, the Issuer will be obligated to withhold VAT of 6 per cent. on VAT for payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. As Circular 36 and laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties. If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Bonds, the value of the relevant Bondholder's investment in the Bonds may be materially and adversely affected.

Bonds which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

The denominations of the Bonds are U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of the minimum denomination of U.S.$200,000 that are not integral multiples of such U.S.$200,000 denomination. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 will not receive a definitive certificate in respect of such holding of Bonds (should definitive certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more denominations. If definitive certificates are issued, Bondholders should be aware that Bonds with aggregate principal amounts that are not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

TERMS AND CONDITIONS OF THE BONDS

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

The U.S.$300,000,000 5.0 per cent. sustainable bonds due 2028 (the "**Bonds**", which expression, unless the context requires otherwise, includes any further securities issued pursuant to Condition 15 and to be consolidated and forming a single series therewith) of Mianyang Investment Holding (Group) Co., Ltd. (綿陽市投資控股(集團)有限公司) (the "**Issuer**") are constituted by a trust deed (as amended, restated, supplemented and/or replaced from time to time, the "**Trust Deed**") dated 14 July 2025 (the "**Issue Date**") made between the Issuer 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 other all persons for the time being trustee or trustees under the Trust Deed) as trustee for the Bondholders (as defined below) and are subject to an agency agreement dated on or about 14 July 2025 (as amended, restated, replaced or supplemented from time to time, the "**Agency Agreement**") between the Issuer, 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 includes any successor registrar appointed from time to time in connection with the Bonds), China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the transfer agents named therein (the "**Transfer Agent**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Bonds), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Bonds) and the Trustee. References herein to the "**Agents**" are to the Registrar, the Principal Paying Agent, the Transfer Agents and the Paying Agents and any reference to an "**Agent**" is to any one of them. 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 Bondholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. For as long as any Bonds is outstanding, copies of the Trust Deed and the Agency Agreement are available for inspection by Bondholders during normal business hours at the registered office for the time being of the Trustee and the Registrar, being at the date hereof 3/F, CCB Tower, 3 Connaughts Road Central, Central, Hong Kong.

The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer on 29 November 2024 and a shareholder resolution of the Issuer dated 17 December 2024.

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

1 FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued in the specified denomination of U.S.$200,000 and integral multiples of U.S. $1,000 in excess thereof. The Bonds are represented by registered certificates ("**Certificates**") and, save as provided in Condition 3(b), each Certificate shall represent the entire holding of Bonds by the same Holder (as defined below).

Title to the Bonds shall pass by transfer and registration in the Register as described in Condition 3. The Holder of any Bond shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes whether or not it is overdue and

regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate (other than the endorsed form of transfer) representing it or the theft, destruction or loss of such Certificate and no person shall be liable for so treating the Holder.

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

*Upon issue, the Bonds will be represented by a global certificate (the "**Global Certificate**") registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). The Conditions are modified by certain provisions contained in the Global Certificate while any of the Bonds are represented by the Global Certificate. See "Summary of Provisions relating to the Bonds in Global Form".*

2 STATUS

The Bonds 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 Bonds 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.

3 TRANSFERS OF BONDS AND ISSUE OF CERTIFICATES

(a) Register

The Issuer will cause the register (the "**Register**") to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement, on which shall be entered the names and addresses of the Holders and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Holder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

(b) Transfer

Subject to the Agency Agreement and Conditions 3(e) and 3(f) herein, a Bond may be transferred by depositing the Certificate issued in respect of that Bond, 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 and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed such form of transfer.

In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a Holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of title to a Bond will be valid unless and until entered on the Register.

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

(c) Delivery of New Certificates

Each new Certificate to be issued upon transfer of the Bonds pursuant to Condition 3(b) shall be made available for delivery within seven business days of receipt of a duly completed and signed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of any Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(c), "**business day**" means a day, other than a Saturday, Sunday or public holiday, on which banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

Except in the limited circumstances described herein (see "Summary of Provisions relating to the Bonds in Global Form"), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.

(d) Formalities Free of Charge

Registration of transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer or the Registrar or any Transfer Agent may require) in respect of any taxes, duties or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar or the relevant Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the relevant Transfer Agent being satisfied that the Regulations (as defined in Condition 3(f) below) concerning transfer of Bonds have been complied with.

(e) Closed Periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (but excluding) the due date for any payment of principal, premium or interest in respect of that Bond; or (ii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)); or (iii) after notice of redemption has been given pursuant to Condition 6(b); or (iv) after any such Bond has been put for redemption pursuant to Condition 6(c).

(f) Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer and registration of Bonds, the initial form of which scheduled to the Agency Agreement (the "**Regulations**"). The Regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee or by the Registrar, with the prior written approval of the Trustee. A copy of the current Regulations will be made available (free of charge to the Holders and at the Issuer's expense) by the Registrar to any Holder who requests one in writing and provides proof of holding satisfactory to the Registrar.

4 COVENANTS

(a) Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer will ensure that none of its 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 according to the Bonds 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 Bondholders.

(b) Undertakings relating to Foreign Debt Registration

The Issuer undertakes that it will (i) within 15 Registration Business Days after the Issue Date, register or cause to be registered with SAFE the Bonds pursuant to the Administrative Measures for Foreign Debt Registration (《外債登記管理辦法》(匯發[2013]19號)) and its operating guidelines, effective as of 13 May 2013 (the "**Foreign Debt Registration**"), (ii) use its best endeavours to complete the Foreign Debt Registration and obtain a registration record from SAFE on or before the Registration Deadline, (iii) if applicable, as soon as practicable, and in any case as soon as required or requested to do so by any relevant governmental authority, file or cause to be filed with SAFE the Bonds pursuant to the Circular of the People's Bank of China on Implementing Overall Macro Prudential Management System for Nationwide Cross-border Financing (《中國人民銀行關於在全國範圍內實施全口徑跨境融資宏觀審慎管理的通知》(銀發[2017]9號)) (the "**Cross Border Financing Circular**") and (iv) comply with all applicable PRC laws and regulations in relation to the Bonds, including but not limited to, if applicable, the Foreign Debt Registration, the Cross Border Financing Circular and any implementing measures promulgated thereunder from time to time.

(c) Notification to NDRC

The Issuer undertakes that it will (i) file or cause to be filed with the NDRC within 10 Registration Business Days after the Issue Date the requisite information and documents in respect of the Bonds in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第 56 號)) issued by the NDRC with effect from 10 February 2023 (the "**Order 56**"), and any applicable implementation rules, regulations, certificates, circulars or notices in connection therewith issued by the NDRC from time to time (the "**NDRC Post-Issue Filing**"), and (ii) comply with other applicable requirements of Order 56 relating to the Bonds.

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

The Issuer shall within five Registration Business Days after the later of submission of the NDRC Post-issue Filing and receipt of the registration form or filing evidence from SAFE (or any other document evidencing the completion of registration issued by SAFE), provide the Trustee with (i) a certificate in English signed by an Authorised Signatory confirming (A) the completion of the NDRC Post-issue Filing and the Foreign Debt Registration and (B) no Change of Control Event, Event of Default or Potential Event of Default has occurred; and (ii)

copies of the relevant documents evidencing the NDRC Post-issue Filing (if any) and Foreign Debt Registration, each certified in English by an Authorised Signatory as a true and complete copy of the original (the items specified in (i) and (ii) together, the "**Registration Documents**"). In addition, the Issuer shall, within five Registration Business Days after the documents comprising the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16 and substantially in the form scheduled to the Trust Deed) confirming the completion of the NDRC Post-issue Filing and the Foreign Debt Registration.

The Trustee shall have no obligation to monitor or ensure the Foreign Debt Registration is completed as required by Condition 4(b) or the NDRC Post-issue Filing is made as required by Condition 4(c) or to assist with either the NDRC Post-issue Filing or the Foreign Debt Registration or to verify the accuracy, validity and/or genuineness of any Registration Documents or to give notice to the Bondholders confirming the completion of the NDRC Post-issue Filing and the Foreign Debt Registration, and shall not be liable to Bondholders, the Issuer or any other person for not doing so.

(e) Financial Information

So long as any Bond remains outstanding (as defined in the Trust Deed) the Issuer will furnish the Trustee with (i) a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance) and a copy of the relevant Audited Financial Reports within 150 days of the end of each Relevant Period prepared in accordance with the Accounting Standards for Business Enterprises in China ("**PRC GAAP**") (audited by a nationally or internationally recognised firm of independent accountants) of the Issuer and its Subsidiaries (if any) and if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) a nationally or internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants, together with a certificate in English signed by an Authorised Signatory certifying that such translation is complete and accurate; and (ii) a copy of the Unaudited Financial Reports within 90 days of the end of each Relevant Period prepared on a basis consistent with the Audited Financial Reports and if such statements shall be in the Chinese language, together with an English translation of the same and translated by (A) a nationally or internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants, together with a certificate in English signed by an Authorised Signatory certifying that such translation is complete and accurate.

The Trustee shall not be required to review the Audited Financial Reports, the Unaudited Financial Reports or any other financial report furnished or delivered to it as contemplated in this Condition 4(e) and shall be entitled to assume that each such English translation is a complete and accurate translation of the original, and may rely conclusively on such English translation without liability to the Issuer, the Bondholders or any other person; if the same shall not be in the English language, the Trustee shall not be required to request or obtain or arrange for an English language translation of the same, and the Trustee shall not be liable to any Bondholder or any other person for not doing so.

In these Conditions:

"**Authorised Signatory**" has the meaning given to it in the Trust Deed;

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

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

(i) no Change of Control Event, Event of Default (as defined in Condition 9) or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and

(ii) the Issuer has complied with all its obligations under the Trust Deed and the Bonds;

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

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

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

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

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

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

"**Relevant Indebtedness**" means any 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;

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

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

"**Subsidiary**" means, with respect to any person, (a) any corporation, association or other business entity of which more than 50 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person; or (b) any corporation, association or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person;

"**Unaudited Financial Reports**" means, for a Relevant Period, the semi-annual (or any other interim reporting period required by applicable law or regulations) unaudited consolidated balance sheet, income statement, cash flow statement and statement of changes in shareholders' equity of the Issuer; and

"**Voting Stock**" means, with respect to any person, capital stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person.

5 INTEREST

The Bonds bear interest on their outstanding principal amount from and including 14 July 2025 (the "**Issue Date**") at the rate of 5.0 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.$25.0 per Calculation Amount (as defined below) on 14 January and 14 July in each year (each an "**Interest Payment Date**") commencing on 14 January 2026.

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

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

Interest in respect of any Bond shall be calculated per U.S.$1,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 REDEMPTION AND PURCHASE

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 14 July 2028 (the "**Maturity Date**"). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 16 (which shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount (together with any interest accrued up to but excluding the date fixed for redemption) if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 8 July 2025, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Prior to the giving of any Tax Redemption Notice pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee (A) a certificate in English signed by any Authorised Signatory stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer taking reasonable measures available to it, and (B) an opinion, in form and substance satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendments. The Trustee shall be entitled (but shall not be obliged) to accept and rely 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 Bondholders.

Neither the Trustee nor any of the Agents shall be responsible for monitoring or taking any steps to ascertain whether any of the circumstances mentioned in this Condition 6(b) has occurred or for calculating or verifying the calculations of any amount payable under any notice of redemption under this Condition 6(b) and none of them shall be liable to the Bondholders, the Issuer or any other person for not doing so.

(c) Redemption for Relevant Events

Following the occurrence of a Relevant Event, the Holder of any Bond will have the right (the "**Relevant Event Put Right**"), at such Holder's option, to require the Issuer to redeem all, but not some only, of such Holder's Bonds on the Put Settlement Date (as defined below in this Condition 6(c)) at 101 per cent. (in the case of a redemption for a Change of Control Event) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with accrued interest up to (but excluding) the Put Settlement Date. To exercise such right, the Holder of the relevant Bond must deposit at the specified

office of the Principal Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a "**Put Exercise Notice**"), together with the Certificate evidencing the Bonds to be redeemed, by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16.

The "**Put Settlement Date**" shall be the fourteenth business day (in the case of a redemption for a Change of Control Event) or the fifth business day (in the case of a redemption for a No Registration Event), in either case if such day is not a Payment Business Day (as defined in Condition 7(f)), the next following Payment Business Day after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds that are the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

Not later than 14 days (in the case of a Change of Control Event) or five business days (in the case of a No Registration Event) following the day on which the Issuer becomes aware of a Relevant Event, the Issuer shall procure that notice regarding such Relevant Event shall be delivered to the Trustee and the Principal Paying Agent in writing and to the Holders (in accordance with Condition 16) stating:

(i) the Put Settlement Date;

(ii) the date of the Relevant Event and, briefly, the events causing, as applicable, the Change of Control Event or No Registration Event;

(iii) the date by which the Put Exercise Notice must be given;

(iv) the redemption amount and the method by which such amount will be paid;

(v) the names and addresses of all Paying Agents;

(vi) the procedures that Holders must follow and the requirements that Holders must satisfy in order to exercise the Relevant Event Put Right; and

(vii) that a Put Exercise Notice, once validly given, may not be withdrawn.

Neither the Agents nor the Trustee shall be required to monitor or to take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur and none of them shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer and none of them shall have any obligation or duty to verify the accuracy, validity and/or genuineness of any documents in relation to or connection with the Relevant Event or the Registration Conditions and none of them shall be responsible or liable to Bondholders, the Issuer or any other person for not doing so.

In this Condition 6(c):

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

(i) Mianyang SASAC and PRC Government Persons collectively cease to directly or indirectly hold or own 80 per cent. of the issued share capital of the Issuer; or

(ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other person or persons, except where such person(s) (in the case of asset sale or transfer) or the surviving entity (in the case of consolidation or merger) is/are directly or indirectly 100 per cent. held or owned by Mianyang SASAC and/or PRC Government Persons;

"**Control**" means (i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital or issued shares of a person or (ii) the right to appoint and/or remove all or the majority of the members of a person's board of directors or other governing body, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, shares, the possession of voting rights, contract or otherwise; the term "**Controlled**" has meanings correlative to the foregoing;

"**Mianyang SASAC**" means the State-owned Assets Supervision and Administration Commission of Mianyang City (綿陽市國有資產監督管理委員會) or its successor;

a "**No Registration Event**" occurs when the Registration Conditions are not satisfied on or before the Registration Deadline;

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer's board of directors or any other governing board and does not include the Issuer's wholly-owned direct or indirect subsidiaries;

"**PRC Government Persons**" means any person directly or indirectly Controlled by the central government of the PRC, which, for the avoidance of doubt, includes Sichuan Provincial Department of Finance (四川省財政廳);

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

a "**Relevant Event**" will be deemed to occur if:

(i) there is a No Registration Event; or

(ii) there is a Change of Control Event.

(d) Purchase

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

(e) Notice of redemption

All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any Bond (which shall include any notice given by the Issuer pursuant to Condition 6(b) and any Put Exercise Notice given by a Bondholder pursuant to Condition 6(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption or verifying the accuracy, validity, and/or genuineness of any documents in relation or in connection thereto, and none of them shall be liable to Holders, the Issuer or any other person for not doing so.

(f) Cancellation

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

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 Principal Paying Agent or of any other Paying Agent if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in paragraph (ii) of this Condition 7(a) below.

(ii) Interest on each Bond 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 interest on each Bond shall be made by transfer to an account in U.S. dollars maintained by the payee with a bank in New York City.

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

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

(b) **Payments subject to Fiscal Laws**: Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

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

(d) **Appointment of Agents**: The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed.

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

(e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day, if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).

(f) **Non-Payment Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the Holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**Payment Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are generally open for business in New York City, Hong Kong, and the place in which the specified office of the Principal Paying Agent is located.

8 TAXATION

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

Where such withholding or deduction is made by the Issuer by or within the PRC up to and including the aggregate rate applicable on 8 July 2025 (the "**Applicable Rate**"), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding by or within the PRC in excess of the Applicable Rate, the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

(i) **Other connection**: to a Holder (or to a third party on behalf of a Holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC other than the mere holding of the Bond; or

(ii) **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 Bond for payment on the last day of such period of 30 days.

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

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

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Bondholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

9 EVENTS OF DEFAULT

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

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

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

(b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds, the Trust Deed (other than where such default gives rise to a right of redemption pursuant to Condition 6(c)), which default is, in the opinion of the Trustee, incapable of remedy or, if such default is, in the opinion of the Trustee, capable of remedy, such default is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee; or

(c) **Cross–Acceleration:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds U.S. $30,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(c) operates); or

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

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

(f) **Insolvency:** the Issuer or any of the Principal Subsidiaries is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt, or unable to pay its debts as and when such debts fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition

with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of the Principal Subsidiaries; or

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

(h) **Nationalisation:** (i) any step is taken by any person acting under the authority of any national, regional or local government with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the undertaking, assets and revenues of the Issuer or any of the Principal Subsidiaries or (ii) the Issuer or any of the Principal Subsidiaries is prevented by any such person from exercising normal control over all or a material part of its undertaking, assets and revenues; or

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

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

(k) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 9(d) to 9(g).

In this Condition 9, "**Principal Subsidiary**" means any Subsidiary of the Issuer:

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

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

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

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

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

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

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

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

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

10 PRESCRIPTION

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

11 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

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

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee upon request in writing from Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the aggregate principal amount of the Bonds held or represented unless the business of such meeting includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, including consideration of proposals, *inter alia*, (i) to modify the maturity date of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, 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 the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders, whether or not they were present at the meeting at which such resolution was passed.

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

(b) Modification, Waiver, Authorisation and Determination

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement which in its opinion is not materially prejudicial to the interest of the Bondholders, or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of applicable law. Any such modification, waiver or authorisation shall be binding on the Bondholders and, unless the Trustee agrees otherwise, such modification, waiver or authorisation shall be notified to the Bondholders by the Issuer as soon as practicable thereafter in accordance with Condition 16.

(c) Entitlement of the Trustee

In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder 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 Bondholders.

13 ENFORCEMENT

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

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

14 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee and its affiliates are entitled to enter into business transactions with the Issuer and/or any entity related to the Issuer without accounting for any profit.

Each of the Trustee and the Agents may rely without liability to Bondholders 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 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 Issuer and the Bondholders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, 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 Bondholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Bondholders or in the event that no direction is given to the Trustee by the Bondholders.

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

The Trustee shall have no obligation to monitor whether an Event of Default or a Potential Event of Default or a Relevant Event has occurred, and shall not be liable to the Bondholders, the Issuer or any other person for not doing so.

Each Bondholder 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 Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

15 FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Bondholders to create and issue further securities having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, the first payment of interest on them and the timing for complying with the Registration Conditions and making of the Foreign Debt Registration, the NDRC Post-issue Filing and, if applicable, the filing of the Bonds under the Cross Border Financing Circular) and so that the same shall be consolidated and form a single series with the outstanding Bonds. 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 (i) mailed to them by uninsured mail at their respective addresses in the Register deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and (ii) published in a leading newspaper having

general circulation in Asia. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any notice shall be deemed to have been given, on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to the Bondholders shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

18 GOVERNING LAW AND JURISDICTION

(a) Governing Law

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

(b) Jurisdiction

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed and the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed and the Agency Agreement ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed, 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

The Issuer has irrevocably appointed in the Trust Deed The Law Debenture Corporation (H.K.) Limited at its principal place of business (at Suite 1301 Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong) as its authorised agent to receive service of process in any Proceedings in Hong Kong based on any of the Bonds or the Trust Deed. If for any reason The Law Debenture ceases to be so appointed, the Issuer shall forthwith appoint a new agent for service of process in Hong Kong and shall deliver to the Trustee a copy of the agent's acceptance of that appointment within 30 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) Waiver of Immunity

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

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Terms and Conditions of the Bonds 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 Bonds set out in this Offering Circular have the same meaning in the paragraphs below.

The Bonds will be initially evidenced by a Global Certificate which will be registered in the name of a nominee of, and deposited with, a common depositary on behalf of Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, promises to pay such principal, interest and premium (if any) on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Conditions, and to pay interest on such principal sum from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate, together with any additional amounts payable in accordance with the Conditions.

The Global Certificate will be exchanged in whole (but not in part) for duly authenticated and completed definitive Certificates if Euroclear or Clearstream or any other clearing system (an "**Alternative Clearing System**") is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Whenever the Global Certificate is to be exchanged for definitive Certificates, such definitive Certificates shall be issued in an aggregate principal amount equal to the principal amount of the Global Certificate then outstanding. Such exchange will be effected in accordance with the provisions of the Trust Deed, the Agency Agreement and the regulations concerning the transfer and registration of the Bonds scheduled thereto and, in particular, shall be effected without charge to any holder of the Bonds or the Trustee but against such indemnity and/or security as the Registrar or the relevant Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Certificate will contain provisions which modify the Conditions as they apply to the Bonds evidenced by the Global Certificate. The following is a summary of certain of those provisions:

PAYMENT

So long as the Bonds are evidenced by the Global Certificate, each payment in respect of the Global Certificate will be made to, or to the order of, the person shown as the holder of the Bonds in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day immediately prior to the due date for such payments, where "**Clearing System Business Day**" means Monday to Friday inclusive except 1 January and 25 December.

BONDHOLDER'S REDEMPTION

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

ISSUER'S REDEMPTION

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

TRANSFERS

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

CANCELLATION

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

NOTICES

So long as the Bonds are evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Conditions.

MEETINGS

For the purposes of any meeting of Bondholders, the holder of the Bonds evidenced by the Global Certificate shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each U.S.$1,000 in principal amount of Bonds for which the Global Certificate is issued.

TRUSTEE'S POWERS

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

AUTNENTICATION

The Global Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

USE OF PROCEEDS

The gross proceeds of the Bonds will be U.S.$300,000,000. Such gross proceeds from the offering of the Bonds, after deducting commissions and other estimated expenses payable by the Issuer in connection with the Bonds, are planned to be used for the repayment of the Issuer's existing offshore bonds in accordance with the NDRC Certificate and the Framework.

SUSTAINABLE FINANCE FRAMEWORK OVERVIEW

1. INTRODUCTION

1.1 Mianyang Investment Holding (Group) Co., Ltd.

The Group is a state-owned enterprise located in Mianyang City, Sichuan Province in China. The Group mainly operates in five industries, namely, (1) urban construction, (2) urban operations, (3) culture and tourism, (4) education and (5) modern services. The Group's business comprises nine principal segments including (i) infrastructure construction, (ii) primary land development, (iii) procurement and supply of goods, (iv) education, (v) public transportation, (vi) water supply (including replacement of water meters and redevelopment of water pipelines), (vii) procurement and supply of food and edible oil, (viii) real estate sales and (ix) hotel management.

According to the National Environmental Plan for the 14th Five-Year Plan for Environmental Protection and Improvement, the Group is committed to ensuring that social and environmental development benefits from its economic performance. The Group takes sustainable development as the cornerstone of its business operations. Coupled with development strategies and operating models, the Group strives to promote social responsibilities and meet the expectations of stakeholders, including the government, industry, employees, business partners and the community. The Group also aims to accelerate structural reform of the city, clean up the environment and facilitate social civilisation.

1.2 The Objective of the Group's Sustainable Finance Framework

The Group will adhere to the principle of green and sustainable development, and finance eligible sustainable projects ("**ESPs**", including Eligible Social Projects and Eligible Green Projects as defined below) in accordance with the Sustainable Financing Framework (the "**Framework**").

Eligible green projects include green building and energy efficiency ("**Eligible Green Projects**").

Eligible social projects include access to essential services ("**Eligible Social Projects**").

2. SUSTAINABLE FINANCE FRAMEWORK

The Framework, covering the aspects mentioned in section 1.2, enables the Group to enhance its strategy for environmental protection and sustainable development. The Framework also demonstrates how the Group, through Sustainability Financing Transactions ("**SFTs**"), is able to fund projects that bring positive environmental impacts and foster sustainable practices, which supports its green and sustainability strategy.

SFTs include bonds, loans and other forms of debt financing that use raised proceeds in ESPs under the Framework.

– Bonds issued under the Framework will be aligned with the Green Bond Principles 2021 (including the June 2022 Appendix 1) ("**GBP2021**"), Social Bond Principles 2023 ("**SBP2023**"), Sustainability Bond Guidelines 2021 ("**SBG2021**") or as they may be subsequently amended by the International Capital Market Association ("**ICMA**") from time to time;

– Loans issued under the Framework will be aligned to the Green Loan Principles 2025 ("**GLP2025**"), Social Loan Principles 2025 ("**SLP2025**") or as they may be subsequently amended by Asia Pacific Loan Market Association ("**APLMA**"), the Loan Market Association ("**LMA**") and the Loan Syndications and Trading Association ("**LSTA**") from time to time;

Other forms of financing would conform to other well-established green or sustainable finance principles that may have been established from time to time.

For each SFT, the Group is committed to complying with the requirements in each of the following aspects:

– Use of Proceeds

– Process for Project Evaluation and Selection

– Management of Proceeds

– Reporting

– External Review

2.1 Use of Proceeds

The Group will allocate the proceeds or an amount equivalent to the proceeds of the SFTs issued under this Framework to finance and/or refinance (with a maximum look-back period of 3 years) construction and/or operation of ESPs based on the criteria set out below (the "**Eligibility Criteria**"). Expenditures are mainly capital expenditures and operating expenses, and the Group expects the proceeds to be allocated in full within 2 years from the date of the relevant SFT.

2.1.1 Eligible Green Projects

The Eligible Green Project Categories that may be utilised under the Framework, together with associated selection criteria are set out below:

A. Green Building and Energy Efficiency

Mapping with SDGs[1], the GBP2021 environmental objectives, and GBEPC[2]	**Eligible Green Projects Categories**	**Remarks**
▶ **SDGs 9.4[3] and 11.c[4]:**  ▶ **GBP2021 environmental objectives:** **Climate change mitigation** **Natural resource conservation**	- Development, construction, refurbishment, maintenance and operations of buildings that meet the following criteria • Regional, national or international certifications[6] of environmental performance ("PRC Assessment Standard for Green Building (GB/	- Location: Project location will be approved by the planning department authority in accordance with national laws and regulations to avoid construction in protected areas; - In order to offset negative impacts on the environment, the Group will adopt the following

Mapping with SDGs[1], the GBP2021 environmental objectives, and GBEPC[2]	Eligible Green Projects Categories	Remarks
▶ **GBEPC 1.2.1.1[5]**	T50378-2019): 1-star or above", or other similar recognised standards).	measures including but not limited to: • Use permeable ground to enhance water permeability of the ground and reduce heat island effect. • Control light pollution and avoid large glass curtain walls. • Adopt high-efficiency light sources and lighting intelligent systems to save energy. • Adopt water-saving irrigation and water-saving appliances, along with minimalistic decorative components to conserve materials. • Implement sound insulation and noise reduction measures for buildings adjacent to major traffic roads.

1 Sustainable Development Goals ("**SDGs**")

2 Green Bond Endorsed Projects Catalogue (2021 Edition) ("**GBEPC**") published by the China Securities Regulatory Commission

3 SDGs 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

4 SDGs 11.c: Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilising local material

5 With reference to GBEPC 1.2.1.1 Manufacturing of Green Building Materials

6 If an eligible project falls into such sub-categories, the Group shall obtain the pre-rating certificate in due course, and after completion of the project, obtain third-party verification that it meets the design criteria. Depending on the requirements of different projects, the company may also manage to get an official green building certification by no later than 2 years since the completion of the building construction or other time frame requested by the law and regulations (if any)

2.1.2 Eligible Social Projects

The Eligible Social Project Categories that may be utilised under the Framework, together with associated selection criteria are set out below:

A. Access to Essential Services

Mapping with SDGs, the SBP2023 objectives	**Eligible Social Projects Categories**	**Remarks**
▶ **SDGs 1[7] and 3[8]**  ▶ ***SBP2023 objectives:*** ***Access to essential services***	Construction, renovation, maintenance and operation of public service facilities including hospitals, etc.	- Target group: General public Hospitals are non-profit institutions, operated by local government agencies, public hospitals, or enterprises, etc. with lower fees compared to private institutions.

[7] SDGs 1: End poverty in all its forms everywhere

[8] SDGs 3: Ensure healthy lives and promote well-being for all at all ages

2.2 Process for Project Evaluation and Selection

When evaluating if a project is eligible for sustainable finance, the Group will follow the definition and categorisation in ICMA's GBP2021, SBP2023 and SBG2021 and APLMA, LMA and LSTA's GLP2025 and SLP2025 to ensure domestic and international compliance.

The Group has established a sustainability project work group ("**SPWG**"), which is dedicated to ensuring that the proceeds from each SFT or an equivalent amount will be allocated to ESPs under the Framework. The Group will also consider engaging external experts if necessary. The SPWG will also be responsible for managing any future updates of the Framework, including any expansion of requirements on the use of proceeds. The SPWG comprises members from various functions, including:

- Financial Management Centre
- Capital Operation Centre
- Discipline Inspection, Audit and Legal Department

SPWG will convene meetings at least once every 12 months to discuss and select ESPs according to the Eligibility Criteria defined in section 2.1 of the Framework. SPWG will select projects that comply with *Environmental Protection Law of the People's Republic of China*, *Environmental Impact Assessment Law of the People's Republic of China*, *Green Bond Endorsed Projects Catalogue (2021 Edition)*, *Regulations on Environmental Protection Management of Construction Projects*, and other relevant policies and regulations enforcing sustainability considerations. Then, SPWG will evaluate each project based on its feasibility

report. The shortlisted projects will be presented to the chairman for approval. After receiving the assessment and approval from the chairman, selected projects will become ESPs. The SPWG will keep relevant minutes meetings, internal, external reports, etc. for future follow-up.

SPWG will ensure that each ESP not only aligns with section 2.1 Use of Proceeds of the Framework but also adheres to the environmental guidelines that are applicable to the Group, as well as all applicable national and international environmental standards, local laws and regulations. The ESPs will also be selected with reference to the United Nations SDGs. SPWG will be responsible for managing any future updates of the Framework, including any additional requirements for the use of proceeds.

Additionally, during the design stage, environmental impact assessments will be conducted according to applicable regulations to identify each ESP's environmental and social impacts, and controls and mitigation measures will be made to minimise such impacts. During the construction stage, mitigation measures and protection of the ecosystem are strictly implemented and monitored.

The feasibility study for each ESP will include environmental impact assessment ("**EIA**") and social impact assessment ("**SIA**") that comply with local requirements. The EIA and SIA will be conducted by an accredited professional agency and a report will be issued, which includes the identification, analysis and management of various environmental and social factors and their impacts on the environment and community throughout project lifecycle.

2.3 Management of Proceeds

The Group intends to allocate an amount at least equal to the net proceeds over time to finance or refinance the ESPs, which are selected according to the Eligibility Criteria with the evaluation and selection process outlined above.

The net proceeds from each SFT will be managed by the Group's finance team and will be deposited in the Group's general funding accounts earmarked for the ESPs. The Group will maintain a register to keep track of the use of proceeds for each SFT.

The register will contain the following information:

(1) Type of Funding Transaction

- Key information includes issuer/borrowing entity, transaction date, tranche(s) information, the principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number)

(2) Allocation of Use of Proceeds

- Name and description of the ESPs to which the proceeds of the SFT have been allocated in accordance with the Framework
- Amount and date of the SFT proceeds allocated to each ESP
- The remaining balance of unallocated proceeds yet to be earmarked for the ESPs

– Other relevant information such as information in relation to temporary investment for unallocated proceeds (including the investment amount and investment type)

Before proceeds are allocated to the ESPs, departments in need of the proceeds must submit an application and plan for use for approval. The general manager or chairman of the board, as the case may be, will review and approve the application, after which the proceeds will be allocated by the Financial Management Department of the Group.

The Group will monitor the net proceeds of all outstanding SFTs (at least semi-annually), which includes appropriately tracking the proceeds and adjusting the balance of net proceeds to match allocations to the ESPs. Any remaining balance of issuance proceeds that are not yet allocated to the ESPs will be held in short-term deposits. The Group will disclose to investors the types of temporary placement they use for unallocated proceeds. The Group commits not to invest unallocated proceeds in any high-pollution activities or any projects that conflict with the Eligibility Criteria under the Framework.

During the term of the SFTs issued, the SPWG will monitor the continued compliance of the ESPs against the Eligibility Criteria and Exclusion Criteria (as defined below) (at least semi-annually), if the designated ESPs cease to fulfil the Eligibility Criteria and Exclusion Criteria, the net proceeds or an amount equal to these net proceeds will be re-allocated to the replacement ESPs that comply with the Eligibility Criteria, as soon as reasonably practicable. The Group strives to maintain a total investment amount to ESPs at least equal to the total net proceeds of all SFTs outstanding.

Additionally, if the investment of the proceeds or an amount equivalent to the proceeds changes, the changes must be reviewed and approved by the chairman. After that, the proceeds will still be used for the ESPs.

If there is any change in the use of proceeds, the Group will disclose such change in the interim report to the market on time through channels approved by the regulatory authorities. The interim report will include, but not be limited to, the progress of the fundraising projects, the reasons for changes and the adjusted investment plans of the proceeds.

(3) Exclusion Criteria

In any case, ESPs (including the temporary placement of unallocated proceeds) exclude the type of activities listed in the latest International Finance Corporation Exclusion List:

– Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone-depleting substances, polychlorinated biphenyls (PCBs), wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

– Production or trade in weapons and munitions.

– Production or trade in alcoholic beverages (excluding beer and wine).

– Production or trade in tobacco.

– Gambling, casinos, and equivalent enterprises.

– Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where any international financial company considers the radioactive source to be trivial and/or adequately shielded.

– Production or trade in unbonded asbestos fibres. This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 per cent.

– Drift net fishing in the marine environment using nets over 2.5 kilometres in length.

– Production or activities involving harmful or exploitative forms of forced labour/ harmful child labour.

– Commercial logging operations for use in primary tropical forest.

– Production or trade in wood or other forestry products other than from sustainably managed forests.

2.4 Reporting

2.4.1 Allocation Reporting

The Group plans to report the allocation of net proceeds and the impact of financed projects at least once annually until full allocation. The Group will annually disclose the information and progress of the Group's committed projects through announcements, social media or sustainability reports, including but not limited to:

– the proportion of net proceeds allocated to financing and refinancing

– the proportion of net proceeds allocated to the sustainable project categories covered by the Framework (undisclosable if the use of proceeds is refinancing)

– brief description of the financed projects

– the balance of the unallocated proceeds from each SFT and temporary placement thereof

– any material developments/issues/controversies related to the financed projects

Furthermore, the Group will report on a timely basis if any material development

2.4.2 Impact Reporting

The Group plans to report the allocation of net proceeds and the impact of financed projects at least once annually until full allocation. The Group will make available a report on the environmental and social impacts resulting from ESPs based on the

availability of project data. The report may include the following impact indicators (including the expected and actual figures). In addition, calculation methodologies and assumptions will be disclosed.

Eligible Sustainable Project Category	Impact Indicators
Green Building and Energy Efficiency	- Level of certification by building - Approval of the green building construction plan issued by local authorities - The number of green building constructed - The area of water-saving irrigation and water-saving appliances (square metres) - The area of permeable ground (square metres) - Energy reduction % - Water saving %
Access to Essential Services	- The number of new institutions - Additional populations served

2.5 External Review

The Group has engaged Sustainable Fitch and Lianhe Green Development Company Limited as external reviewers to evaluate the appropriateness of the Framework, and alignment with the GBP, SBP, SBG, GLP and SLP. The assessment result document(s) will be available on the Group's website or other social media platform if available.

EXCHANGE RATE INFORMATION

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. On 21 July 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by 2% against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. The floating band was further widened to 1.0 per cent. on 16 April 2012. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 26.9 per cent. from 21 July 2005 to 31 December 2013. On 14 March 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0 per cent. Following an announcement by the PBOC on 11 August 2015 to improve the central parity quotations of Renminbi against the U.S. dollar by authorising market-makers to provide central parity quotations to the China Foreign Exchange Trading Centre daily before the opening of the interbank foreign exchange market, Renminbi depreciated significantly against the U.S. dollar in the remainder of 2015 and 2016 before rebounding in 2017. In 2018 the Renminbi has experienced further fluctuation in value against the U.S. dollar with significant depreciation occurring in the second quarter of 2018. On 5 August 2019, the PBOC set the Renminbi's daily reference rate below RMB7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. There re-mains significant international pressure on the PRC Government to adopt an even more flexible currency policy, which could result in further and more significant depreciation of the Renminbi against the U.S. dollar. The PRC Government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Renminbi as certified by the Federal Reserve Bank of New York for customs purposes for the periods indicated as set forth in the H.10 statistical release of the Federal Reserve Board:

Period	Noon buying rate[1]			
	Period end	Average[2]	High	Low
		(RMB per U.S.$1.00)		
2019	6.9618	6.9014	7.1786	6.6822
2020	6.5250	6.8878	7.1681	6.5208
2021	6.3726	6.4382	6.5716	6.3435
2022	6.8972	6.7518	7.3048	6.3084
2023	7.0999	7.0896	7.3430	6.7010
2024	7.2993	7.1993	7.2993	7.0106
2025				
January	7.2422	7.2957	7.3326	7.2422
February	7.2828	7.2734	7.3088	7.2422
March	7.2486	7.2449	7.2843	7.2273
April	7.2706	7.2968	7.3499	7.2675
May	7.1991	7.2166	7.2706	7.1798
June (through 27 June)	7.1721	7.1812	7.1975	7.1675

Note:

(1) Exchange rates between Renminbi and U.S. dollar represent the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board.

(2) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the relevant month or period.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated indebtedness (both current and non-current portions), total equity and total capitalisation of the Group as at 31 December 2024 (i) on an actual basis, and (ii) on an adjusted basis to give effect to the Bonds to be issued before deducting commissions and other fees expenses payable by the Issuer in connection with the offering of the Bonds.

The summary consolidated financial information below should be read in conjunction with the Group's 2023 Audited Financial Statements and the notes to those statements included elsewhere in this Offering Circular.

	As at 31 December 2024			
	Actual		As adjusted	
	RMB (million)	*U.S.$[(1)] (million)*	*RMB (million)*	*U.S.$[(1)] (million)*
Current indebtedness:				
Short-term loans	11,925.6	1,633.80	11,925.6	1,633.80
Bills payable	3,681.8	504.40	3,681.8	504.40
Long-term loan due within one year	7,657.2	1,049.03	7,657.2	1,049.03
Debentures payable due within one year	10,734.6	1,470.63	10,734.6	1,470.63
Total current indebtedness	**33,999.2**	**4,657.87**	**33,999.2**	**4,657.87**
Non-current indebtedness:				
Long-term loans	18,939.7	2,594.73	18,939.7	2,594.73
Debentures payable	13,555.8	1,857.14	13,555.8	1,857.14
Bonds to be issued	–	–	2,189.8	300.00
Total non-current indebtedness	**32,495.5**	**4,451.87**	**34,685.3**	**4,751.87**
Total indebtedness	**66,494.7**	**9,109.74**	**68,684.5**	**9,409.74**
Total shareholders' equity	**37,472.1**	**5,133.66**	**37,472.1**	**5,133.66**
Total capitalisation[(4)]	**103,966.8**	**14,243.39**	**106,156.6**	**14,543.39**

Notes:

(1) Based on the exchange rate of RMB7.2993 to U.S.$1.00, the noon buying rate in effect on 31 December 2024 as set forth in the H.10 weekly statistical release of the Board of the Governors of the Federal Reserve System of the United States.

(2) Total capitalisation represents the sum of total current indebtedness, total non-current indebtedness and total shareholders' equity.

In January 2025, the Company issued RMB1,000 million of private placement corporate bonds and RMB1,000 million medium-term notes in the PRC.

Except as otherwise disclosed herein, there had been no material change to the consolidated capitalisation and indebtedness of the Company since 31 December 2024.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is a state-owned enterprise located in Mianyang City, Sichuan Province in China and is the largest urban infrastructure construction and state asset operation platform in terms of total assets in Mianyang City. The Group mainly operates in five industries, namely, (1) urban construction, (2) urban operations, (3) culture and tourism, (4) education and (5) modern services. The Group's business comprises nine principal segments including (i) infrastructure construction, (ii) primary land development, (iii) procurement and supply of goods, (iv) education, (v) public transportation, (vi) water supply (including replacement of water meters and redevelopment of water pipelines), (vii) procurement and supply of food and edible oil, (viii) real estate sales and (ix) hotel management.

As at the date of this Offering Circular, the registered capital of the Issuer is RMB850.0 million. The Issuer is 90 per cent. owned by Mianyang SASAC and 10 per cent. owned by the Sichuan Finance Department.

HISTORY AND DEVELOPMENT

The Issuer was initially established as Sichuan Mianyang Xindali Assets Operation Co., Ltd. (四川省綿陽市新大力資產經營有限公司) on 17 May 1999 pursuant to the Approval of the Mianyang State-Assets Management Commission in relation to the State Assets Operation Plan for Sichuan Mianyang Xindali Assets Operation Co., Ltd. (Mian Guo Zi Wei [1999] No.11) (綿陽市國有資產管理委員會《關於對四川綿陽新大力資產經營有限公司國有資產授權經營方案的批復) (綿國資委[1999]11號) and the Notice by the Mianyang Government in relation to the Establishment of Sichuan Mianyang Xindali Assets Operation Co., Ltd. (Mian Fu Han [1999] No.35 (綿陽市人民政府《關於組建綿陽資產經營有限公司的通知》) (綿府函[1999]35號). At the time of establishment, the total registered capital of the Issuer was RMB200 million, which was contributed by Mianyang Nanjiao Airport Management Bureau (綿陽南郊機場管理局), Mianyang Water Company No.3 Branch (綿陽市自來水總公司第三水廠), Mianyang Fule Mountain Hotel (綿陽富樂山國際酒店) and Mianyang Mianzhou Hotel Co., Ltd. (綿陽綿州酒店有限公司). At the early stage of its establishment, the Group, with the Issuer and its three subsidiaries, focused on the preservation and enhancement of value of state-owned assets.

The table below sets out certain key corporate historical events and milestones during the Group's development since its establishment:

Year	Events
2000	On 8 August 2000, the Issuer changed its name from Sichuan Mianyang Xindali Assets Operation Co., Ltd. (四川省綿陽市新達力資產經營有限公司) to Mianyang Investment Holding (Group) Co., Ltd. (綿陽市投資控股集團有限公司) in accordance with the Approval of the Mianyang Government in relation to Corporate Governance of Mianyang Xindali Assets Operation Co., Ltd. and the Articles of Association of Mianyang Investment Holding (Group) Co., Ltd. (Mian Fu Han [2000] No.138) (《綿陽市人民政府轉批〈綿陽新大力資產經營有限責任公司規範運作的實施方案〉及的通知》(綿府函[2000]138號)).

Year	Events
2006	In July 2006, Mianyang SASAC transferred 100 per cent. equity interests in Mianyang Fuda Assets Management Co., Ltd. (綿陽富達資產經營管理有限公司) and Mianyang Highway Development Co., Ltd. (綿陽市高等級公路開發有限公司) to the Issuer according to the Approval by the Mianyang Government in relation to Mianyang Investment Holding (Group) Co., Ltd.'s Equity Interest in Mianyang Fuda Assets Management Co., Ltd. and Mianyang Highway Development Co., Ltd. (Mian Fu Han [2006] No.127) (綿陽市人民政府《關於同意授權綿陽市投資控股(集團)有限公司持有綿陽富達資產經營管理有限公司 和綿陽市高等級公路開發有限公司國有股權的批復》(綿府函 [2006]127號)) and the Advice of the Mianyang Government and the Mianyang Municipal Committee of the Communist Party of China in relation to Innovative Government and Investment and Financing System (Mian Wei Fa [2006] No.11) (《中共綿陽市委、綿陽市人民政府關於創新政府投融資體制的意見》 (綿委發[2006]11號) (the "**2006 Advice**"). Following the transfer, the Issuer's registered capital was increased to RMB85 million. Adhering to the 2006 Advice, through the integration of assets and reformation of institutional mechanisms, the Group strived to develop into a comprehensive state-owned investment and financing platform which deals with the borrowing, use, management and repayment ("借、用、管、還") of capital, and possesses quality assets, strong financial capabilities and outstanding main businesses. Its investment and financing mechanism would follow the principles of "government guidance, social participation, and market operation", forming a robust foundation for the accelerated and sustainable development of Mianyang City's urban construction and transportation. Since 2006, the Group entered a period of rapid development.
2008	In December 2008, according to Approval of the Mianyang Government in relation to Transfer of Mianyang Highway Development Co., Ltd. (Mian Fu Han [2008] No.289) (綿陽市人民政府《關於剝離綿陽市高等級公路開發有限責任公司的批復》(綿府函[2008]289號)), the Group disposed of 100 per cent. equity interest in Mianyang Highway Development Co., Ltd.
2014	On 27 June 2014, according to Approval by Mianyang SASAC on Transfer of Equity in Mianyang Education Investment Development (Group) Co., Ltd. to Mianyang Investment Holding (Group) Co., Ltd. Free of Consideration (Mian Guo Zi Fa Gui [2014] No.13) (《綿陽市國資委關於綿陽市教育投資發展有限責任公司國有股權無償劃轉綿陽市投資控股(集團)有限公司 的批復》(綿國資法規[2014]13號)), Mianyang SASAC transferred 100 per cent. equity interest in Mianyang Education Investment Development (Group) Co., Ltd. (綿陽市教育投資發展(集團)有限責任公司) into the Group.
2015	In 2015, according to the Notes on Accounting Treatment Matters Relating to Local Government Replacement Bonds of Mianyang Investment Holding (Group) Co., Ltd. (Mian Cai Jin Han [2016] No.2) (《關於綿陽市投資控股(集團)有限公司地方政府置換債券有關會計處理事項的說明》 (綿財金函[2016]2 號)) issued by Mianyang Finance Bureau, Mianyang Finance Bureau agreed that the capital converted from the replacement of local government debts would be counted towards the capital reserve of the Group, pursuant to which the Issuer increased its capital reserve by RMB685 million. Apart from this, the Issuer received funding in the amount of RMB98 million from Mianyang Finance Bureau which counted towards its capital reserve.

Year	Events
2016	As at 31 December 2016, the Issuer's capital reserve amounted to approximately RMB14.5 billion, representing a net increase of approximately RMB1.1 billion compared to 2015. Such net increase was mainly attributable to the injection of capital converted from the replacement of government debts. At the same time, the Group's business was also expanding into other industries including film, urban carparking, energy and environment protection.
2017	In 2017, capital in the amount of RMB323 million was converted from the replacement of local government debts and directed towards its capital reserve. In 2017, the Group devised its "13th Five-Year" strategic plan, expressing its vision of developing into a leading comprehensive urban service provider in Western China and its strategic position as a state-owned capital investment company with urban construction and operations as its core businesses, complemented by its diverse business operations in related industries, which would further improve the industrial layout and establish a new management and control system for the Group. Furthermore, the Issuer obtained an onshore rating of AA+, becoming the first enterprise in Mianyang City to achieve such rating.
2018	On 24 April 2018, Mianyang SASAC gave approval in principle on the Issuer's injection of capital in the amount of RMB13 billion into the establishment of Mianyang Huike Photoelectric Technology Co., Ltd. (綿陽惠科光電科技有限公司) with Huike Holding Co., Ltd. (惠科股份有限公司) and Mianyang Fucheng Investment Group Co., Ltd. (綿陽富誠投資集團有限公司). In 2018, the Issuer and Huike Holding Co., Ltd. (惠科股份有限公司) collaborated on the manufacturing of the 8.6th generation thin film transistor liquid crystal display devices (the "**Huike LCD Project**"). The Huike LCD Project had a total investment of approximately RMB24.0 billion and was instrumental in the development of a hundred-billion-level industrial cluster in Mianyang City. As at 31 December 2018, the Issuer's capital reserve amounted to approximately RMB14.8 billion.

Year	Events
2019	By 2019, the Group had accumulated total assets of approximately RMB90.8 billion, making it the largest urban investment enterprise in Northwest Sichuan in terms of total assets. The Group had completed the construction of more than 160 projects with an aggregate investment exceeding RMB44.0 billion. It was also successful in maintaining its AA+ rating for three consecutive years. In 2019, the Group's subsidiary, Mianyang Automobile Experimental Driving Technical School Co., Ltd. (綿陽市汽車實驗駕駛技術學校股份有限公司) ("**Mianyang Driving School**"), was listed on the National Equities Exchange and Quotations. On 26 November 2019, Mianyang Transportation published the Notice on the Change of Controlling Shareholding (《綿陽交通發展集團有限責任公司關於控股股東變更的公告》), announcing that 100 per cent. of its equity interest held by Mianyang SASAC would be transferred to the Issuer for nil consideration pursuant to the Notice on Optimising and Reorganising State-owned Assets to Promote the Reform and Development of Municipal State-owned Enterprises (Mian Wei Ban [2019] No.138) (《關於優化重組國有資產推進市屬國有企業改革發展的通知》綿委辦[2019]138號) published by the CPC Mianyang Municipal Committee Office (中共綿陽市委辦公室) and the General Office of the Mianyang Government (the "**Notice No.138 of 2019**"). Since then, the Group expanded its business scope to cover public transportation operations. In December 2019, pursuant to the Mianyang Foreign Language School State-owned Property Rights Integration Agreement (《綿陽外國語學校國有產權整合協議》), the Mianyang Education and Sports Bureau (綿陽市教育和體育局) transferred 100 per cent. of the equity interest it held in Mianyang Foreign Language School (綿陽外國語學校) to the Group for nil consideration.
2020	In April 2020, the construction of the Huike LCD Project was completed and its factories went into production. In August 2020, the Issuer established Mianyang Sanjiang Medical Investment Co., Ltd. (綿陽三江醫療投資有限公司) jointly with Mianyang Third People's Hospital (綿陽市第三人民醫院) and Mianyang Jingkai Investment Holding Group Co., Ltd. (綿陽經開投資控股集團有限公司), thus entering the medical and health field and optimising the industrial layout of the Group. On 24 June 2020, pursuant to the Notice No.138 of 2019 and the Notice of Mianyang SASAC on the Transfer of State-owned Property Rights of Mianyang Food and Oils Group Co., Ltd. (Guo Zi Qi [2020] No.16) (《綿陽市國資委關於綿陽市糧油集團有限公司國有產權無償劃轉的通知》(國資企 [2020]16號)), Mianyang SASAC transferred 100 per cent. of the equity interest it held in Mianyang Food and Oils Group Co., Ltd. (綿陽市糧油集團有限公司) to the Group for nil consideration. Since then, the Group expanded its business scope to cover the procurement and supply of food and edible oil. On 29 December 2020, Mianyang SASAC transferred 10 per cent. of the equity interest of the Issuer to the Sichuan Finance Department. Following such equity transfer, and as at the date of this Offering Circular, Mianyang SASAC and the Sichuan Finance Department hold 90 per cent. and 10 per cent. of the equity interest of the Issuer, respectively.

Year	Events
2021	In 2021, the Issuer was named one of Sichuan Province's "Integrity Enterprises" and included in the "Red List" on the websites of "Credit China (Sichuan)" and "Credit China (Chongqing)". It was also able to maintain its onshore AA+ rating. At the same time, it also became eligible to various preferential policies, including a total of 39 incentive measures across 14 major categories jointly formulated by the provincial-level government departments, a "Green Passage" for obtaining approval and priority in receiving government subsidies. In May 2021, the Mianyang Government and Huaqiang Fangte Group (華強方特集團) entered into a framework agreement on the cooperative construction of the Mianyang-Fangte cultural tourism project in Mianyang City. At the same time, the Jiangyou Municipal People's Government (江油市人民政府) and Huaqiang Fangte Group signed an investment and cooperation agreement for the "Mianyang Road to Revival Cultural and Technology Project (綿陽復興之路文化科技項目)". As an extension of such strategic cooperation, in August 2021, the Issuer and Jiangyou Hongfei Investment (Group) Co., Ltd. (江油鴻飛投資(集團)有限公司) jointly established Mianyang Miantai Industrial Co., Ltd. (綿陽綿太實業有限公司) ("**Mianyang Industrial**"), in which the Issuer contributed RMB70 million towards its registered capital. In 2021, the Group also continued to contribute towards the development of an electronic industry cluster in Mianyang City by participating in the development of production lines for display modules, double-copper technology and photoelectric polarizers. In June 2021, with the approval of Mianyang SASAC, the Issuer transferred the 100 per cent. equity interest it held in Mianyang Ruihao Real Estate Development Co., Ltd. (綿陽瑞豪房地產開發有限責任公司) at a consideration of approximately RMB637.9 million. This transaction was completed by way of an online auction on the Southwest United Equity Exchange (西南聯合產權交易所). In September 2021, the Issuer led the establishment of Mianyang Science and Technology City Major Industry Equity Investment Fund Partnership (Limited Partnership) (綿陽科技城重大產業股權投資基金合夥企業 (有限合夥)) with a registered capital of RMB5.01 billion. In December 2021, the Jiangyou SASAC transferred a 33 per cent. equity interest in each of four companies – Jiangyou Hongfei, Jiangyou Chuangyuan Development and Construction Investment Co., Ltd. (江油市創元開發建設投資有限公司), Jiangyou Urban Investment Development Co., Ltd. (江油城市投資發展有限公司), and Jiangyou Xingyi Agricultural Investment Co., Ltd. (江油星乙農業投資有限公司) – to Miantai Industrial, without consideration. The assets have a total value of RMB8,571 million.
2022	In March 2022, the Issuer and the People's Government of Jiangyou City entered into a Strategic Cooperation Framework Agreement, under which provisions were made regarding the circumstances and mechanisms for the Issuer's exit from its equity interest in Mianyang Miantai Industrial, including the exit method and exit price.

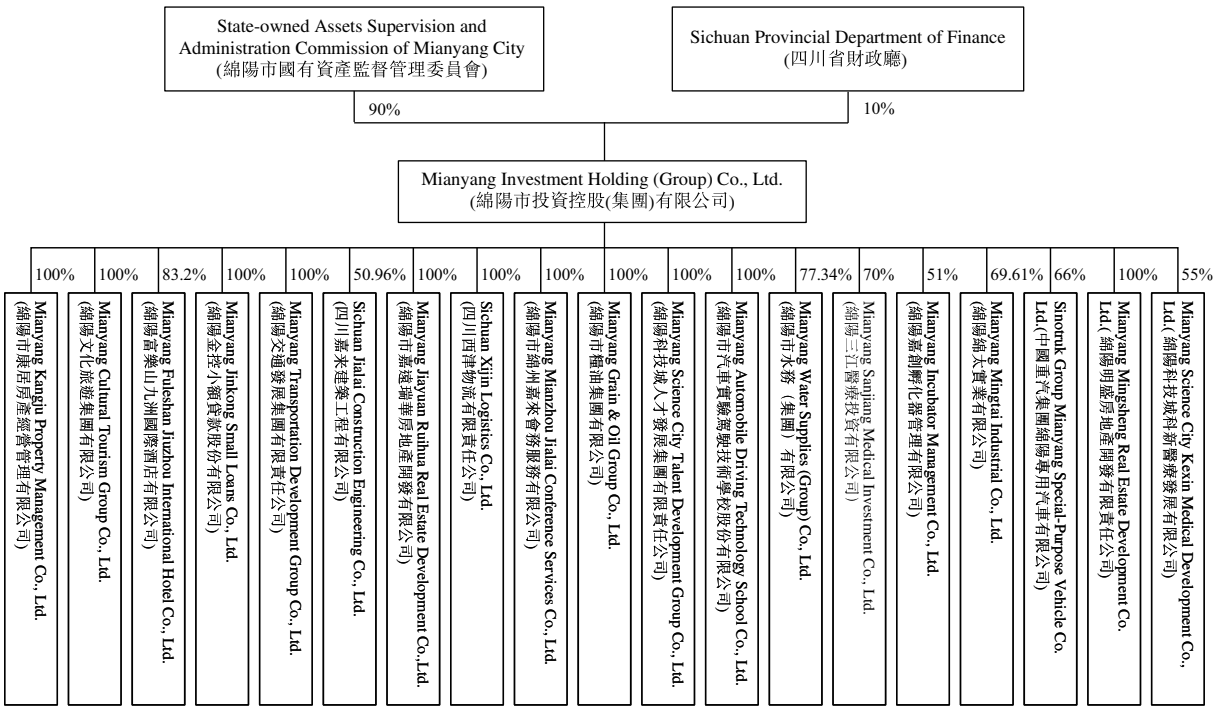
RECENT DEVELOPMENT

Acquisition of China National Heavy Duty Truck Group Jinan Power Co., Ltd.

In March 2022, the Group acquired through bidding 66 per cent. of the equity interest in China National Heavy Duty Truck Group Jinan Power Co., Ltd. (中國重汽集團濟南動力有限公司) from China National Heavy Duty Truck Group Jinan Power Co., Ltd. (中國重汽集團濟南動力有限公司) ("**CNHTC**") for a consideration of RMB124.6 million. As at the date of this Offering Circular, the relevant industrial and business registrations have been completed. This merger is part of the restructuring of the CNHTC group and will facilitate the expansion of its production capacity in Mianyang City. The Group, as a municipal-level state-owned enterprise with commercial functions, expects to be able to assist with the optimisation of the overall layout of the automobile industry in Mianyang City and the development of Mianyang City into an important automobile manufacturing base in Southwest China. Following this merger, the Group plans to expand its business in a sustainable manner in three directions: making use of the Group's idle land and existing regional advantages, developing new businesses related to commercial vehicle modification and supporting industries; investing in automated welding robot equipment and developing a closed coating production line to upgrade its production equipment; and undertaking new energy vehicle and automobile part projects to expand its business into the new energy industry.

GROUP STRUCTURE

The chart below illustrates the simplified corporate structure of the Group, showing the Issuer and its major subsidiaries, as at 31 December 2024:



RELATIONSHIP WITH THE MIANYANG GOVERNMENT

As of the date of this Offering Circular, the Issuer is one of the only two enterprises acting as the investment and financing platforms under Mianyang SASAC. The Issuer is 90 per cent. owned by Mianyang SASAC and 10 per cent. owned by the Sichuan Finance Department.

The Mianyang Government has authorised Mianyang SASAC as the capital contributor (出資人) of the establishment of the Issuer. Mianyang SASAC enjoys the right of an authorised capital contributor over the Issuer and exercises powers such as supervisory right over the Issuer's board of directors, right of returns on capital, approval right of significant matters, as well as right of appointment, management and evaluation of leadership personnel of the Issuer.

Notwithstanding the extensive relationship between the Issuer and Mianyang SASAC and any financial support from the latter, the Issuer is independent of Mianyang SASAC in terms of assets, personnel, organisation, financials and business operation. The Issuer's functions and departments are separate from those of the Mianyang Government and does not share any premises with the Mianyang Government. Although the board of directors and other members of the management team of the Issuer are appointed by Mianyang SASAC, they are not government officers and do not have any employment outside of the Group. The Issuer has a budget and financial reporting system and assets and liabilities separate from those of the Mianyang Government. The Mianyang Government as the ultimate equity holder of the Issuer only has limited liability to the Issuer in the form of its capital contribution in the Issuer.

The PRC Government (including the Mianyang Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds or the Trust Deed relating to the Bonds in lieu of the Issuer. This position has been reinforced by Circular 23, Circular 706 and Circular 666. The Mianyang Government as the ultimate shareholder of the Issuer only has limited liability in the form of its equity contribution in the Issuer. As such, the Mianyang Government (and the PRC Government) does not have any payment or other obligations under the Bonds or the Trust Deed relating to the Bonds. The Bonds are solely to be repaid by the Issuer as an obligor and the obligations of the Issuer under the Bonds and the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person. Circulars 23 and 706 do not, however, prohibit the PRC Government (including the Mianyang Government) from providing support (in various forms including capital injection and subsidies, but excluding injecting any kinds of public assets and land reserves as the Group's assets) to the Group in its ordinary course of business in compliance with PRC laws and regulations. The detailed description of the relationships between the Issuer and the Mianyang Government in this Offering Circular does not imply in any way any explicit or implicit credit support of the Mianyang Government in respect of the Bonds, the repayment of which remains the sole responsibility of the Issuer.

COMPETITIVE STRENGTH

The Group believes that its success and prospects are primarily attributable to the following competitive strengths:

Leveraging the geostrategic advantages and economic growth potential of Mianyang City

The Group is strategically located in Mianyang City, the second largest city in Sichuan Province. Mianyang City has a unique geographical location and convenient transportation. It is an important node city situated in the heart of the "West Triangle" formed by Chengdu, Chongqing and Xi'an. Mianyang City is equipped with all-round municipal public service facilities, and has a number of national demonstration secondary vocational schools, key secondary vocational schools, national demonstration high schools, Grade-A tertiary hospitals and large sports venues.

Mianyang City is officially approved by the CPC and the State Council of the PRC as China's only "Science and Technology City (科技城)". It has established a national-level high-tech development zone and a national-level economic and technological development zone, as well as scientific and technological innovation and commercialisation platforms such as the Mianyang Science and Technology City Innovation Centre, the Mianyang Industrial Technology Research Institute, and the National University Science Park Incubation Centre of Southwest University of Science and Technology. In March 2019, the Sichuan Provincial Party Committee and the People's Government of Sichuan Province jointly issued the Opinions on Promoting the Accelerated Development of China (Mianyang) Science and Technology City (Chuan Wei Fa [2019] No.6) (《關於推進中國(綿陽)科技城加快發展的意見》(川委發[2019]6號)), outlining the three-stage development goals of Mianyang City from 2020 to 2030. It is expected that, by 2030, having fulfilled its national strategic objectives, Mianyang City will grow into a scientific and technological innovation centre and industrial development highland with strong influence in Western China and also at the national level, becoming a world-renowned innovative city.

In 2022, the 12th Sichuan Provincial Party Congress expressed its support towards Mianyang City's development as the economic sub-centre of Northern Sichuan and the construction of a national science and technology innovation pilot demonstration zone, through giving full play to its competitive edge as the "Science and Technology City". To this end, Mianyang City is actively developing technology and industries, opening and revitalising the city, attracting talents, and improving the ecology and beautifying the city.

The Group has benefited from the comprehensive infrastructure and urban development plans of Mianyang City. As at 31 December 2024, there were 20 national-level scientific research institutes in Mianyang City. The city was ranked fifteenth nationally in terms of "Science and Technological Innovation Competitiveness" and was listed among China's ten cities with the greatest innovation potential in 2023 and 2024, achieving noteworthy results as a pilot region for innovation with Chinese characteristics. In addition, Mianyang City won government approval for the National Engineering Physics Interdisciplinary Research Centre, merged three key national laboratories, and launched the Tianfu Industrial Technology Research Institute (天府產業技術研究院) and the Humanoid Robot Innovation Consortium (人形機器人創新聯合體), alongside other innovation platforms.

Strategic importance as an investment, financing, infrastructure construction and state asset operation platform of the Mianyang Government

Since 2006, the Group entered a period of rapid development following the integration of premium state-owned assets and resources. In recent years, the Group has implemented scientific transformation and enhanced the integration of its assets, resources and businesses. It has also increased its efforts in industrial investment and operational management.

The Issuer is currently one of the only two enterprises acting as the investment and financing platforms under Mianyang SASAC (the other enterprise being Mianyang Science and Technology City Development Investment (Group) Co., Ltd. (綿陽科技城發展投資(集團)有限公司). The Group is the largest state-owned investment enterprise group in Mianyang City which manages, operates and invests in state-owned assets. It assumes an important position in the transportation, water supply and hotel management industries of Mianyang City. In particular, the Issuer is the first urban investment enterprise in Mianyang City which has obtained an AA+ corporate rating. The Group's subsidiary, Mianyang Driving School, has also been listed on the National Equities Exchange and Quotations and the Group aims to further contribute towards Mianyang City's modern service industry.

On the other hand, the Group is the largest urban infrastructure construction and state asset operation platform in terms of total assets in Mianyang City. As such, the Group benefits from a dominant market position across Mianyang City's infrastructure construction and land development industries. It has been

delegated by the Mianyang Government to be in charge of various major urban infrastructure construction projects with a total investment amount of RMB10,911.3 million as at 31 December 2024, among which the completed investment amount was RMB7,898.9 million and RMB3,012.4 million remained pending. Over the years, the Group has undertaken and completed a large number of projects of strategic importance to Mianyang City since its establishment, including, for example, the construction of the First Ring Road (綿陽市一環路), the Second Ring Road (綿陽市二環路) and the express highway (城際快速通道) of Mianyang City. By leading the development of major infrastructure construction and public projects in Mianyang City, not only has the Group accumulated experience in the development and management of large-scale projects, it also contributes towards Mianyang City's economic development and affirms its position as a key entity to implement the Mianyang Government's blueprint for developing Mianyang City.

Strong historical support from the PRC Government on policies, resources and finances

The Group has received significant support from the Mianyang Government primarily through the following channels:

Policies – According to the Advice of the Mianyang Government and the Mianyang Municipal Committee of the Communist Party of China in relation to Innovative Government and Investment and Financing System (Mian Wei Fa [2006] No.11) (《中共綿陽市委、綿陽市人民政府關於創新政府投融資體制的意見》(綿委發[2006]11號)), the Mianyang Government planned to build the Group into an integrated investment and financing platform with a large quality asset base, good financing and repayment ability and strong business capability and competitiveness. Moreover, the Opinions on Promoting the Accelerated Development of China (Mianyang) Science and Technology City (Chuan Wei Fa [2019] No.6) (《關於推進中國(綿陽)科技城加快發展的意見》(川委發[2019]6號)) issued by the Sichuan Provincial Party Committee and the People's Government of Sichuan Province in March 2019 confirmed that the construction of Mianyang as the "Science and Technology City" is a major historical task assigned by the central government to Sichuan Province and reiterated the positioning of Mianyang City as Sichuan Province's economic sub-centre. As an important stakeholder in Mianyang City's development, the Group expects to continue to obtain strong support from the government. Moreover, recently, the Mianyang Municipal Committee of the Communist Party of China and the Mianyang Government are coordinating and formulating relevant plans to further strengthen, optimise and expand municipal state-owned enterprises. As the largest state-owned capital investment company in Mianyang City, the Group is expected to benefit from such integration of resources.

Resources – The Mianyang Government has injected state-owned assets (including state-owned assets operation rights) into the Group, including, for example, (i) the operation rights of street parking spaces in Mianyang City in 2012, (2) the operation rights of urban billboards in Mianyang City in 2013, (3) the right to collect water fees, (4) high-quality land resources and large-scale land consolidation resources such as Chengnan New District (城南新區), (5) equity interests in state-owned enterprises such as Mianyang Transportation, Mianyang Education Investment Development (Group) Co., Ltd. (綿陽市教育投資發展(集團)有限責任公司) and Mianyang Food and Oils Group Co., Ltd. (綿陽市糧油集團有限公司), as well as (6) premium property rental assets.

Finances – The Mianyang Government has provided subsidies and financing to the Group. For the years ended 31 December 2022, 2023 and 2024, the Group received government subsidies of approximately RMB1,219 million, RMB1,368 million and RMB1,731 million, respectively. These subsidies mainly include government funding in the Group's infrastructure construction projects and daily operations. Other sources of the government's financial support include the return of land income.

Diversified businesses and revenue channels

The Group has a diversified business operation. On the one hand, it acts as the main infrastructure construction platform for the Mianyang Government and the primary land developer for Mianyang Chengnan New District (城南新區), Xianhai Scenic Region (仙海風景區), Sang Lin Ba (桑林壩) and Fenggu Zhaojiaji District (豐穀趙家脊片區). For the years ended 31 December 2022, 2023 and 2024, the operating revenue from the Group's infrastructure construction business was approximately RMB3,160 million, RMB686.1 million and RMB685.1 million, respectively, and the operating revenue from the Group's primary land development business was approximately RMB815.1 million, RMB29.7 million and RMB266.5 million, respectively. On the other hand, the Group has also expanded its business to other sectors, including procurement and supply of goods, education, water supply, hotel management, sale of properties, driving training services, rental services, sewage treatment, landfill, advertisement, automobile and treatment and medicine. These businesses have provided alternative revenue sources for the Group and support the Group's strategy of "building a state assets investment company focusing on urban construction and diversifying its businesses".

Diversified funding channels with good banking relationships

The Group funds its business operations and working capital requirements through a variety of funding channels including bank loans, onshore bonds (including corporate bond, enterprise bond and medium term notes), debt financing instruments, offshore bonds, trust and other financial products. As at 31 December 2024, the Group's total indebtedness (comprising short-term and long-term loans, bills payable, and long-term loans and bonds payable due within one year) was approximately RMB66,495 million.

The Group has developed strong relationships with major financial institutions in the PRC, including policy non-commercial banks (such as China Development Bank and Agricultural Development Bank of China), state-owned commercial banks (such as Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications and Postal Savings Bank of China) and other commercial banks (such as China Citic Bank, Huaxia Bank, Industrial Bank, Ping An Bank, Mianyang City Commercial Bank, Suining Bank, China Zheshang Bank and Fubon Bank). As at 31 December 2024, the Group has obtained a credit line of up to RMB76.09 billion from a number of commercial banks including Industrial and Commercial Bank of China, Agricultural Bank of China, Industrial Bank and Hua Xia Bank, of which RMB22.72 billion had not yet been utilised.

The diversified funding channels and strong relationships with major financial institutions assist the Group to lower its funding costs and ensure sufficient liquidity for its business operations.

Sound corporate governance system

In order to maintain a scientific and practicable internal control system, the Issuer has formulated the General Rules for the Management and Control (《綿陽市投資控股(集團)有限公司管控總則》) and set up the Division of Party and Masses' Affairs and seven other functional departments to oversee the management of the Group. See "Management of the Group" for further details. These departments oversee a wide array of affairs in the day-to-day management of the Issuer, including strategic management, planning/budget management, investment and financing/asset management, performance management, financial management, human resources management, engineering management, bidding and procurement management, administration/brand public relations/cultural management, audit management, contract management, change in legal representative and dissolution. The soundness of the Issuer's corporate governance system is attributable to the following features:

Authorisation system. The Issuer manages its authorisation system using a dynamic approach and builds an effective evaluation and feedback mechanism.

Human resources management. The Issuer maintains a fair and healthy working environment for its employees and has formulated recruitment protocols (including its Amended Administrative Measures for Employee Recruitment (《綿陽市投資控股集團有限公司員工招聘管理辦法(修訂)》)). It has established a sound human resources management system which is implemented and improved by its Party and Human Resources Centre.

Operation control. The Issuer's risk control system is refined according to the professional characteristics and business needs of the each of its functional departments, so that the Issuer can effectively manage operational risks at different levels.

Financial management. The Issuer's accounting system covers both accounting control and financial management control, which is further divided to outline the financial management functions at the Group and subsidiary levels.

Internal control system in relation to subsidiaries' assets, personnel and financial affairs. Through establishing internal control protocols, the Issuer strengthens its control of subsidiaries and improves management efficiency. Its management principle combines both centralised management and delegation, with an aim to ensuring the orderly and healthy development of each subsidiary. On the one hand, the Issuer exercises its power as a shareholder of its subsidiaries and enjoys the power to appoint and remove senior management personnel of the subsidiaries, decide on material investment plans (including equity investments, debt investments, as well as investments in major fixed assets and projects), and vote on annual budget and assessments. On the other hand, with the Issuer's authorisation, employees of the Group's subsidiaries are responsible for the day-to-day operations.

Emergency management. The Issuer strives to improve its emergency management mechanism in order to ensure the safety of its assets, sustain its normal business operations, enhance its ability to deal with contingencies and minimise losses.

Information disclosure and investor management. The Issuer actively regulates its information disclosure behaviour and is keen to protect the legitimate rights and interests of investors.

Experienced management team and operation staff

The Issuer has a strong management team and operational staff who are experienced in managing and operating the Group's businesses. As at 31 December 2024, the Group had 9,332 employees, approximately 31.7 per cent. of which have a qualification of college education or above.

The Group also benefits from strong relationships with government departments, with a number of its management personnel having previously served in the related government departments. The Group believes that the strong management and execution capacity of its management team will enable the Group to continue to improve the efficiency of its operations, the quality of its services and the ability to satisfy the requirements of its customers, all of which will continue to provide a solid foundation for the Group's success.

STRATEGIES

The Group aims to strengthen its position by focusing on the following strategies:

Further diversify its business operations

The Group has established a diversified business model which covers businesses ranging from infrastructure construction, primary land development, procurement and supply of goods, education, water supply, hotel management, sale of properties, driving training services, rental services, sewage treatment, landfill, advertisement, automobile treatment, medicine and other ancillary businesses. In accordance with the Group's development strategy of "building a state assets investment company focusing on urban construction and diversifying its businesses", the Group will continue to seek new investment opportunities and expand into new business segments, building itself into a diversified holding group focusing on the following five industries:

Urban construction – including infrastructure construction investment, financing and contracting and real estate development;

Urban operations – including water supply, environmental protection, parking services and fixed assets management;

Culture and tourism – including hotel management, scenic area management and media;

Education – including secondary school education, pre-school education, professional training, football training and internet education; and

Other services – including automobile services (driving training, automobile testing and leasing), commercial trading, financial services and healthcare services.

Align its development goals with Mianyang City's strategic plan

Going forward, the Group will continue to conscientiously implement various decisions and deployments of Mianyang Government and the Mianyang Municipal Committee of the Communist Party of China, and adhere to its commercial functions in accordance with the Group's "14th Five-Year" development plan, as well as the regional strategic plans relating to the construction of the National Science and Technology Innovation Pilot Demonstration Zone and the innovation highland of the Chengdu-Chongqing economic circle. The Group also aims to strengthen its internal control and enhance its brand image. Following the leadership of the Party organisation, the Group expects to be able to align its development goals with the economic growth of Mianyang City. Taking "commitment to urban construction and creating a better life" as its corporate mission, the Group will continue to perform its functions as Mianyang City's important investment and financing platform, pioneer in urban construction, industry leader and key contributor to people's livelihood.

THE GROUP'S BUSINESS

The Group's principal business segments include (i) infrastructure construction, (ii) primary land development, (iii) procurement and supply of goods, (iv) education, (v) public transportation, (vi) water supply (including replacement of water meters and redevelopment of water pipelines), (vii) procurement and supply of food and edible oil, (viii) real estate sales and (ix) hotel management.

The table below sets forth a breakdown of the Group's total operating revenue by business segments for the periods indicated:

	Year ended 31 December					
	2022		2023		2024	
	Amount (RMB in '0000)	% of total	Amount (RMB in '0000)	% of total	Amount (RMB in '0000)	% of total
	(audited and restated)		*(audited and restated)*		*(audited and restated)*	
Business Segment						
Infrastructure construction	316,033.0	26.6	68,607.4	7.4	68,509.5	7.0
Primary land development	81,513.8	6.9	2,967.7	0.3	26,645.5	2.7
Procurement and supply of goods	310,728.8	26.1	347,193.0	37.4	416,192.0	42.2
Education	94,678.5	8.0	71,068.9	7.7	72,519.9	7.4
Public transportation	42,024.3	3.5	48,752.1	5.3	54,543.1	5.5
Water supply (including installation of water meters and pipeline engineering)	39,748.9	3.3	42,775.9	4.6	48,310.5	4.9
Procurement and supply of food and edible oil	174,410.5	14.7	154,757.8	16.7	169,050.8	17.2
Real estate sales	21,874.4	1.8	74,056.5	8.0	36,050.3	3.7
Hotel management	14,663.5	1.2	17,273.4	1.9	13,892.9	1.4
Others	93,448.7	7.9	101,722.5	11.0	80,271.4	8.1
Total	**1,189,124.3**	**100.0**	**929,225.2**	**100.0**	**985,985.8**	**100.0**

Infrastructure Construction

The Group is the main entity responsible for the development and infrastructure construction in Mianyang City and is one of the most important investment vehicles for the Mianyang Government. It has years of experience in the industry working on urban state-owned assets. The Group's infrastructure projects are mainly undertaken by the Issuer and two of its subsidiaries, namely, Sichuan Jialai Construction Engineering Co., Ltd. (四川嘉來建築工程有限公司) ("**Sichuan Jialai**") and Mianyang Transportation (through Mianyang Transportation's wholly-owned subsidiary, Mianyang Transportation Development Hengtong Construction Engineering Co., Ltd. (綿陽交發恒通建設工程有限責任公司) ("**Hengtong Construction**")). In accordance with the Mianyang Government's overall urban development plan, the Group has been engaged in a series of urban infrastructure projects which are closely connected with Mianyang's economic and social development, including the construction and reformation of the majority of roads, bridges and public facilities in Mianyang City. Since its establishment, the Group has led core transportation hub projects opening up First Ring Road (一環路), Second Ring Road (二環路), Miansan Road (綿三路), Mianzi Road (綿梓路) and No. 1 Bridge (一號橋). The Group has participated in major projects such as Science and Education Innovation Zone Infrastructure Project (Second Ring Road Phase IV) (科教創新區基礎設施項目(二環路四期)), Horticultural New District Project (園藝新區項目), Xiaotun Urbanization Project (小梘城鎮化工程), Yuewanglou Project (越王樓項目), Jiannan Road Reconstruction Project (劍南路改造工程) and South Section of First Ring Road Project (一環路南段項目). The above projects have laid a robust foundation for the rapid urban development of Mianyang City as a provincial economic sub-centre.

The 2008 Sichuan Wenchuan Earthquake, the deadliest earthquake to hit China since the 1976 Tangshan earthquake, destroyed a lot of Mianyang's infrastructure. In order to reconstruct Mianyang City, the Issuer undertook the construction of a large number of infrastructure projects without signing any agreement with the Mianyang Government. The funding of the projects directly came from the Mianyang Government and the Group's self-funding channels. In 2016, in order to compensate the Group, the Mianyang Government

signed a project buyback agreement with the Group for the projects that the Group has completed construction for (the "**Project Buyback Agreement**"). According to the Project Buyback Agreement, the settlement amount was calculated based on the total investment amount incurred by the Group plus a certain percentage (0-8 per cent.) of gross margin of the previous period.

The Mianyang Government authorises designated functional departments to appoint the Issuer to undertake the investment and construction of basic infrastructure projects in Mianyang City. When an infrastructure project is completed, the Mianyang Government will confirm the investment injected by the Group and, according to the applicable law, regulations and policies, grant corresponding compensation. The scope of such compensation includes the Group's total cost in the construction of each project and investment proceeds. In 2017, Mianyang Finance Bureau issued the Approval on the Confirmation of the Investment Amount of Six Government Entrusted Projects Including the City West District to City South New District Direct Channel Project of Mianyang City Investment Holding (Group) Co., Ltd. (Mian Cai Tou [2017] No.58) (《關於綿陽市投資控股(集團)有限公司市城市西區至城南新區直通道工程等六個政府委託專案投資額確認的批復》 (綿財投[2017]58號)), which stipulates that Mianyang Finance Bureau has determined the amount of gross margin to be eight per cent. of the relevant investment amounts stated in the Group's audited financial reports.

Qualifications and Certificates

In relation to its infrastructure construction business, the Group has obtained the following qualifications and certificates as at 31 December 2024:

Entity	Certificate/Qualification	Certificate No.	Expiry Date	Issuing Authority
Sichuan Jialai	Construction Enterprise Qualification Certificate	D251496362	2029.12.27	Sichuan Provincial Department of Housing and Urban-Rural Construction (四川省住房和城鄉建設廳)
Hengtong Construction	Level 2 Qualification for General Contracting of Highway Construction Projects, Level 2 Qualification for Bridge Engineering Professional Construction, Level 2 Qualification for Professional Contracting of Highway Pavement Engineering	D251417766	2029.12.29	Sichuan Provincial Department of Housing and Urban-Rural Construction (四川省住房和城鄉建設廳)
	Safety Production Permit	(Chuan) JZ An Xu Zheng Zi (安許證字) [2005] 000864	2026.08.07	Sichuan Provincial Department of Housing and Urban-Rural Construction (四川省住房和城鄉建設廳)
Mianyang Road and Bridge Construction	Construction Enterprise Qualification Certificate	D251641402	2029.12.29	Sichuan Provincial Department of Housing and Urban-Rural Construction (四川省住房和城鄉建設廳)

Entity	Certificate/Qualification	Certificate No.	Expiry Date	Issuing Authority
	Construction Enterprise Qualification Certificate	D351V50711	2026.12.09	Sichuan Provincial Department of Housing and Urban-Rural Construction (四川省住房和城鄉建設廳)
	Safety Production Permit	(Chuan) JZ An Xu Zheng Zi (安許證字) [2023] 003568	2027.11.13	Sichuan Provincial Department of Housing and Urban-Rural Construction (四川省住房和城鄉建設廳)

Ongoing Projects

The table below sets forth the Group's major ongoing projects as at 31 December 2024.

Project Name	Construction Period	Total Investment	Amount invested as at 31 December 2024
		(RMB'0000)	*(RMB'0000)*
Mianyang Municipal Transport Bureau Post-Disaster Reconstruction Asset Package	2008.12 – Present	328,520.8	250,928.1
Reception Hall Project	2008.07 – Present	240,000.0	192,521.5
Reception Hall No. 1 Bridge Project	2008.07 – 2022.12	90,398.1	86,156.2
Mianyan-Miansan-Fubin Branch Road Renovation Project	2008.07 – 2022.12	92,171.8	92,171.8
Xianhai Avenue Land Consolidation	2008.06 – Present	110,454.1	98,040.6
Binhe South Road Renovation Project	2018.08 – Present	56,581.5	23,073.2
Nanshan Road Drainage and Road Improvement and Remediation Project	2021.07 – Present	12,000.0	14,128.7
Binhe North Road West Section Drainage and Road Renovation Project	2020.07 – Present	14,000.0	11,648.3
Chuangye Avenue Southern Section Project	2022.12 – Present	136,000.0	21,171.2
Mianyang Economic Development Zone Tangxun Area Drainage, Flood Control Capacity Enhancement and Road Network Construction Project	2024.09 – Present	11,000.0	49.5

Public Private Partnership ("PPP") Projects

The Group's subsidiary, Sichuan Jialai, also participates in Mianyang City's infrastructure construction project through a PPP model. In a PPP project, the "private" party refers to a social capitalist entity determined through a government tender. The Group acts as the "public" side of the project and

representative of the Mianyang Government. Each of the Group, acting on behalf of the government, and the social capitalist entity makes capital contributions to establish a project entity in the form of a special purpose vehicle ("**SPV**").

The Group is currently involved in one PPP project with Mianyang Jinjiantou Engineering Project Management Co., Ltd. (綿陽津建投工程項目管理有限公司); namely, the East-West Second Main Road PPP Project (東西二幹道PPP工程). As at 31 December 2024, the expected total investment in this project amounted to RMB1,160.3 million and actual investment amounted to RMB421.7 million. Investment income, recognised revenue and cumulative repayments amounted to RMB1.3 million, RMB31.0 million and RMB151.8 million, respectively.

Primary Land Development

According to the Approval by the Mianyang Government in relation to Authorising Mianyang Investment Holding (Group) Co., Ltd. as the Primary Land Developer and Preliminary Development Owner for Mianyang Huiketing Land (Mian Fu Han [2008] No.176) (《綿陽市人民政府關於授權綿陽市投資控股(集團)有限公司為綿陽市會客廳土地整理及前期開發業主的批復》(綿府函[2008]176號)), the Approval by the Mianyang Government in relation to Primary Land Development and Preliminary Development of Sang Lin Ba (Mian Fu Han [2010] No.2) (《綿陽市人民政府關於桑林壩片區土地整理和前期開發有關事項的批復》(綿府函[2010] 2號)), the Approval by the Mianyang Government in relation to Ascertaining the Primary Land Developer for Xianhai Scenic Region (Mian Fu Han [2010] No.217) (《綿陽市人民政府關於明確仙海水利風景區土地一級開發整理業主的批復》(綿府函[2010]217號)) and the Approval by the Mianyang Government in relation to Primary Land Development of Feng Gu Power Station Zhaojiaji District and other Controlled Areas (Mian Fu Han [2011] No.107) (《綿陽市人民政府關於豐穀電站趙家脊片區及其他規劃控制範圍內土地一級開發整理有關事項的批復》(綿府函[2011]107號)), the Issuer has been designated by the Mianyang Government as the primary land developer for Mianyang Chengnan New District (綿陽城南新區), Xianhai Scenic Region (仙海風景區), Sang Lin Ba (桑林壩) and Fenggu Zhaojiaji District (豐穀趙家脊片區).

The Group's land development business is complementary to its infrastructure construction business as the Group can use its land development and transfer income to fund its infrastructure construction projects. On the other hand, the improvement of urban infrastructure in Mianyang City also drives the growth of the local economy and the increase in the value of land.

Primary land development process and settlement

The Issuer commences the development process by arranging for land levelling, water supply, drainage, electricity, telecommunications, heat supply and road construction. After the land is developed, the Issuer may arrange for the land to be assessed by evaluation institutions entrusted by the Bureau of Land and Resources of Mianyang (綿陽市國土局). Once it is confirmed that the land developed meets the relevant requirement, the Issuer may arrange for the land to be publicly listed for sale in the land market based on the demolition status of, and investment interest in, the land. An eligible enterprise or developer may procure the land from the land market. The enterprise or developer who has procured the land will sign a sales contract for state-owned land and pay for the land purchase price.

According to the Notice on Issues Related to Transferring the Collection Responsibilities of Four Types of Government Non-tax Revenues (i.e., State-owned Land Use Right Transfer Revenue, Mineral Resource Special Revenue, Sea Area Use Fee, and Uninhabited Island Use Fee) to the Tax Authorities, jointly issued by the Ministry of Finance, Ministry of Natural Resources, State Taxation Administration, and the People's Bank of China on 21 May 2021 (Cai Zong [2021] No. 19): "The four government non-tax revenues,

including state-owned land use right transfer revenue, mineral resource special revenue, sea area use fee and uninhabited island use fee, which were previously collected by the natural resources department, shall now all be collected by the tax authorities".

The Group's land development income is measured based on the land transfer proceeds after deducting government returns payable to the provincial and higher-level governments and relevant taxes and fees. The Group assesses that, starting from 2021, there is a certain degree of uncertainty regarding the measurement of income related to its land development business. It is expected that the costs already incurred will be recoverable. In accordance with the prudence principle, from 2021 onwards, the Group's land development income is tentatively measured based on the corresponding cost amount, with adjustments to be made in the future as circumstances become clearer.

Completed Land Development

For the years ended 31 December 2022, 2023 and 2024, the Issuer has completed the development of and recognised revenue from the following land:

Year ended 31 December 2022

Land	**Area**	**Total Sales Amount**	**Total Investment Amount**	**Total Revenue Recognised**	**Development Period**
	(Mu)	*(RMB'0000)*	*(RMB'0000)*	*(RMB'0000)*	
Chengnan New District 城南新區	23.05	13,650.44	10,914.64	–	2021 – 2022
Chengnan New District 城南新區	127.88	81,835.01	55,983.31	–	2021 – 2022
Chengnan New District 城南新區	48.36	41,600.00	22,899.43	–	2022 – 2022

Year ended 31 December 2023

Land	**Area**	**Total Sales Amount**	**Total Investment Amount**	**Total Revenue Recognised**	**Development Period**
	(Mu)	*(RMB'0000)*	*(RMB'0000)*	*(RMB'0000)*	
Chengnan New District 城南新區	12.93	7,500.0	6,122.6	–	2022 – 2022

Year ended 31 December 2024

Land	**Area**	**Total Sales Amount**	**Total Investment Amount**	**Total Revenue Recognised**	**Development Period**
	(Mu)	*(RMB'0000)*	*(RMB'0000)*	*(RMB'0000)*	
Chengnan New District 城南新區	59.7	26,254.7	28,282.1	17,909.5	2024 – 2024

Land Reserve

As at 31 December 2024, the Issuer has the following land reserves:

Land	Estimated Investment	Land Use	Area to be Transferred
	(RMB'0000)		*(Mu)*
Chengnan New District 城南新區	700,000	Commercial, Residential	3,917.6
Xianhai Scenic Region 仙海風景區	200,000	Commercial, Residential	4,486.5
Fenggu Zhaojiaji District 豐谷趙家脊片區	79,953	Commercial, Residential	–
Sang Lin Ba 桑林壩流域	66,000	Commercial, Residential	310.0
Total	**1,045,953**		**8,714.1**

Procurement and Supply of Goods

The Group's procurement and supply of goods business is mainly undertaken by the Issuer's wholly-owned subsidiary, Sichuan Xijin Logistics Co., Ltd. (四川西津物流有限公司) ("**Sichuan Xijin**"). The Group mainly trades in construction materials such as steel, cement and asphalt. The Group has established strategic trading relationships with major national suppliers for construction materials and large electrical equipment (such as elevators, air conditioners and power generating set). Leveraging the Issuer's network in Mianyang City and resources advantages, the Group has accumulated a large amount of quality customers in industries such as real estate, construction, hotels, culture and tourism, transportation and urban water supply.

At the beginning of each year, the Group advances payments to upstream suppliers as deposit for their sales contracts. The Group would then gauge interests from its clients and enters into relevant trading contracts with them. After trading contracts are entered into, the Group enters into sales contracts with its upstream suppliers. The sales income comes from the differences between the contractual price offered by the suppliers and that paid by the downstream clients. Usually, the clients of the Group settle their bills within three months after the invoice is issued.

The table below sets forth the Group's top five suppliers for the years ended 31 December 2022, 2023 and 2024:

Year ended 31 December 2022

Supplier	Goods	Procurement Amount	Procurement Proportion
		(RMB,0000)	*(%)*
Luzhou Zhitong Vanadium Titanium Steel Co., Ltd. (瀘州智同釩鈦鋼鐵有限公司)	Steel	28,398.9	9.39
Mianyang Lihui Hengtong Trading Co., Ltd. (綿陽利匯恆通商貿有限公司)	Steel	20,052.0	6.63
Shanghai Taixin Industrial Co., Ltd. (上海太欣實業股份有限公司)	Non-Ferrous Metals	16,914.0	5.59
Sichuan AVIC Road & Bridge International Trading Co., Ltd. (四川中航路橋國際貿易有限公司)	Steel	12,388.9	4.10
Lueyang Huasheng Steel Co., Ltd. (略陽縣華盛鋼鐵股份有限公司)	Steel	11,215.7	3.71
Total		**88,969.4**	**28.63**

Year ended 31 December 2023

Supplier	Goods	Procurement Amount	Procurement Proportion
		(RMB,0000)	*(%)*
Luzhou Zhitong Vanadium Titanium Steel Co., Ltd. (瀘州智同釩鈦鋼鐵有限公司)	Steel	178,997.1	52.86
Chengdu Anjiu Supply Chain Co., Ltd. (成都安久供應鏈有限公司)	Steel	55,936.7	16.52
Sichuan AVIC Road & Bridge International Trading Co., Ltd. (四川中航路橋國際貿易有限公司)	Steel	51,745.4	15.28
Chengdu Gaotou Wuchan Co., Ltd. (成都高投物產有限公司)	Steel	19,224.5	5.68
Chengdu Metallurgical Experimental Plant Co., Ltd. (成都冶金實驗廠有限公司)	Steel	9,949.2	2.94
Total		**315,852.9**	**93.28**

Year ended 31 December 2024

Supplier	Goods	Procurement Amount	Procurement Proportion
		(RMB,0000)	*(%)*
Sichuan AVIC Road & Bridge International Trading Co., Ltd. (四川中航路橋國際貿易有限公司)	Steel	94,108.3	27.11
Luzhou Zhitong Vanadium Titanium Steel Co., Ltd. (瀘州智同釩鈦鋼鐵有限公司)	Steel	73,313.7	21.12
Shenzhen Eternal Supply Chain Co., Ltd.(深圳市怡亞通供應鏈股份有限公司)	Household Beauty/Health Products	26,626.2	7.67
Chengdu Anjiu Supply Chain Co., Ltd. (成都安久供應鏈有限公司)	Steel	21,068.3	6.07
Luzhou Luchuan Building Materials Co., Ltd. (瀘州瀘川建材有限公司)	Steel	12,730.0	3.67
Total		**227,846.5**	**65.64**

The table below sets forth the Group's top five customers for the years ended 31 December 2022, 2023 and 2024:

Year ended 31 December 2022

Customer	Goods	Sales Amount	Sales Proportion
		(RMB,0000)	*(%)*
Sichuan Dingneng Trading Co., Ltd. (四川鼎能貿易有限公司)	Steel	63,230.0	20.35
Sichuan Shuwu Rongou Industrial Co., Ltd. (四川蜀物蓉歐實業有限公司)	Steel	55,518.3	17.87
Luzhou Zhitong Vanadium Titanium Steel Co., Ltd. (瀘州智同釩鈦鋼鐵有限公司)	Steel	21,173.6	6.81
Sichuan Huaxi Longxin Supply Chian Co., Ltd. (四川華西龍鑫供應鏈有限公司)	Steel	19,337.5	6.22
Shanghai Jiuxin Metal Materials Co., Ltd. (上海九鑫金属材料有限公司)	Non-Ferrous Metals	16,925.6	5.40
Total		**176,185.1**	**56.70**

Year ended 31 December 2023

Customer	Goods	Sales Amount	Sales Proportion
		(RMB,0000)	*(%)*
Luzhou Zhihui Wuchan Trading Co., Ltd. (瀘州智匯物產商貿有限公司)	Steel	59,100.6	17.02
Sichuan Dingneng Trading Co., Ltd. (四川鼎能貿易有限公司)	Steel	44,915.0	12.94
Sichuan Nacheng Supply Chain Co., Ltd. (四川納誠供應鏈有限公司)	Steel	27,636.9	7.96
Mianyang Fucheng Industrial Co., Ltd. (綿陽富誠實業有限公司)	Steel	26,694.8	7.69
Sichuan Shutietou Materials Co., Ltd. (四川蜀鐵投物資有限公司)	Steel	25,617.9	7.38
Total		**183,965.2**	**52.99**

Year ended 31 December 2024

Customer	Goods	Sales Amount	Sales Proportion
		(RMB,0000)	*(%)*
Mianyang Fucheng Investment Group Co., Ltd. (綿陽富誠投資集團有限公司)	Steel	124,504.9	29.92
Sichuan Xingchen Juzhu Steel Co., Ltd. (四川星辰巨鑄鋼鐵有限公司)	Steel	38,301.9	9.20
Luzhou Zhihui Wuchan Trading Co., Ltd. (瀘州智匯物產商貿有限公司)	Steel	32,399.1	7.78
Tongfu Hongye Co., Ltd. (通富弘業股份有限公司)	Household Beauty/Health Products	26,652.7	6.40
Mianyang Fucheng Industrial Co., Ltd. (綿陽富誠實業有限公司)	Steel	24,987.5	6.00
Total		**246,846.01**	**59.31**

Education

The Group's education business is primarily conducted by its wholly owned subsidiary, Mianyang Science and Technology City Talent Development Group Co., Ltd. (formerly Mianyang Education Investment Development (Group) Co., Ltd., hereinafter referred to as "**Mianyang Talent Group**"). Mianyang Talent Group is a municipal state-owned enterprise wholly owned by the local government, established in September 2009 with approval from the Mianyang municipal government.

According to the Approval on the Gratuitous Transfer of State-owned Equity of Mianyang Education Investment Development Co., Ltd. to Mianyang Investment Holding (Group) Co., Ltd., issued by the State-owned Assets Supervision and Administration Commission of Mianyang Municipality on 27 June 2014 (Mian State-owned Assets [2014] No. 31), the municipal State-owned Assets Supervision and Administration Commission transferred all state-owned equity of Mianyang Talent Group to the Group without consideration.

School overview

The Group mainly operates two schools, including Mian Zhong Experimental School (綿陽中學實驗學校) and Mianyang Nanshan Experimental High School (綿陽南山中學實驗學校). These schools have been leading in various school-running performance indicators in Mianyang City, and are highly competitive in Sichuan and the local market. All of them are licensed by the Mianyang Education and Sports Bureau (綿陽市教育和體育局) to run non-state schools.

Established in 2010, Mian Zhong Experimental School is an international boarding school located in Mianyang Education Park with a total area of over 270.0 Mu and a total investment of approximately RMB380.0 million. As at the date of this Offering Circular, Mian Zhong Experimental School has 8,433 students and staff.

Mianyang Nanshan Experimental High School was established by the Mianyang Government in 2010. It is located in Mianyang Education Park with a total area of approximately 300.0 Mu and a total investment of approximately RMB400.0 million. It is a supplement to Mianyang Nanshan High School (綿陽南山中學) and is mainly responsible for non-residential students in Mianyang Nanshan High School. As at the date of this Offering Circular, it has 8,832 students and staff. Mianyang Nanshan Experimental High School has

received awards such as "Top 100 Schools with Characteristics in China" ("中國百強特色學校"), "First Batch of Education Information Technology Experimental Schools in Sichuan Province" ("四川省第一批教育資訊化試點學校") and "Example School for Course Reform in Sichuan Province" ("四川省新課程改革樣板學校").

Operation Model

The Group's revenue mainly generates from the tuition fees and boarding fees collected and the operation of cafeterias and shops in the schools.

The level of tuition fees and boarding fees charged is decided by the Mianyang Education and Sports Bureau according to the Approval in relation to the Accommodation Fee Standard for Mian Zhong Experimental School, Mianyang Nanshan Experimental High School and Mianyang Foreign Language Experimental School (Mian Shi Fa Gai [2019] No. 516) (《關於綿陽中學實驗學校綿陽南山中學實驗學校綿陽外國語實驗學校學生住宿費收費標準的批復》(綿市發改[2019] 516號)), the Approval in relation to the Tuition Fee Standard for Mian Zhong Experimental School (Mian Shi Fa Gai [2020] No. 516) (《關於調整綿陽中學實驗學校收費標準的批復》(綿市發改 [2020] 516號)), and the Approval in relation to the Tuition Fee Standard for Mianyang Nanshan Experimental High School (Mian Shi Fa Gai [2020] No. 519) (《關於調整綿陽南山中學實驗學校收費標準的批復》(綿市發改收費[2020] 519號)), the details of which are set out below:

	Accommodation Fee	**Tuition Fee**
	(RMB per student per year)	*(RMB per student per year)*
Mian Zhong Experimental School	2,100	26,000.0
Mianyang Nanshan Experimental High School	2,100	26,000.0

The table below sets out the Group's revenue from operating Mian Zhong Experimental School and Mianyang Nanshan Experimental High School for the years ended 31 December 2022, 2023 and 2024.

	Year ended 31 December		
	2022	**2023**	**2024**
	(RMB'0000)	*(RMB'0000)*	*(RMB'0000)*
Tuition Fees	59,106.2	44,725.2	44,802.1
Boarding Fees	5,542.9	3,991.1	3,770.0
Cafeteria	15,949.5	10,339.6	11,233.9
Shops	3,388.1	3,896.9	3,742.4
Others	10,691.9	8,116.1	8,971.6
Total	94,678.6	71,068.9	72,520.09

Public Transportation

The Group commenced its public transportation business in 2019 after integrating Mianyang Transportation. It generates income mainly through the collection of bus fares and toll fees. The table below sets out the breakdown of the Group's revenue derived from this business segment for the years ended 31 December 2022, 2023 and 2024:

	Year ended 31 December					
	2022		2023		2024	
	(RMB'0000)	*% of total*	*(RMB'0000)*	*% of total*	*(RMB'0000)*	*% of total*
Bus fares	16,084.0	62.19	26,157.0	53.65	27,412.7	50.26
Toll fees	9,777.7	37.81	9,777.7	20.06	11,080.6	20.32
Total	25,861.7	100.0	35,934.6	73.71	38,493.3	70.57

Collection of Bus Fares

Mianyang Transportation's subsidiary, Mianyang Public Transport Co., Ltd. (綿陽市公共交通有限責任公司) ("**Mianyang Public Transport**"), is the major entity providing public transportation services in Mianyang City and is responsible for the collection of bus fares, forming part of the Group's income from its public transportation business.

As at 31 December 2024, Mianyang Public Transport operated 1,249 buses, including 423 fully electric vehicles and 420 gas-electric hybrid vehicles. Mianyang Public Transport's bus lines are concentrated in the Main Town district (主城區), covering the surrounding areas including Southern Suburb Industrial Park (南郊工業園), Xiaojian Area (小梘片區), Gardening Area (園藝片區), Qingyi Shima Area (青義石馬片區), Wujia Area (吳家片區) and Youxian Economic Experimental Area (遊仙經濟實驗區), and radiating outward to key towns and counties such as An County (安縣) and Huagai Town (花荄鎮).

The bus fare scale is set according to the low fare policy imposed by the Mianyang Government and has been maintained at the same level since 2007. The Group maintains profitability in its public transportation business through obtaining government subsidies and exploring other sources of income such as offering customised bus services and bicycle rental services. The table below sets out the details of the Group's operation parameters for the years ended 31 December 2022, 2023 and 2024.

	Year ended 31 December		
	2022	2023	2024
Number of buses	1,377	1,149	1,249
Number of bus lines	118	126	124
Total length of bus lines ('0000 kilometres)	3,327	3,437	3,491
Passenger capacity ('0000)	10,698	12,730	14,058
Mileage ('0000 kilometres)	5,025	5,515	5,733
Bus fares collected (RMB'0000)	16,084	16,862	16,985

The operating costs incurred by the Group mainly comprise the expenses of purchasing vehicles, fuel and auto parts, labour costs, depreciation expenses of vehicles and maintenance costs.

Purchase of Vehicles

The Group mainly purchases vehicles from Sinotruk Jinan Howo Bus Co., Ltd. (中國重汽集團濟南豪沃客車有限公司) and Sichuan Xinzhutonggong Automobile Co., Ltd. (四川新築通工汽車有限公司). The Group conducts its procurement of vehicles through finance leasing, banker's acceptance bills and bank transfers.

Purchase of Fuel and Auto Parts

The Group enters into procurement agreements with its suppliers and purchases compressed natural gas ("**CNG**") and diesel from them. It usually settles the purchase amount on a monthly basis.

Mianyang Public Transport's supply guarantee department is responsible for the centralised procurement of auto parts. It enters into supply agreements with individual suppliers, monitors the consumption of vehicle parts and settles the purchase amount on a monthly basis.

The table below sets forth the Group's top five fuel suppliers for the years ended 31 December 2022, 2023 and 2024:

Year ended 31 December 2022

Supplier	**Type of Fuel**	**Procurement Amount**	**Procurement Proportion**
		(RMB'0000)	*(%)*
Mianyang Public Transport Compressed Natural Gas Co., Ltd. (綿陽公交壓縮天然氣有限責任公司)	Natural gas	2,307.0	49.5
Mianyang Puxiang Compressed Natural Gas Co., Ltd. (綿陽普祥壓縮天然氣有限公司)	Natural gas	1,698.0	36.4
Sichuan Menglin Energy Co., Ltd. (四川孟林能源有限公司)	Natural gas	372.0	8.0
Sichuan Menglin Public Transport Gas Co., Ltd. (四川孟林公交燃氣有限公司)	Natural gas	287.0	6.1
Total		**4,664.0**	**100.0**

Year ended 31 December 2023

Supplier	**Type of Fuel**	**Procurement Amount**	**Procurement Proportion**
		(RMB'0000)	*(%)*
Mianyang Public Transport Compressed Natural Gas Co., Ltd. (綿陽公交壓縮天然氣有限責任公司)	Natural gas	2,362.0	42.45
Mianyang Towngas Puxiang Compressed Natural Gas Co., Ltd. (綿陽港華普祥壓縮天然氣有限公司)	Natural gas	1,747.7	31.41
Sichuan Jiaolite New Energy Co., Ltd. (四川交力特新能源有限公司)	Electricity	801.1	14.40
Sichuan Menglin Energy Investment and Development Co., Ltd. (四川孟林能源投資開發有限公司)	Natural gas	359.3	6.46
Sichuan Menglin Public Transport Gas Co., Ltd. (四川孟林公交燃氣有限公司)	Natural gas	294.6	5.29
Total		**5,564.7**	**100.0**

Year ended 31 December 2024

Supplier	Type of Fuel	Procurement Amount	Procurement Proportion
		(RMB'0000)	*(%)*
Mianyang Public Transport Compressed Natural Gas Co., Ltd. (綿陽公交壓縮天然氣有限責任公司)	Natural gas	2,757.1	43.53
Mianyang Towngas Compressed Natural Gas Co., Ltd. (綿陽港華壓縮天然氣有限公司)	Natural gas	1,862.5	29.40
Sichuan Menglin Energy Investment and Development Co., Ltd. (四川孟林能源投資開發有限公司)	Natural gas	436.5	6.89
Sichuan Menglin Public Transport Natural Gas Co., Ltd. (四川孟林公交天然氣有限公司)	Natural gas	403.1	6.36
Sichuan Jiaolite New Energy Co., Ltd. (四川交力特新能源有限公司)	Electricity	875.1	13.82
Total		**6,334.2**	**100.0**

Collection of Toll Fees

Mianyang Transportation's subsidiary, Mianyang Highway Development Co., Ltd. (綿陽市高等級公路開發有限責任公司) ("**Mianyang Highway**"), is responsible for the collection of toll fees, forming part of the Group's income from its public transportation business. Established in 1992, Mianyang Highway has undertaken the investment and development of highways, bridges and properties surrounding passenger and freight stations and been entrusted to collect highway toll. Over the years, Mianyang Highway has invested in a number of highway construction projects including Dejin Road, Mianzi Road, Jinjiang Road, Miansan Road and Sanshe Road.

As at 31 December 2024, the total length of tolled highways operated by Mianyang Highway was approximately 286.95 kilometres, further details of which are set out in the table below.

Name of Highway	Length of Tolled Highway (km)
S205 Miansan Road (including Sanshe Road) S205綿三路(含三射路)	153.1
Mianjiang Road 綿江路	40.0
Mianzi Road 綿梓路	60.5
Ring Expressway South Ring Road 繞城高速南環線	33.3
Total	**286.9**

The table below sets forth the Group's vehicle toll revenue for the years ended 31 December 2022, 2023 and 2024:

	Toll Fees Collected (RMB'0000)		
	Year ended 31 December		
Name of Highway	**2022**	**2023**	**2024**
S205 Miansan Road (including Sanshe Road) S205 綿三路(含三射路)	2,000.0	2,000.0	2,000.0
Mianjiang Road 綿江路	2,200.0	2,200.0	2,200.0
Mianzi Road 綿梓路	1,500.0	1,500.0	1,500.0
Ring Expressway Ring Road 繞城高速環線	4,077.7	4,077.7	5,380.6

Water Supply

The Group's water supply service is primarily provided by the Group's wholly-owned subsidiary, Mianyang Water (Group) Co., Ltd. (綿陽市水務(集團)有限公司) ("**Mianyang Water**"). Mianyang Water is the only enterprise in the main urban area of Mianyang City supplying water to residents and industrial users. Over 60 per cent. of water that the Group supplies is for residential use.

As at 31 December 2024, the designed water supply ability of the Group was 369,600 tonnes per day. The Group owned 2,793.7 kilometres of water pipes. The table below sets forth the daily amount of water production, water supplied, water sales volume, the amount of water users and the total length of water pipelines owned as at and for the years ended 31 December 2022, 2023 and 2024.

	Year ended 31 December		
	2022	**2023**	**2024**
Water Production ('0000 tonnes per day)	31.9	33.3	37.0
Water Supplied ('0000 tonnes)	11,647.5	11,860.5	13,492.1
Water Sales Volume ('0000 tonnes)	9,692.9	9,938.3	11,040.4
Number of Water Users ('0000)	55.1	57.6	60.8
Water Pipelines (kilometres)	2,686.4	2,766.1	2,793.7

In addition, the Group is also responsible for setting up and replacing the water meters and the redevelopment of water pipelines in Mianyang City. The table below sets forth the details of the revenue generated from this business and the relevant costs involved for the years ended 31 December 2022, 2023 and 2024.

	Cost	**Revenue**
	(RMB'0000)	*(RMB'0000)*
2022	28,851.8	39,748.9
2023	28,920.5	42,775.9
2024	30,873.2	48,310.5

Procurement and Supply of Food and Edible Oil

In 2020, the Group commenced its food and edible oil procurement and supply business following the transfer of 100 per cent. of the equity interest in Mianyang Food and Oils Group Co., Ltd. (綿陽市糧油集團有限公司) from Mianyang SASAC to the Group. The Group enters into procurement agreements with its suppliers and purchases a variety of food and edible oil products from them. The Group also purchases grain from local farmers, where farmers deliver their produce directly to the Group's granary and are paid on site without having to enter into any contracts. The Group then sells food and edible oil to its downstream customers, deriving income from the price difference, and the settlement method is usually cash on delivery.

The table below sets forth the breakdown of revenue derived from the Group's food and edible oil procurement and supply business for the years ended 31 December 2022, 2023 and 2024:

Year ended 31 December 2022

Type of Food/Edible Oil	**Revenue Recognised**	**% of total**
	(RMB'0000)	*(%)*
Corn	65,948.56	37.55
Grain	31562.39	17.97
Grease and oil	78,111.03	44.48
Total	**175,621.98**	**100.0**

Year ended 31 December 2023

Type of Food/Edible Oil	**Revenue Recognised**	**% of total**
	(RMB'0000)	*(%)*
Corn	47,602.0	30.76
Grain	24,120.2	15.59
Grease and oil	70,683.4	45.67
Others	12,352.1	7.98
Total	**154,757.8**	**100.0**

Year ended 31 December 2024

Type of Food/Edible Oil	**Revenue Recognised**	**% of total**
	(RMB'0000)	*(%)*
Corn	18,702.0	10.95
Grain	17,173.0	10.06
Grease and oil	103,058.0	60.36
Flour	12,078.0	7.07
Others	19,739.0	11.56
Total	**170,750.0**	**100.0**

The tables set forth the Group's top five suppliers of food and edible oil for the years ended 31 December 2022, 2023 and 2024:

Year ended 31 December 2022

Supplier	Type of Food/ Edible Oil	Procurement Amount	Procurement Proportion
		(RMB'0000)	*(%)*
Nehe Lvhuyuan Grain & Oil Trading Co., Ltd. (訥河市綠鶴源糧油經貿有限公司)	Corn	15,173.0	8.3
Deyang Nianfeng Food Co., Ltd (德陽市年豐食品有限公司)	Rapeseed oil	8,562.9	4.7
Sichuan Guanghan Oil Co., Ltd. (四川省廣漢市油脂有限公司)	Rapeseed oil, soybean oil	11,576.1	6.4
Farmers	Rapeseed, grain	12.915.2	7.1
Wuhan COFCO Grain & Oil Luzhou Branch (武漢中海糧油公司瀘州分公司)	Soybean oil	9,572.6	5.2
Total		**57,799.7**	**31.7**

Year ended 31 December 2023

Supplier	Type of Food/ Edible Oil	Procurement Amount	Procurement Proportion
		(RMB'0000)	*(%)*
Chengdu Haicanghai Trading Co., Ltd. (成都海倉海貿易有限公司)	Rapeseed oil	16,007.1	8.53
Meishan Sanyi Agriculture & Animal Husbandry Co., Ltd. (眉山市三益農牧有限公司)	Wheat, flour	13,850.8	7.38
Shanghai Kaiye Grain & Oil Trading Co., Ltd. (上海楷燁糧油貿易有限公司)	Crude soybean oil	9,068.1	4.83
Nehe Lvhuyuan Grain & Oil Trading Co., Ltd. (訥河市綠鶴源糧油經貿有限公司)	Corn	9,030.9	4.81
Sichuan Deyang Nianfeng Food Co., Ltd. (四川德陽市年豐食品有限公司)	Rapeseed oil	7,026.1	3.74
Total		**54,983.00**	**29.30**

Year ended 31 December 2024

Supplier	Type of Food/ Edible Oil	Procurement Amount	Procurement Proportion
		(RMB'0000)	*(%)*
Sichuan Deyang Nianfeng Food Co., Ltd (四川德陽市年豐食品有限公司)	Rapeseed oil, non-GMO soybean crude oil	14,435.0	7.85
Beijing Jingliang Oil and Fat Co., Ltd. (北京京糧油脂有限公司)	Rapeseed oil	11,250.0	6.12
Meishan Sanyi Agriculture & Animal Husbandry Co., Ltd. (眉山市三益農牧有限公司)	Flour, wheat	10,155.0	5.52
Sichuan Wufangyuan Grain & Oil Co., Ltd. (四川五方源糧油有限公司)	Corn, wheat	9,139.3	4.97
Xiamen ITG Agricultural Products Co., Ltd. (廈門國貿農產品有限公司)	Grade 3 rapeseed oil	8,154.0	4.43
Total		**53,133.3**	**28.89**

The tables set forth the Group's top five downstream customers of food and oil for the years ended 31 December 2022, 2023 and 2024:

Year ended 31 December 2022

Customer	Type of Food/ Edible Oil	Procurement Amount	Procurement Proportion
		(RMB'0000)	*(%)*
Deyang Nianfeng Food Co., Ltd. (德陽年豐食品有限公司)	Soybean oil, rapeseed	42,846.0	24.4
Zizhong Yinshan Hongzhan Industrial Co., Ltd. (資中銀山鴻展工業有限責任公司)	Corn	28,405.3	16.2
Mianyang Yuka Trading Co., Ltd. (綿陽御咖商貿有限公司)	Corn, flour	6,556.7	3.7
Anhui Anliang International Development Co., Ltd. (安徽安糧國際發展有限公司)	Rapeseed oil	5,900.0	3.4
COFCO Oils & Fats (Meishan) Co., Ltd. (中糧油脂(眉山)有限公司)	Soybean oil	5,514.1	3.1
Total		**89,222.1**	**50.8**

Year ended 31 December 2023

Customer	Type of Food/ Edible Oil	Procurement Amount	Procurement Proportion
		(RMB'0000)	*(%)*
Sichuan Deyang Nianfeng Food Co., Ltd. (四川德陽市年豐食品有限公司)	Non-GMO rapeseed crude oil	24,172.0	15.62
Zizhong County Yinshan Hongzhan Industrial Co., Ltd. (資中縣銀山鴻展工業有限責任公司)	Ordinary corn	23,942.4	15.47
Mianyang Yuka Trading Co., Ltd. (綿陽禦咖商貿有限公司)	Ordinary corn	10,666.2	6.89
Yihai (Guanghan) Grain, Oil and Feed Co., Ltd (益海(廣漢)糧油飼料有限公司)	Rapeseed oil	9,096.6	5.88
Hunan Jiaheshen Trading Co., Ltd. (湖南嘉合晟貿易有限公司)	Rapeseed oil	5,696.6	3.68
Total		**73,573.80**	**47.54**

Year ended 31 December 2024

Customer	Type of Food/ Edible Oil	Procurement Amount	Procurement Proportion
Sichuan Deyang Nianfeng Food Co., Ltd (四川德陽市年豐食品有限公司)	Rapeseed oil	24,245.0	14.20
Sichuan Xinghaofeng Food Co., Ltd. (四川星浩豐食品有限公司)	Non-GMO rapeseed crude oil, Grade 3 rapeseed oil	19,207.9	11.25
Yihai Kerry (Chongqing) Grain & Oil Co., Ltd. (益海嘉裡(重慶)糧油有限公司)	Non-GMO rapeseed crude oil, sunflower seed oil	13,456.0	7.88
Bengbu Xiangpiaopiao Grain & Oil Food Technology Co., Ltd. (蚌埠市香飄飄糧油食品科技有限公司)	Wheat, glutinous rice, sorghum	8,651.8	5.07
Zhengda Raw Materials Supply Co., Ltd. (正大原料供應有限公司)	Corn	6,956.9	4.07
Total		**72,517.6**	**42.47**

Real Estate Sales

The Group's real estate sales business is mainly conducted by its subsidiaries Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd. (綿陽市嘉遠瑞華房地產開發有限公司), Mianyang Mingtou Real Estate Co., Ltd. (綿陽市綿投置地有限公司), and Mianyang Transportation.

Completed Projects

As at 31 December 2024, the Group had completed the following major real estate projects:

Project Name	Type of Properties	Location	Sales progress
			(%)
Dongshan Jun (東山郡)	Price-capped residential	Mianyang	100.00
Jialai Shengshi Huating (嘉來 • 盛世華庭)	Residential	Mianyang	100.00
Shengshui Jiayuan (聖水家園)	Price-capped residential	Mianyang	100.00
Fubin Impression (涪濱印象)	Residential	Mianyang	100.00
Jialai Binggou Tiandi (嘉來 • 繽購天地)	Residential	Mianyang	100.00
Kaiyue Ruitian Sunshine (凱越 • 瑞天陽光)	Residential	Mianyang	100.00
Jiaofa Yijia (交發 • 逸家)	Residential	Mianyang	80.00
Chunhui Garden (春暉花園)	School district residential	Mianyang	100.00
Gongjiao Nanyao Mansion (公交 • 南耀府)	Residential	Mianyang	99.01
Xishan Heming (溪山和鳴)	Residential	Mianyang	82.80
Jiaofa Yiting (交發 • 逸庭)	Residential	Mianyang	41.00

For the years ended 31 December 2022, 2023 and 2024, the Group had recognised revenue of approximately RMB218.7 million, RMB740.2 million and RMB360.5 million, respectively, further details of which are set out in the tables below.

Year ended 31 December 2022

Project Name	Type of Properties	Sales Area	Revenue
		(square metres)	*(RMB'0000)*
Sanxing Community (三星小區)	Resettlement housing	152.1	11.4
Jialai Nanhe Plaza (嘉來·南河廣場)	Residential	6,266.3	8,011.8
Jialai Dongshanjun (嘉來·東山郡)	Parking Space	237.6	51.1
Jiaofa Yijia (交發逸家)	Parking Space	13.0	1.4
Jialai Shengshi Huating (嘉來·盛世華庭)	Parking Space	524.0	155.2
Jialai Shengshui Jiayuan (嘉來·聖水家園)	Parking Space	65.3	16.8
Jialai Fubin Yinxiang (嘉來·涪濱印象)	Residential, parking space	22,010.6	13,626.8
Total		**29,268.9**	**21,874.4**

Year ended 31 December 2023

Project Name	Type of Properties	Sales Area	Revenue
		(square metres)	*(RMB'0000)*
Xishan Heming (溪山和鳴)	Mixed-use	19,869.6	16,565.9
Gongjiao Nanyao Mansion (公交南耀府)	Residential	12,651.8	57,450.6
Total		**32,521.4**	**74,016.5**

Project Name	Type of Properties	Sales Area	Revenue
		(square metres)	*(RMB'0000)*
Jingshang Jianglan Project (璟上江瀾項目) .	Residential	44,271.0	34,285.9
Xishan Heming (溪山和鳴)	Residential	2,332.6	1,626.6
Other projects	Mixed-use, resettlement housing	196.8	137.8
Total		**46,800.4**	**36,050.3**

Ongoing Projects

As at 31 December 2024, the Group had three real estate projects under construction.

Project Name	Type of Properties	Commencement of Construction	Total Investment	Amount Invested	Construction Area	Cumulative Area Sold	Sales Revenue
			(RMB'0000)	*(RMB'0000)*	*(square metres)*	*(square metres)*	*(RMB'0000)*
Jingshang Jianglan Project-Jingyuan (璟上江瀾項目-璟圓)	Mixed-use	2021-2025	195,000.0	113,061.4	271,629. 7	127,668.9	110,845.4
Jiuhuafu (九華府)	Mixed-use	2022-2025	1,150,000.0	758,600.2	1,626,761.2	826,771.5	669,360.6
Jingshang Jianglan Project-Lanting (璟上江瀾項目-瀾庭)	Mixed-use	2024-2027	220,000	110,220.01	291,913.80	0.0	0.0
Total			**1,565,000.0**	**981,881.6**	**2,190,304.7**	**954,440.4**	**780,206.0**

Hotel Management

The Group's hotel management business is primarily conducted by its wholly-owned subsidiary, Mianyang Culture Tourism Group Co., Ltd. (綿陽文化旅遊集團有限公司). The Group primarily operates four hotels, including one five-star hotel Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd (綿陽富樂山九洲國際酒店有限公司), two four-star hotels Mianyang Mianzhou Hotel Management Co., Ltd. (綿陽市綿州酒店管理有限公司) and Mianyang Mianzhou Jialai Conference Services Co., Ltd (綿陽市綿州嘉來會務服務有限公司) and one three-star hotel Mianyang Fuleshan Kaiyuan Hotel Co., Ltd. (綿陽富樂山開元酒店有限公司), all of which are located in Mianyang City.

Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd. (綿陽富樂山九洲國際酒店有限公司) is located in the Fuleshan AAAA scenic region and has a total area of 310.0 Mu. The gross floor area of the hotel is 26,000.0 square metres. It offers Chinese and western restaurants and business meeting rooms, as well as a variety of recreational facilities. It is one of the most important hotels in Mianyang City for hosting politicians and party members.

Mianyang Mianzhou Hotel Management Co., Ltd. (綿陽市綿州酒店管理有限公司) is located in the centre of Mianyang City's central business district and has a total area of 24.0 Mu. The gross floor area of the 20-storey hotel is 43,000.0 square metres. It offers Chinese and western restaurants and business meeting rooms, as well as a swimming pool, a gym and a coffee shop. It is one of the designated hotels for the Mianyang Government to host meetings and exhibitions.

Mianyang Mianzhou Jialai Conference Services Co., Ltd (綿陽市綿州嘉來會務服務有限公司) is located in Luofushan Tourist and Economic Development Centre and has a total area of 125.0 Mu. The gross floor area of the hotel is 34,000.0 square metres. It offers Chinese and other types of cuisine, and features an outdoor barbeque venue, a water park as well as indoor and outdoor hot spring swimming pools.

Mianyang Fuleshan Kaiyuan Hotel Co., Ltd. (綿陽富樂山開元酒店有限公司) is located next to Bingjiang Square in Mianzhou and has a total area of 16.0 Mu. The gross floor area of the 14-storey hotel is 32,000.0 square metres. It features a Chinese restaurant and several recreational facilities. It is one of the tourist reception hotels designated by Mianyang Tourism Bureau (綿陽市旅遊局).

The table below sets forth the number of rooms, the number of beds and the number of guests that the hotel restaurants are able to host of each of the above hotels as at 31 December 2024.

Hotel	**Opening Year**	**Hotel Rooms**	**Hotel Beds**	**Restaurant Capacity (Number of Guests)**
Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd. (綿陽富樂山九洲國際酒店有限公司)	1997	154	241	1,299
Mianyang Mianzhou Hotel Management Co., Ltd. (綿陽市綿州酒店管理有限公司)	1997	282	424	940
Mianyang Mianzhou Jialai Conference Services Co., Ltd. (綿陽市綿州嘉來會務服務有限公司)	2002	396	716	729
Mianyang Fuleshan Kaiyuan Hotel Co., Ltd. (綿陽富樂山開元酒店有限公司)	2001	129	204	714
Total		**961**	**1,585**	**3,682**

The table below sets forth the guests hosted, the occupancy rates and the average rates of the rooms of the four hotels for the years ended 31 December 2022, 2023 and 2024.

Hotel	Period	Total Number of Guests Hosted	Occupancy Rate	Average Rates
		('0000)	*(%)*	*(RMB/room)*
Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd. (綿陽富樂山九洲國際酒店有限公司)	2022	11.2	47.7	449.6
	2023	18.2	59.4	388.9
	2024	16.6	60.3	361.6
Mianyang Mianzhou Hotel Management Co., Ltd. (綿陽市綿州酒店管理有限公司)	2022	24.7	52.0	362.0
	2023	16.1	53.7	335.8
	2024	14.3	52.6	314.1
Mianyang Mianzhou Jialai Conference Services Co., Ltd. (綿陽市綿州嘉來會務服務有限公司)	2022	31.6	63.8	423.5
	2023	43.6	55.0	441.9
	2024	40.2	48.1	458.5
Mianyang Fuleshan Kaiyuan Hotel Co., Ltd. (綿陽富樂山開元酒店有限公司)	2022	6.7	60.7	243.2
	2023	14.5	59.5	208.3
	2024	9.7	54.3	205.2

Other Businesses

Apart from its principal business segments, the Group also derives revenue from various ancillary businesses, including (i) airport and supporting services provided by the Issuer's subsidiary, Mianyang Airport (Group) Co., Ltd. (綿陽機場(集團)有限公司), (ii) ancillary services (including motor vehicle inspection services, driving licence training services, property services, car parking) and (iii) rental business (including the leasing of the properties and shops owned by the Group to individuals, shop owners and companies). For the years ended 31 December 2022, 2023 and 2024, the Group's operating revenue derived from airport and supporting services amounted to RMB85.6 million, RMB128.2 million and RMB167.0 million, respectively; the Group's operating revenue derived from ancillary services amounted to RMB409.1 million, RMB522.6 million and RMB382.2 million, respectively; and the Group's operating revenue derived from rental business amounted to RMB255.3 million, RMB254.3 million and RMB205.4 million, respectively.

INSURANCE

The Group purchases insurances in amounts that it believes are consistent with its risks of loss and customary practice in the relevant industry. The Group purchases pension insurance, medical insurance, unemployment insurance, workplace injury insurance and maternity insurance for its employees pursuant to the relevant PRC laws and regulations. The Group believes that the existing insurance coverage is both

reasonable and adequate. The Group's operations and assets still face threats from fire, floods, explosions, power outages and other natural disasters, which may have a significant adverse impact on the Group's financial and operations.

EMPLOYEES

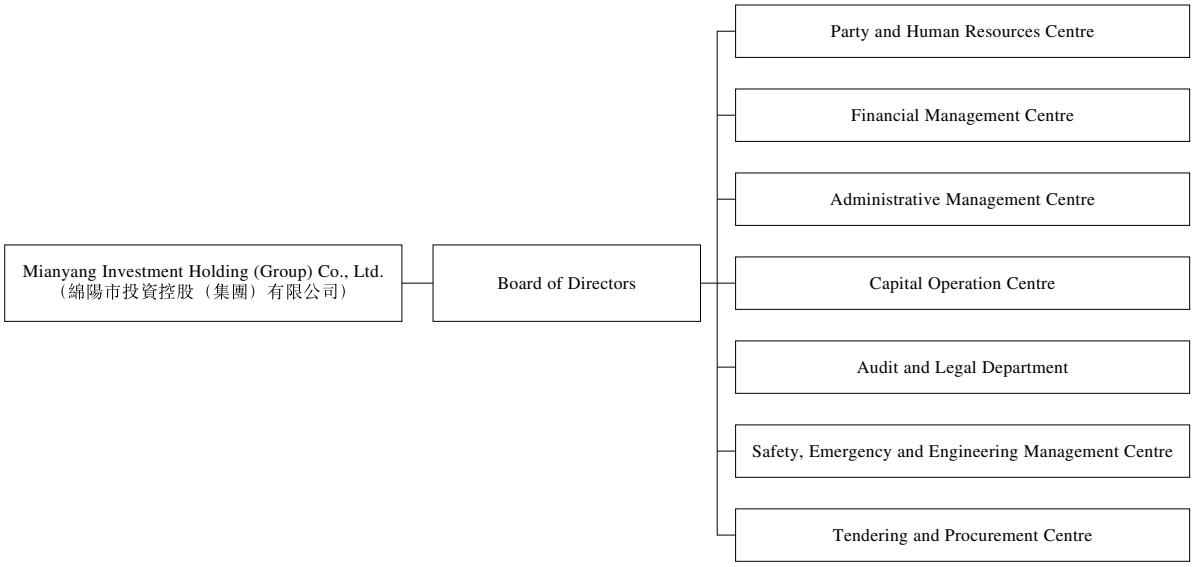
As at 31 December 2024, the Group had 9,332 employees. The Group believes that its employees are critical to its success and is committed to investing in the development of its employees through continuing education and training, as well as the creation of opportunities for career growth. The Group considers its relationship with its workforce to be good and the Group has not experienced a work stoppage or strike. In accordance with regulations applicable to enterprises and the relevant requirements of various local governments in areas in which the Group operates, the Group makes contributions to the pension contribution plan, employees' medical insurance, unemployment insurance, maternity insurance and workers' compensation injury insurance.

LITIGATION

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

MANAGEMENT OF THE GROUP

The Issuer has set up a board of directors (the "**Board of Directors**") and seven other functional departments to oversee the management of the Group. The following chart sets out the simplified organisational structure for the Group as at the date of this Offering Circular:



Directors

The Board of Directors currently consists of six directors. Apart from the employee representative(s) elected at the Issuer's employee representative congress, other directors can be appointed or removed by Mianyang SASAC. Each director's term of office is three years. The term of office of directors who are employee representatives can be extended upon being re-elected at the Issuer's employee representative meeting.

The members of Board of Directors of the Issuer as at the date of this Offering Circular are as follows:

Name	Age	Position
Mr. SUN Ruiyun (孫瑞雲)	42	Director and General Manager
Mr. WANG Yuliang (王玉梁)	56	Director
Mr. YANG Anhua (楊安華)	54	Independent Director
Mr. TIAN Yixiang (田益祥)	61	Independent Director
Mr. LONG Guilin (龍貴林)	60	Independent Director
Ms. YUAN Xiaodan (袁曉丹)	53	Independent Director

Mr. SUN Ruiyun (孫瑞雲), aged 42, is a director and general manager of the Issuer. Mr. Sun holds a master's degree. Prior to joining the Group, he served as the director of the Office of the Youth League Committee of Anxian County, the deputy director of the Party Working Style and Clean Government Construction Office of the Supervision Bureau of the Discipline and Inspection Committee, a staff member and deputy director of the Mianyang Science and Technology Bureau, the deputy chief of the High-tech Development and Industrialization Section, the deputy chief of the Science and Technology Achievements and International Cooperation Section (Policy and Regulation Section), chief of the Personnel Section, chief of the High-tech Development and Industrialization Section of the Mianyang Science and Technology Bureau, deputy director of the Finance Office of the Mianyang Municipal Government, member of the Party Committee and deputy director of the Mianyang Financial Work Bureau. He was formerly the deputy general manager of the Issuer. He is currently also the deputy secretary of the Party Committee of the Issuer.

Mr. WANG Yuliang (王玉梁), aged 56, is a director of the Issuer. Mr. Wang graduated from Department of Law, Correspondence College of Sichuan Provincial Party School with a part-time college degree. Prior to joining the Group, Mr. Wang served as the forest farm manager and group officer of Shangwu Village (Qingpian Township, Beichuan County), deputy secretary of the Party Committee and township head of Baishi Township (Beichuan County), deputy secretary of the Party Committee and township head of Yuli Township (Beichuan County), secretary of the Party Committee of Qushan Town (Beichuan County) and deputy director of the Mianyang Government Target Supervision Office. Mr. Wang is concurrently the secretary of the Party Branch and chairman of Mianyang Fuda Asset Management Co., Ltd.

Mr. YANG Anhua (楊安華), aged 54, is an independent director of the Issuer. He holds a PhD. Prior to joining the Group, he served as a lecturer in the Economic Mathematics Division of the Department of Applied Mathematics of Sichuan University, a member of the Standing Committee of the County Party Committee of Dazhu County, Dazhou City, Sichuan Province and a temporary deputy county magistrate. He is currently an associate professor of the Department of Finance and Accounting of the School of Business Administration of Sichuan University.

Mr. Tian Yixiang (田益祥), aged 61, is an independent director of the Issuer. He holds a PhD. Prior to joining the Group, he served as a teacher at Chongqing Shizhu Normal School and a lecturer, associate professor and professor at the School of Management of Wuhan University of Science and Technology. He is currently a professor and doctoral supervisor at the School of Management of the University of Electronic Science and Technology of China and director of the Institute of Quantitative Economics.

Mr. Long Guilin (龍貴林), aged 60, is an independent director of the Issuer. He holds a postgraduate degree. Prior to joining the Group, he served as deputy director and director of Workshop Seven and deputy secretary and secretary of the Party Branch of Sichuan Jiuzhou Electric Group Co., Ltd. He also served as deputy director and secretary of the Party Branch of the Military Comprehensive Support Office of Factory 783, executive deputy general manager of Sichuan Jiuzhou Cable Co., Ltd., deputy factory director of State-owned Factory 608, general manager and director of Sichuan Jiuzhou Cable Co., Ltd. and assistant general manager and deputy director of the Science and Technology Committee of Sichuan Jiuzhou Electric Group Co., Ltd. He is currently the deputy director of the Science and Technology Committee at Sichuan Jiuzhou Investment Holding Group Co., Ltd.

Ms. Yuan Xiaodan (袁曉丹), aged 53, is an independent director of the Issuer. She holds a master's degree. Prior to joining the Group, she served as the financial director of the finance department of Panzhihua Iron and Steel Group Xingang Vanadium Co., Ltd., the deputy manager of the financial branch of Sichuan Xinhua Distribution Group Textbook Distribution Company, the financial manager of Sichuan Changhong Plastics Company, the financial director of Sichuan Changhong Molding Technology Co., Ltd., the financial director of Sichuan Changhong Device Technology Co., Ltd. and the director of the financial coordination department of Changhong Parts Industry Group. She also served as the financial director of Hefei Changhong Industrial Co., Ltd., Sichuan Changhong Electronic System Co., Ltd. and Sichuan Changhong Communication Technology Co., Ltd. She is currently the chief financial officer of Changhong International Hotel.

Supervisors

As at the date of this Offering Circular, the Issuer has not appointed any members to its Board of Supervisors. The Issuer has established an Audit Committee which exercises the functions and powers of the board of supervisors as stipulated by the Company Law of the PRC.

Senior Management

The members of the senior management of the Group as at the date of this Offering Circular are as follows:

Name	Age	Position(s)
Mr. NI Dan (倪丹)	54	Deputy general manager
Mr. QI Fei (齊飛)	39	Chief accountant
Mr. YU Baixuan (余佰宣)	42	Deputy general manager
Mr. LI Minghui (李明徽)	41	Deputy general manager

Mr. NI Dan (倪丹), aged 54, is a deputy general manager of the Issuer. Mr. Ni holds a bachelor's degree. Prior to joining the Group, he served as the deputy director of the Social Development Bureau of the High-tech Zone, deputy director of the Investment Service Bureau of the High-tech Zone, deputy director of the Urban Construction and Housing Management and Environmental Protection Bureau of the High-tech Zone, deputy director of the Finance Bureau of the High-tech Zone, and deputy general manager of Mianyang Science and Technology City Development Investment (Group) Co., Ltd.

Mr. QI Fei (齊飛), aged 39, is the chief accountant of the Issuer. Mr. Qi holds a bachelor's degree and is a registered accountant. Prior to joining the Group, he served as the financial management accountant of Mianyang Lingtong Telecommunications Equipment Co., Ltd. and financing director of Chengdu Modern Industry Investment and Development Co., Ltd. He also served as the fund management accountant, deputy general manager and general manager of the Financial Management Centre of the Issuer.

Mr. YU Baixuan (余佰宣), aged 42, is a deputy general manager, the general legal counsel and the chief compliance officer of the Issuer. Mr. Yu holds a bachelor's degree. Prior to joining the Group, he served as the deputy section chief and senior clerk, deputy section chief and level II senior clerk, section chief and level I senior clerk of the Property Supervision Division of Mianyang SASAC. Mr. Yu is concurrently the secretary of the Party Branch and the chairman of Mianyang Mian Investment Real Estate Co., Ltd.

Ms. LI Minghui (李明徽), aged 41, is a deputy general manager and member of the Party Committee of the Issuer. Ms. Li holds a bachelor's degree. Prior to joining the Group, she served as a staff member in the Administrative Department of Federal Pharmaceutical (Chengdu) Co., Ltd., a staff member in the Mianyang Municipal Finance Bureau and deputy section chief of the Finance and Economics Leading Group Office of the Mianyang Municipal Finance Bureau. She also served as section chief of the Tax Policy Section, the Budget Section and the Economic Construction Section of the Mianyang Municipal Finance Bureau.

PRC REGULATIONS

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

The PRC Legal System

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

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

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

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

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

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

The PRC Judicial System

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

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

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

The Civil Procedure Law of the PRC (中華人民共和國民事訴訟法), which was adopted on 9 April 1991 and amended on 28 October 2007, 31 August 2012, 27 June 2017, 24 December 2021 and 1 September 2023, 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 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 calculated from the last day of the enforcement period stipulated in the judgment by the court. 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 court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination in accordance with the principle of reciprocity, unless the court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

Main Regulatory Authorities and Contents of Supervision

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

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

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

- National Railway Administration of the People's Republic of China (formerly Ministry of Railways, "**MOR**") and the competent local departments of MOR at various levels are responsible for the railway construction projects nationwide. NDRC and the local development and reform commissions at various levels are responsible for the investment planning, examination and approval of city infrastructure construction projects.

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

Regulation on Fiscal Debts of Local Governments

In accordance with Guidance on Further Strengthening Adjustment of Credit Structure to Promote Fast and Smooth Development of National Economy (中國人民銀行、中國銀行業監督管理委員會關於進一步加強信貸結構調整促進國民經濟平穩較快發展的指導意見) issued jointly by PBOC and CBRC in March 2009, local governments are encouraged to establish financing platforms to issue financing instruments such as enterprise bonds and medium term notes. In order to strengthen the management of financing platforms and effectively prevent fiscal financial risks, the Notice on Strengthening Management of Financing Platform of Local Government (國務院關於加強地方政府融資平台公司管理有關問題的通知) ("**Circular 19**") and the Notice on Further Regulating Issuance of Bonds by Financing Platform of Local Government (國家發展改革委辦公廳關於進一步規範地方政府投融資平台公司發行債券行為有關問題的通知) ("**Circular 2881**") were separately promulgated in June 2010 and November 2010. In accordance with Circular 19, all levels of local governments shall clear up the debts of their respective financing platforms. In accordance with Circular 2881, the level of indebtedness of local governments will impact a financing platform's issuance of enterprise bonds. In July 2021, the CBIRC issued the Guidelines for Banking and Insurance Institutions to Further Prevent and Defuse the Risks of Implicit Local Government Debt (銀行保險機構進一步做好地方政府隱性債務風險防範化解工作的指導意見) ("**Circular 15**"), which provides that the banks and insurance institutions shall not increase any new local government implicit debt in any form.

In September 2014, the State Council released the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (關於加強地方政府性債務管理的意見 (國發[2014]43號)) ("**Circular 43**"). Circular 43 aims at regulating the financing system of local government and three channels are presented. In accordance with Circular 43, financing platforms shall no longer serve the fiscal financing functions nor incur new government debts. Public interest projects may be funded by the government through issuing government bonds, since the Budget Law of the PRC (中華人民共和國預算法), which took effect on 1 January 2015 and was then modified in 2018, empowers local governments to issue government bonds, and public interest projects with income generated, such as city infrastructure construction, may be operated independently by social investors or jointly by the government and social investors through the establishment of special purpose companies. Social investors or such special purpose companies shall invest in accordance with market-oriented principles and may be funded by, among other market-oriented approaches, bank loans, enterprise bonds, project revenue bonds and asset-backed securitisation. Social investors or the special purpose companies shall bear the obligation to pay off such debts and the government shall not be liable for any of the social investors' or special purpose companies' debts. Circular 43 also sets forth the general principles of dealing with existing debts of financing platforms. Based on the auditing results of such debts run by the local governments, the existing debts that should be repaid by the local governments shall be identified, reported to State Council for approval, and then included in the budget plan of local governments.

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

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

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

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

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

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

On 26 April 2017, the MOF, the NDRC, the Ministry of Justice, the PBOC, the CBRC and the China Securities Regulatory Commission jointly issued the Circular on Further Regulating the Debt Financing Behaviors of Local Government (關於進一步規範地方政府舉債融資行為的通知) ("**Circular 50**"). Circular 50 reaffirmed that local government debts shall only be incurred through the issuance of local government bonds within the quota approved by the State Council, and the local governments and their departments are not permitted to use any other means for debt financing.

On 11 May 2018, the NDRC and the MOF jointly issued the Circular of the National Development and Reform Commission and the Ministry of Finance on Improving the Market Restraint Mechanism and Taking Strict Precautions against Foreign Debt Risks and Local Debt Risks (國家發展改革委、財務部關於完善市場約束機制嚴格防範外債風險和地方債務風險通知) ("**Circular 706**"). According to Circular 706, any enterprise that intends to incur medium and long-term foreign debt is prohibited to include public schools, public hospitals, public cultural facilities, parks, public squares, office buildings of government departments and public institutions, municipal roads, non-toll roads, non-operating water conservancy facilities, pipe network facilities, other public assets and the land use rights of reserve land in its assets.

Regulation on the Issuance of Foreign Bonds

Pursuant to the NDRC Circular, which was promulgated by NDRC and became effective on 14 September 2015, where PRC enterprises, overseas enterprises controlled by them or their overseas branches issue foreign debts, which are debt instruments of more than one year that are denominated in domestic currency or foreign currency with the capital repaid and interest paid as agreed, including bonds issued overseas and long and medium-term international commercial loans, the enterprises shall apply to NDRC for dealing with the formalities of record-filing and registration before issuance. NDRC shall decide to accept it or not within five working days upon the receipt of the application and provide the Record-filing and Registration Certification of Issuance of Foreign Debts by Enterprises within seven working days after acceptance. The enterprises shall submit the issuance information to NDRC within 10 working days of the end of issuance each time.

Pursuant to the Circular on Relevant Requirements of the Registration of the Application for the Issuance of Foreign Debts by Local State-owned Enterprises promulgated by the NDRC 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) on 6 June 2019 and came into effect on the same day ("**Circular 666**"), where an enterprise and the foreign company or branch under its control intend to issue foreign debt, the record-filing and registration of the issuance shall be filed to the NDRC by domestic enterprise; the issuance of foreign debt by local state-owned enterprises that undertake local government's financing functions is limited to repaying medium and long-term external debts due within one year. The Issuer has already fulfilled the registration

requirement of the NDRC on 24 January 2025, and the use of proceeds is limited to repayment of medium and long-term foreign debts due within one year, which is in accordance with the requirements provided in Circular 666.

Foreign Exchange Controls

The lawful currency of the PRC is the Renminbi, which is subject to foreign exchange controls and is not freely exchangeable into foreign exchange at this time. SAFE, under the authority of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

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

On 28 December 1993, the PBOC, under the authority of the State Council, promulgated the Notice of PBOC Concerning Further Reform of the Foreign Currency Control System (中國人民銀行關於進一步改革外匯管理體制的公告), effective from 1 January 1994. The notice announced the abolition of the foreign exchange quota system, the implementation of conditional exchangeability of Renminbi in current account items, the establishment of the system of settlement and payment of foreign exchange by banks, the unification of the official Renminbi exchange rate and the market rate for Renminbi established at swap centres. On 26 March 1994, the PBOC promulgated the Provisional Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (the "**Provisional Regulations**"), which set out detailed provisions regulating the trading of foreign exchange by enterprises, economic organisations and social organisations in the PRC.

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

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

On 20 June 1996, the PBOC promulgated the Regulations for Administration of Settlement, Sale and Payment of Foreign Exchange (結匯、售匯及付匯管理規定) (the "**Settlement Regulations**") which became effective on 1 July 1996. The Settlement Regulations superseded the Provisional Regulations and abolished the remaining restrictions on exchangeability of foreign exchange in respect of current account items while retaining the existing restrictions on foreign exchange transactions in respect of capital account items. On the basis of the Settlement Regulations, the PBOC published the Announcement on the Implementation of Foreign Exchange Settlement and Sale through Banks by Foreign-invested Enterprises (外商投資企業實行銀行結售工作實施方案). The announcement permits foreign-invested enterprises to open, on the basis of their needs, foreign exchange settlement accounts for current account receipts and payments of foreign exchange, and specialised accounts for capital account receipts and payments at designated foreign exchange banks.

On 25 October 1998, the PBOC and SAFE promulgated the Notice Concerning the Discontinuance of Foreign Exchange Swapping Business (中國人民銀行、國家外匯管理局關於停辦外匯調劑業務的通知) pursuant to which and with effect from 1 December 1998, all foreign exchange swapping business in the PRC for foreign-invested enterprises shall be discontinued, while the trading of foreign exchange by foreign-invested enterprises shall be regulated under the system for the settlement and sale of foreign exchange applicable to banks.

On 8 January 2003, Interim Provision on Foreign Debts Management (外債管理暫行辦法) was promulgated by the NDRC, SAFE and MOF. The Provision was later amended and republished on 26 July 2022, and the updated version came into effect on 1 September 2022. According to the Provision, the summation of the accumulated medium- term and long-term loans borrowed by a foreign invested entity and the balance of short-term shall not exceed the surplus between the total investment and the registered capital of the foreign-invested entity. Within the range of the surplus, the foreign invested entity may borrow foreign loans at its own will. If the loans exceed the surplus, the total investment of the foreign invested entity shall be re-examined by its original examination and approval authorities.

On 21 July 2005, the PBOC announced that, beginning from 21 July 2005, the PRC will implement a regulated and managed floating exchange rate system based on market supply and demand and by reference to a basket of currencies. The Renminbi exchange rate is no longer pegged to the U.S. dollar. The PBOC will announce the closing price of a foreign currency such as the U.S. dollar traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each business day, setting the central parity for trading of the Renminbi on the following business day.

Save for foreign-invested enterprises or other enterprises which are specially exempted by relevant regulations, all entities in the PRC (except for foreign trading companies and production enterprises having import and export rights, which are entitled to retain part of foreign exchange income generated from their current account transactions and to make payments using such retained foreign exchanges in their current account transactions or approved capital account transactions) must sell their foreign exchange income to designated foreign exchange banks. Foreign exchange income from loans issued by organisations outside the territory or from the issuance of Securities and shares is not required to be sold to designated banks, but may be deposited in foreign exchange accounts with designated banks.

Enterprises in the PRC (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange account or exchange and pay at the designated foreign exchange banks, upon presentation of valid receipts and proof. Foreign-invested enterprises which need foreign currencies for the distribution of profits to their shareholders, and Chinese enterprises which, in accordance with regulations, are required to pay dividends to shareholders in foreign currencies, may with the approval of board resolutions on the distribution of profits, effect payment from their foreign exchange account or exchange and pay at the designated foreign exchange banks.

Exchangeability of foreign exchange in respect of capital account items, like direct investment and capital contribution, is still subject to restriction, and prior approval from SAFE or its competent branch.

In January and April 2005, SAFE issued two regulations that require PRC residents to register with and receive approvals from SAFE in connection with their offshore return/round-trip investment activities. SAFE also announced that the purpose of these regulations is to achieve the proper balance of foreign exchange and the standardisation of all cross-border flows of funds.

On 21 October 2005, SAFE issued the Notice on Issues Relating to the Administration of Foreign Exchange in Fund-raising and Round-trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies (國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) which became effective as at 1 November 2005. The notice replaced the two regulations issued by SAFE in January and April 2005 mentioned above. The Notice was amended on 29 May 2007. On 4 July 2014, SAFE issued the Notice of the State Administration of Foreign Exchange on the Administration of Foreign Exchange Involved in Overseas Investment, Financing and Return on Investment Conducted by Residents in China via Special-Purpose Companies (國家外匯管理局關於境內居民通過特殊目的公司境外融資及返程投資外匯管理有關問題的通知), which became effective at the same day. This notice replaced the notice issued by SAFE in October 2005 mentioned above. According to the notice, "special purpose company" refers to the overseas enterprises that are directly established or indirectly controlled for the purpose of investment and financing by Mainland residents (including Mainland institutions and resident individuals) with their legitimate holdings of the assets or interests in Mainland enterprises, or their legitimate holdings of overseas assets or interests. Under the notice, a mainland resident can make contribution to a special purpose company with legitimate holdings of domestic or overseas assets or interests, and a mainland enterprise directly or indirectly controlled by a Mainland resident may, on the basis of real and reasonable needs, disburse loans to its registered special purpose companies pursuant to prevailing provisions, and, a mainland resident may, on the basis of real and reasonable needs, purchase foreign exchanges to remit funds overseas for the establishment, share repurchase, delisting, etc. of a special purpose company. Prior to the establishment or assumption of control of such special purpose company, each PRC resident, whether a natural or legal person, must complete the overseas investment foreign exchange registration procedures with the relevant local SAFE branch.

On 5 August 2008, the State Council issued the Regulation of the PRC on Foreign Exchange Administration (中華人民共和國外匯管理條例) (the "**New Forex Regulation**"). The New Forex Regulation came into effect with the intention to further limit the inbound of foreign currency while relaxing the requirement of outbound investment, taking into consideration the capital reserve structure of the PRC then. Under the New Forex Regulation, foreign currency received under the current account by domestic entities will not be asked to be settled into Renminbi automatically, while foreign currency under capital account may also be maintained upon approval. Unless otherwise required by laws and regulations, applicants may go to commercial banks directly for capital investment overseas without SAFE approval.

On 30 March 2015, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知), effective from 1 June 2015, which replaced the Notice of the General Affairs Department of the State Administration of Foreign Exchange on Relevant Issues Relating to the Business Operation to Improve the Administration of Payment and Exchange Settlement of Capital of Foreign-Funded Enterprises (Hui Zong Fa [2008] No. 142) (國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知 (匯綜發[2008]142號)) and the Supplementary Notice of the General Affairs Department of the State Administration of Foreign Exchange on Relevant Issues Relating to the Business Operation to Improve the Administration of Payment and Exchange Settlement of Capital of Foreign-Funded Enterprises (Hui Zong Fa [2011] No. 88 (國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的補充通知 (匯綜發[2011]88號)). Under the Notice of the State Administration of Foreign Exchange on Reforming the

Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知), foreign-invested enterprises are allowed to settle their foreign exchange capitals on a discretionary basis, and a foreign-invested enterprise shall be facilitated to make domestic equity investment with the amount of foreign exchanges settled.

On 1 July 2009, the PBOC, MOF, MOFCOM, the General Administration of Customs, the State Administration of Taxation and the China Banking Regulatory Commission jointly promulgated the Measures for the Administration of Pilot Renminbi Settlement in Cross-border Trade (跨境貿易人民幣結算試點管理辦法), under which, eligible enterprises as designated by relevant authorities located in the cities or provinces which have been chosen by the State Council to execute the pilot Renminbi trade settlement scheme, are allowed to settle the cross-border trade transactions in Renminbi.

The PBOC, MOF, MOFCOM, the General Administration of Customs, the State Administration of Taxation and the China Banking Regulatory Commission jointly promulgated the Circular on Issues Concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (中國人民銀行、財政部、商務部、海關總署、國家税務總局、銀監會關於擴大跨境貿易人民幣結算試點有關問題的通知) on 17 June 2010 and the Circular on Expansion of the Region of Renminbi Settlement of Cross-Border Trades on 27 July 2011, which, together, extended the pilot scheme to the whole of the PRC and to make Renminbi trade and other current account item settlement available in all countries worldwide.

Regulations regarding Overseas Investment and Acquisition Activities

NDRC Supervision

According to Administrative Measures for the Outbound Investment by Enterprises (企業境外投資管理辦法) issued on 26 December 2017 and became effective on 1 March 2018 which replaced Measures for the Administration of Approval and Filing of Overseas Investment Projects (境外投資項目核准和備案管理辦法), projects subject to approval are sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby. The approval authority is NDRC. The sensitive projects referred to in these Measures include: (i) projects involving sensitive countries and regions; and (ii) projects involving sensitive industries. The sensitive countries and regions include (i) countries and regions that have not yet established diplomatic relations with China; (ii) countries and regions where wars and civil strife occur; (iii) countries and regions where investment made by enterprises shall be restricted according to the international treaties and protocols concluded or acceded by China; and (iv) other sensitive countries and regions. The sensitive industries include: (i) research, production, maintenance and repair of weapons and equipment; (ii) development and utilisation of cross-border water resources; (iii) news media; and (iv) industries for which outbound investments by enterprises shall be restricted according to Chinese laws, regulations and related regulatory policies. The category of sensitive industries shall be released by NDRC.

Projects subject to filing are non-sensitive projects directly carried out by investors, namely the non-sensitive projects involving the direct investment of assets and equities or the provision of financing or guarantees. For a project requiring filing, the authority in charge of filing is (i) NDRC, if the investor is a centrally administered enterprise (a centrally administered financial enterprise or an enterprise directly subordinate to the administration by the State Council or its subordinate organ, the same below); (ii) NDRC, if the investor is a local enterprise and the amount of investment by the Chinese investor is U.S.$0.3 billion or above; and (iii) the provincial development and reform authority at the place where the investor is registered, if the investor is a local enterprise and the amount of investment by the Chinese investor is less than U.S.$0.3 billion.

According to the Notice on Issues Concerning the Implementation of Measures for the Administration of Approval and Filing of Overseas Investment Projects (關於實施《境外投資項目核准和備案管理辦法》有關事項的通知), the Circular of the NDRC on Properly Handling the Delegation of Approval Authority over Outbound Investment Projects to Lower-level Authorities (關於做好境外投資項目下放核准權限工作的通知) terminated.

Investment projects to be carried out in the Hong Kong Special Administrative Region and/or the Macau Special Administrative Region shall be governed by Measures for the Administration of Approval and Filing of Overseas Investment Projects.

MOFCOM supervision

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

An enterprise that intends to invest in a sensitive country or region or a sensitive industry shall apply for the verification by MOFCOM. "**Sensitive countries and regions**" mean those countries without a diplomatic relationship with the PRC, or subject to the UN sanctions or otherwise under the list of verified countries and regions published by MOFCOM from time to time. "**Sensitive industries**" mean those industries involving the products and technologies which are restricted from being exported, or affecting the interests of more than one country (or region). In accordance with the New Overseas Investment Rules, a central enterprise shall apply to MOFCOM for verification and MOFCOM shall, within 20 working days of accepting such application, decide whether or not the verification is granted.

For a local enterprise, it shall apply through the provincial department of commerce to MOFCOM for such verification. The provincial department of commerce shall give a preliminary opinion within 15 working days of accepting such local enterprise's application and report all application documents to MOFCOM, while MOFCOM shall decide whether or not the verification is granted within 15 working days of receipt of such preliminary opinion from the provincial department of commerce. Upon verification, the Enterprise Overseas Investment Certificate shall be issued to the investing enterprise by MOFCOM.

Other than those overseas investments subject to MOFCOM verification as described above, all other overseas investments are subject to a filing requirement. The investing enterprise shall fill and complete the filing form through the Overseas Investment Management System, an online system maintained by MOFCOM and print out a copy of such filing form for stamping with the company chop, and then submit such stamped filing form together with a copy of its business license, for filing at MOFCOM (for a central enterprise) or the provincial department of commerce (for a local enterprise) respectively. MOFCOM or the provincial department of commerce shall accept the filing and issue the Enterprise Overseas Investment Certificate within 3 working days of receipt of such filing form. The investing enterprise must carry out the investment within 2 years of the date of the relevant Enterprise Overseas Investment Certificate, otherwise such Certificate will automatically expire and a new filing or verification application has to be made by the investing enterprise after such expiry. In addition, if any item recorded in such Certificate is changed, the investing enterprise shall handle an updating process at MOFCOM or the provincial department of commerce (as the case may be).

If an overseas invested company carries out a re-investment activity offshore, the investing enterprise shall report such re-investment activity to MOFCOM or the provincial department of commerce (as the case may be) after the investment is completed offshore. The investing enterprise shall fill in and print out a copy of the Overseas Chinese-invested Enterprise Re-investment Report Form (境外中資企業再投資報告表) from the Overseas Investment Management System and stamp and submit such Report Form to MOFCOM or the provincial department of commerce.

The New Overseas Investment Rules specifically provide that an overseas invested company cannot use the words of "China" ("中國" or "中華") in its name, unless otherwise approved.

Foreign Exchange Administration

According to Administrative on Foreign Exchange of PRC (中華人民共和國外匯管理條例) and Circular of the State Administration of Foreign Exchange on Promulgating the Administrative Provisions on Foreign Exchange of the Outbound Direct Investments of Domestic Institutions (關於發佈境內機構境外直接投資外匯管理規定的通知), corporations, enterprises or other economic organisations (domestic investors) that have been permitted to make outbound investment shall go through the procedures of registration to the Foreign Exchange Bureau. The Foreign Exchange Bureau shall issue the Foreign Exchange Registration Certificate for overseas direct investment to the domestic institution. The domestic institution shall go through the formalities for outward remittance of funds for overseas direct investment at a designated foreign exchange bank by presenting the approval document issued by the department in charge of overseas direct investment and the Foreign Exchange Registration Certificate for overseas direct investment. The scope of foreign exchange funds for overseas direct investment of domestic institutions includes their own foreign exchange funds, domestic loans in foreign currencies in compliance with relevant provisions, foreign exchange purchased with Renminbi, material objects, intangible assets and other foreign exchange funds approved by the Foreign Exchange Bureau for overseas direct investment. The profits gained from overseas direct investment of domestic institutions may be deposited in overseas banks and used for overseas direct investment.

The SAFE promulgated Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the "**2015 SAFE Circular**") on 13 February 2015. The 2015 SAFE Circular aims to deepen the reform of foreign exchange administration of capital accounts, promote and facilitate the capital operation of enterprises in making cross-border investments, regulate the direct investment-related foreign exchange administration business, improve the administration efficiency. The 2015 SAFE Circular sets forth the following reformation: (i) cancel two administrative examination and approval items: verification and approval of foreign exchange registration under domestic direct investment, and verification and approval of foreign exchange registration under overseas direct investment; After the implementation hereof, a bank that has obtained the financial institution identification code assigned by the relevant Foreign Exchange Bureau and has activated the capital account information system with the Foreign Exchange Bureau at its domicile may handle Foreign Exchange Registration of Direct Investment for foreign- invested enterprises in the Mainland and the domestic investors of enterprises invested overseas directly through the capital account information system of the Foreign Exchange Bureau; (ii) cancel the confirmation and registration of foreign investors' non-monetary contribution and the confirmation and registration of foreign investors' contribution to purchasing the equity held by the Chinese party under domestic direct investment; (iii) the confirmation and registration of foreign investors' monetary contribution is adjusted to book-entry registration of domestic direct investment monetary contribution.

The 2015 SAFE Circular, which is new regulation, has been promulgated to control the remittance of Renminbi for payment of transactions categorised as capital account items and such new regulation 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.

State-owned Assets Supervision

Relevant applicable laws and regulations include Interim Measures for Administration of Overseas State-owned Property Rights of Central Enterprises (中央企業境外國有產權管理暫行辦法) and Interim Measures for the Supervision and Administration of Overseas State-owned Assets of Central Enterprises (中央企業境外 國有資產監督管理暫行辦法) and Interim Measures for the Supervision and Management of Overseas Investment of Central Enterprises (中央企業境外投資監督管理辦法).

If the domestic enterprise is a central enterprise, it shall establish and perform investment decision- making procedures and management control systems, shall establish and improve administration systems to be submitted to the SASAC for record-filing, and shall establish an annual investment plan and submit it to SASAC and make a copy of the project approval documents to SASAC.

Overseas enterprises which have completed overseas registration shall make state-owned assets ownership registration with SASAC.

Enterprise Income Tax Law

Prior to 1 January 2008, under the then applicable PRC law and regulations (the "**Old EIT Law**"), entities established in the PRC were generally subject to a 33 per cent. enterprise income tax, or EIT. However, entities that satisfied certain conditions enjoyed preferential tax treatment. In accordance with the tax laws and regulations effective until 31 December 2007, foreign invested manufacturing enterprises scheduled to operate for a period not less than ten years were exempted from paying state income tax for two years starting from its first profit making year and were allowed a 50 per cent. reduction in its tax rate in the third, fourth and fifth years ("**two-year exemption and three-year reduction by half**").

On 16 March 2007, the NPC enacted the EIT Law, which was amended on 24 February 2017 and 29 December 2018, respectively, together with its related implementation rules (中華人民共和國企業所得税法實施條例) which was issued by the State Council on 6 December 2007, became effective on 1 January 2008 and was amended on 23 April 2019 and 6 December 2024, with the latest amendment entering into force on 20 January 2025. The EIT Law imposes a single uniform income tax rate of 25 per cent. on all Chinese enterprises, including foreign invested enterprises, and eliminates or modifies most of the tax exemptions, reductions and preferential treatments available under the previous tax laws and regulations. On 26 December 2007, the State Council issued a Notice on the Implementation of the Transitional Preferential Tax Policies (國務院關於實施企業所得税過渡優惠政策的通知). Further, as at 1 January 2008, the enterprises that previously enjoyed "two-year exemption and three-year reduction by half" of the enterprise income tax and other preferential treatments in the form of tax deductions and exemptions within specified periods may, after the implementation of the EIT Law, continue to enjoy the relevant preferential treatments until the expiration of the time period. However, if such an enterprise has not enjoyed the preferential treatments yet because of its failure to make profits, its preferential time period shall be calculated from 2008.

Under the Announcement of the State Administration of Taxation on Issues Relating to Enterprise Income Tax Pertaining to Implementation of the Catalogue of Encouraged Industries in Western Region (國家税務總局關於執行〈西部地區鼓勵類產業目錄〉有關企業所得税問題的公告) which issued by the State Administration of Taxation on 10 March 2015 and became effective on 1 October 2014, the preferential tax treatment for encouraged enterprises located in western China and certain industry-oriented tax incentives are still available. The Chinese and foreign-invested enterprises within the state-encouraged

industry located in western China may be taxed at a preferential income tax rate of 15 per cent. for years from 1 January 2011 to 31 December 2020 after being approved by the competent tax authority. Pursuant to the "Notice on the Enterprise Income Tax Policy Concerning Continuing the Western China Development Strategy", effective from 1 January 2021, the enterprises within the state-encouraged industry located in western China continue to apply a preferential income tax rate of 15 per cent. for years from 1 January 2021 to 31 December 2030.

Value Added Tax

According to the Tentative Regulations on the Value-added Tax of the PRC (中華人民共和國增值税暫行條例) which was promulgated by the State Council on 10 November 2008, amended respectively on 6 February 2016 and 19 November 2017, and the Detailed Implementation Rules of the Tentative Regulations on the Value-added Tax of the PRC (中華人民共和國增值税暫行條例實施細則) promulgated by MOF which came into effect on 1 January 2009 and was amended on 28 October 2011, organisations or individuals who sell commodities, provide processing, repairing or replacement services, or import commodities within the PRC's territories are subject to value-added tax, and shall pay the value-added tax accordingly. The rate of the value-added tax shall be 17 per cent. or 11 per cent., depending on the commodities being sold. For taxpayers exporting commodities, the tax rate shall be zero per cent.

With the reform of value-added tax since 2012, MOF and the State Administration of Taxation promulgated a series of regulations and commenced pilot from the transport industry and part of the modern service industries which gradually expands to the scope of the pilot reform region and the applicable industry scope, and ultimately under the Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知) which was promulgated on 23 March 2016 and came into effect on 1 May 2016, the pilot program of replacing business tax with value-added tax shall be implemented nationwide effective since 1 May 2016 and all business tax payers in construction industry, real estate industry, finance industry and service industry, etc. shall be included in the scope of the pilot program and pay value-added tax instead of business tax. Under the Decision of State Council on Abolition of the Provisional Regulations of the People's Republic of China on Business Tax and Revision of the Provisional Regulations of the People's Republic of China on Value-added Tax (國務院關於廢止《中華人民共和國營業税暫行條例》和修改《中華人民共和國增值税暫行條例》的決定) which was promulgated on 19 November 2017 and came into effect at the same day, business tax is officially replaced by value-added tax.

Environmental Protection Laws

The Ministry of Ecology and Environment is responsible for the overall supervision and management of environmental protection in the PRC. All manufacturers in the PRC must comply with environmental laws and regulations including the Environmental Protection Law of the PRC (中華人民共和國環境保護法), Prevention and Control of Water Pollution Law of the PRC (中華人民共和國水污染防治法), Prevention and Control of Air Pollution Law of the PRC (中華人民共和國大氣污染防治法), Prevention and Control of Environmental Noise Pollution Law of the PRC (中華人民共和國環境噪聲污染防治法) and Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC (中華人民共和國固體廢物污染環境防治法), and relevant environmental regulations such as provisions regarding the treatment and disposal of pollutants and sewage, discharge of polluted fumes and the prevention of industrial pollution. Depending on the circumstances and the seriousness of the violation of the environmental regulations, the local authorities are authorised to impose various types of penalties on the persons or entities in violation of the environmental regulations. The penalties which could be imposed include the issue of warnings, suspension of operation or installation and use of preventive facilities which are incomplete and fail to meet the prescribed standards, reinstallation of preventive facilities which have been dismantled or left idle, administrative sanction against office-in-charge, suspension of business operations or shut-down of the enterprise or institution. Fines could also be levied together with these penalties. The relevant local

authorities may apply to the court for compulsory enforcement of environmental compliance. The persons or entities in violation of the applicable laws and regulations may also be liable to pay damages to the victims and/or result in criminal liability.

Other major environmental protection laws applicable to the Group include: Regulations of Environmental Management on Project (建設項目環境保護管理條例), Interim Measures for Environmental Protection Acceptance of Construction Projects upon Completion (建設項目竣工環境保護驗收暫行辦法) and Environmental Impact Evaluation Law of the PRC (中華人民共和國環境影響評價法).

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Bonds or any persons acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. Persons considering the purchase of the Bonds should consult their own tax advisers concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.

Hong Kong

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Stamp Duty

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

The PRC

The following summary describes certain PRC tax consequences of ownership and disposition of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Bondholders in this "Taxation – PRC" section. In considering whether to invest in the Bonds, investors should consult their own 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.

EIT and IIT

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

Such income tax shall be withheld by the Issuer that is acting as the obligatory withholder and such PRC enterprise shall withhold the tax amount from each payment or payment due. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC resident enterprise Bondholders.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by non-resident enterprise Bondholders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the IIT Law, any non-resident individual, which means any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than 183 days cumulated in a tax year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC resident enterprise Bondholders.

According to an arrangement between Mainland China and Hong Kong for the avoidance of double taxation, the Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

VAT

According to Circular 36, the entities and individuals providing services within PRC will be subject to VAT. Services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. Services subject to VAT include the provision of financial services, such as the provision of loans and the transfer of financial products. It is further clarified under Circular 36 that "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon.

The Issuer may be obliged to withhold VAT of 6 per cent. on payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds However, there is uncertainty as to the applicability of VAT if either a seller or buyer of Bonds is located within the PRC.

Circular 36 remains subject to further clarification and/or interpretations by the competent tax authority. There is uncertainty as to the application of the Circular 36 in the context of the issuance of the Bonds, payments thereunder, and their sale and transfer.

Pursuant to the VAT reform detailed above, the Issuer may need to withhold VAT (should such tax apply) from the payments of interest in respect of the Bonds for any Bondholders located outside of the PRC. The Issuer has agreed to pay additional amounts to Bondholders, subject to certain exceptions, so that Bondholders would receive the full amount of the scheduled payment, as further set out in the Conditions.

Stamp Duty

No PRC stamp duty will be chargeable on non-resident Bondholders upon the issue or transfer of a Bond (for so long as the register of Bondholders is maintained outside the PRC and the issuance and the sale of the Bonds is made outside of the PRC).

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Binds (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

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

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

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign pass thru payments are published in the U.S. Federal Register and, Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Joint Lead Managers dated 8 July 2025 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to severally, but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds set forth opposite its name below:

Joint Lead Manager	**Principal amount of the Bonds to be subscribed**
	(U.S.$)
Guotai Junan Securities (Hong Kong) Limited	189,000,000
Orient Securities (Hong Kong) Limited	100,000,000
Hua Xia Bank Co., Limited Hong Kong Branch	1,000,000
BOSC International Securities Limited	1,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	1,000,000
Leading Securities Company Limited	1,000,000
CNCB (Hong Kong) Capital Limited	1,000,000
Huatai Financial Holdings (Hong Kong) Limited	1,000,000
China CITIC Bank International Limited	1,000,000
CMBC Securities Company Limited	1,000,000
GF Securities (Hong Kong) Brokerage Limited	1,000,000
Haitong International Securities Company Limited	1,000,000
Shenwan Hongyuan Securities (H.K.) Limited	1,000,000
Total	**300,000,000**

The Subscription Agreement provides that the Joint Lead Managers and their respective affiliates, and their respective directors, officers and employees will be indemnified against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the 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 certain of their respective subsidiaries or affiliates have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with, the Issuer and/or its subsidiaries, from time to time, for which they have received customary fees and expenses. The Joint Lead Managers and their respective subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer and/or its subsidiaries in the ordinary course of business.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliate(s) may act as an investor for their own account and may take up Bonds in the offering and in that capacity may retain, purchase or sell for their own account such securities and any securities of the Issuer and may offer or sell such securities or other investments otherwise than in connection with the offering. Accordingly, references herein to the Bonds being "offered" should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Joint Lead Managers or their respective affiliates may purchase the Bonds for their own account or for the accounts of their customers and enter into transactions, including credit derivative, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of their or their subsidiaries or associates at the same time as the offer and sale of the Bonds

or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Bonds. If this is the case, liquidity of trading in the Bonds may be constrained. See "*Risk Factors – Risks relating to the Bonds – The liquidity and price of the Bonds following this offering may be volatile*". The Issuer and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors.

In connection with the issue of the Bonds, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager, provided that China CITIC Bank International Limited shall not be appointed and acting in such capacity, may, to the extent permitted by applicable laws and regulations, over-allot the Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Stabilisation Manager.

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

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that 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.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

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

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to dcm.galaxy@gtjas.com.hk and codcm@dfzq.com.hk.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint lead Manager with such evidence within the timeline requested.

General

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

No action has been or will be taken in any jurisdiction by the Issuer and the Joint Lead Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed offering of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer and the Joint Lead Managers in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Joint Lead Managers.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Joint Lead Manager or any affiliate of a Joint Lead Manager is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

United States

The Bonds 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 Bonds 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 Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each of the Joint Lead Managers has represented 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 Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

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

The PRC

Each of the Joint Lead Managers has represented, warranted and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Hong Kong

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

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (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

(ii) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each of the Joint Lead Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Lead Managers has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to 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 Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each 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 Bonds in Japan or to, or for the benefit or, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Macau

The Bonds have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Bonds be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and any other laws in Macau that may apply to the offer and sale of the Bonds in Macau. The Bonds have not been and will not be registered or otherwise authorised for public offer under the Financial System Act of Macau, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

The Audited Financial Statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP are substantially in line with IFRS, except for certain modifications that still exist between PRC GAAP and IFRS, which might be relevant to the financial information of the Group included herein.

The following is a general summary of certain differences between PRC GAAP and IFRS as applicable to the Group. The differences identified below are limited to those significant differences that are appropriate to the Group's financial statements. The Group is responsible for preparing the summary below. Since the summary is not meant to be exhaustive, there can be no assurance regarding the completeness of the summary. The Group 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 Group, other potentially significant accounting and disclosure differences may be required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standard. 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 their own examination of the Group, the terms of the offering and other disclosure contained herein. Investors should consult their own professional advisers for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

Provision for Future Development Fund and Work Safety Cost

Under PRC GAAP, in accordance with relevant regulations of the Chinese authorities, the Group has to accrue special reserves such as future development funds and work safety cost, which are presented as cost of expenses of the period and the amount that has been accrued, are presented in special reserve of owner's equity. Work safety cost, which belongs to cost of expenses, directly offset the special reserves. The accrued work safety reserve, which is used by enterprises and used to form fixed assets, shall be charged as "construction in progress", and recognised as a fixed asset upon the project being completed and reaching the expected operational standard. Meanwhile, the special reserves are offset in accordance with the cost of fixed asset formation, while the equivalent amount of accumulated depreciation is recorded. The fixed asset so formed shall cease to accrue depreciation in the following periods.

Pursuant to the IFRS, these expenditures should be recognised when incurred. Relevant capital expenditures are recognised as part of cost of non-current assets when they are incurred and depreciated according to the respective depreciation policy. The differences between the above mentioned standards give rise to differences in deferred tax.

Government Grant

Under PRC GAAP, the relocation compensation for public interests is required to be recognised as special payables. The income from compensation attributable to losses of fixed assets and intangible assets, related expenses, losses from production suspension incurred during the relocation and reconstruction period and

purchases of assets after the relocation shall be transferred from special payables to deferred income and accounted for in accordance with the government grants standard. The surplus reached after deducting the amount transferred to deferred income shall be recognised in capital reserve.

Under IFRS, if an entity relocates for reasons of public interests, the compensation received shall be recognised in profit and loss.

Reversal of Impairment Loss

Under PRC GAAP, once an impairment loss is recognised for a long term asset (including fixed assets, intangible assets and goodwill, etc.), it shall not be reversed in any subsequent period.

Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill could be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Related Party Disclosures

Under PRC GAAP, government-related entities are not treated as related parties. Under IFRS, government-related entities are still treated as related parties.

Fixed Assets and Intangible Assets

Under PRC GAAP, only the cost model is allowed.

Under IFRS, an entity can choose either the cost model or the revaluation model as its accounting policy.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream with Common Code 311255312 and ISIN XS3112553121.

2. **LEI:** The Issuer's Legal Entity Identifier is 3003004GLFUPO1M43910.

3. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by a board resolution of the Issuer dated 29 November 2024 and a shareholders' resolution of the Issuer dated 17 December 2024. PRC counsels to the Issuer and the Joint Lead Managers have advised that no other approvals or consents are required from any regulatory authorities or other relevant authorities in the PRC for the Issuer to issue the Bonds except for the Enterprise Foreign Debt Pre-Issuance Registration Certificate in respect of the issue of the Bonds from the NDRC, which has been obtained and dated 24 January 2025 pursuant to the NDRC Circular, the reporting of the information relating to the issue of the Bonds with the NDRC in accordance with the Notice, the registration of the Bonds with SAFE pursuant to the Cross Border Financing Circular effective as at 11 January 2017 and the approval from the Hong Kong Stock Exchange on the listing of the Bonds on the Hong Kong Stock Exchange.

4. **No Material Adverse Change:** Except for those as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position or prospects of the Issuer and the Group since 31 December 2024.

5. **Litigation:** None of the Issuer or any other member of the Group is involved in any litigation or arbitration proceedings that the Issuer believes are material in the context of the Bonds, nor is the Issuer aware that any such proceedings are pending or threatened.

6. **Available Documents:** For so long as any Bond is outstanding, copies of the Trust Deed and the Agency Agreement will be available (i) for inspection at all reasonable times during usual business hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) by the Bondholders at the principal office of the Trustee, being as at the Issue Date at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong, and at the specified office for the time being of the Principal Paying Agent, following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent and (ii) electronically from the Principal Paying Agent, following prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent.

7. **Financial Statements:** This Offering Circular contains the Audited Financial Statements. The Audited Financial Statements were prepared in accordance with PRC GAAP. These consolidated financial statements have been audited and reviewed, as the case may be, by ShineWing, independent auditor of the Group. Neither the Joint Lead Managers nor their affiliates, directors, employees and advisors have independently verified or checked the accuracy of the translation of the financial statements and they can give no assurance that the information contained in the financial statements translation is accurate, truthful or complete.

8. **Listing:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. It is expected that dealing in, and listing of, the Bonds on the Hong Kong Stock Exchange will commence on 15 July 2025.

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Notes:

1. Pages F-155 and F-312 contain the Chinese non-editable business licences of ShineWing.
2. Pages F-156 and F-313 contain the Chinese non-editable practice licences of ShineWing.

Mianyang Investment Holding (Group) Co., Ltd.

FY 2024

Auditor's Report

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ShineWing
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Auditor's Report

XYZH/2025CDAA7B0281

Mianyang Investment Holding (Group) Co., Ltd.

To all shareholders of Mianyang Investment Holding (Group) Co., Ltd.:

I. Opinion

We have audited the financial statements of Mianyang Investment Holding (Group) Co., Ltd. (hereinafter referred to as "Mianyang Investment Group"), which comprise the consolidated and the parent company's balance sheet as at December 31st, 2024, the consolidated and the parent company's income statement, the consolidated and the parent company's cash flow statement and the consolidated and the parent company's statement of changes in owners' equity for the year 2024, and the notes to the financial statements.

In our opinion, the accompanying financial statements were prepared in accordance with the *Accounting Standards for Business Enterprises* in all material respects, and presented fairly the consolidated and the parent company's financial position of Mianyang Investment Group as of December 31st, 2024, and the consolidated and the parent company's results of operations and cash flows for the year 2024.

II. Basis for Opinion

We conducted our audit in accordance with the *China Standards on Auditing for Chinese Certified Public Accountants*. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of Mianyang Investment Group in accordance with the *Code of Ethics for Chinese Certified Public Accountants*, and we have fulfilled our other ethical responsibilities of the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for expressing our audit opinion.

III. Other Information

The management of Mianyang Investment Group (hereinafter referred to as "the Management") is responsible for the other information. The other information includes the information covered in the 2024 Annual Report of Mianyang Investment Group, but excludes the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

IV. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with the provisions of the *Accounting Standards for Business Enterprises* to achieve a fair presentation, and designing, implementing and maintaining the necessary internal controls so that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing Mianyang Investment Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate Mianyang Investment Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Mianyang Investment Group's financial reporting process.

V. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion. Although reasonable assurance is a high level of assurance, it is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users of the financial statements make on the basis of the financial statements.

During the course of the audit in accordance with auditing standards, we exercise professional judgement and maintain professional skepticism. We also carry out the following works:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for expressing audit opinions. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or overriding internal controls.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Mianyang Investment Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw the attention of users of the financial statements to the relevant disclosures in the financial statements in our auditor's report or, if such disclosures are inadequate, we shall modify our opinion. Our conclusions are based on information available as of the date of our auditor's report. However, future events or conditions may cause Mianyang Investment Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Mianyang Investment Group to express an opinion on the financial statements. We are responsible for directing, supervising and performing the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters,

the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with those relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and related safeguards, where applicable.

ShineWing Certified Public Accountants （LLP）

Beijing, China

April 27th, 2025

Consolidated Balance Sheet

December 31st, 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Closing balance	Opening balance
Current assets:			
Cash and cash equivalents	VIII.1	16,638,841,154.55	18,857,142,832.41
Settlement reserves			
Lending to banks and other financial institutions			
Financial assets held for trading	VIII.2	2,400,000,000.00	
Derivative financial assets			
Bills receivable	VIII.3	542,777,087.14	589,756,247.51
Accounts receivable	VIII.4	3,562,643,719.43	3,282,148,830.46
Receivables financing	VIII.5	787,530.00	6,000,000.00
Prepayments	VIII.6	1,710,557,845.75	6,127,829,660.53
Premiums receivable			
Reinsurance accounts receivable			
Receivable reserves for reinsurance contracts			
Other receivables	VIII.7	17,105,069,394.80	16,740,209,977.19
Including: Interest receivable		980,233,060.81	704,720,226.20
Dividends receivable		39,353,785.20	38,937,324.00
Buying back the sale of financial assets			
Inventories	VIII.8	13,901,917,286.60	9,808,909,691.10
Contract assets	VIII.9	116,558,121.19	98,230,692.77
Assets held for sale			
Non-current assets due within one year	VIII.10	1,081,709,714.35	1,330,760,716.05
Other current assets	VIII.11	1,428,256,759.48	880,792,839.40
Total current assets:		**58,489,118,613.29**	**57,721,781,487.42**
Non-current assets:			
Loans and advances			
Debt investments	VIII.12	1,499,068,642.41	2,421,973,624.11
Other debt investments			
Long-term receivables	VIII.13	1,758,586,427.44	1,777,430,147.22
Long-term equity investments	VIII.14	18,823,255,229.00	20,055,290,360.34
Investments in other equity instruments	VIII.15	5,217,973,196.59	4,501,703,354.60
Other non-current financial assets	VIII.16	10,350,375.82	12,001,365.92
Investment properties	VIII.17	6,172,358,150.57	5,947,087,236.57
Fixed assets	VIII.18	11,701,123,313.73	9,788,626,407.09
Construction in progress	VIII.19	5,592,681,774.81	6,367,578,912.88
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VIII.20	85,685,132.79	65,578,762.92
Intangible assets	VIII.21	1,850,634,121.50	1,920,622,199.47
Development expenses			
Goodwill	VIII.22	2,188,608.99	2,188,608.99
Long-term deferred expenses	VIII.23	184,163,492.72	215,151,510.43
Deferred tax assets	VIII.24	191,884,399.97	79,545,478.80
Other non-current assets	VIII.25	27,551,711,425.04	22,682,717,863.40
Total non-current assets		**80,641,664,291.38**	**75,837,495,832.74**
Total assets		**139,130,782,904.67**	**133,559,277,320.16**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Balance Sheet (Continued)

December 31st, 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Closing balance	Opening balance
Current liabilities:			
Short-term loans	VIII.26	11,925,639,831.97	12,974,072,328.59
Borrowings from the Central Bank			
Borrowings from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payabable	VIII.27	3,681,752,604.32	2,492,937,632.86
Accounts payable	VIII.28	4,504,508,528.86	3,835,486,743.76
Advances from customers	VIII.29	77,029,151.24	66,237,403.56
Contract liabilities	VIII.30	7,434,045,386.00	5,346,695,312.86
Financial assets sold for repurchase			
Accept money deposits and interbank placement			
Acting trading securities			
Acting underwriting securities			
Employee benefits payable	VIII.31	201,040,972.24	206,257,290.31
Taxes payable	VIII.32	505,151,356.57	542,677,403.00
Other payables	VIII.33	5,320,349,258.90	5,749,557,422.17
Including: Interest payable		72,861,178.89	22,174,460.20
Dividends payable		58,287,943.70	58,287,943.70
Fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	VIII.34	19,818,136,917.83	19,345,301,977.99
Other current liabilities	VIII.35	743,760,416.72	496,486,822.64
Total current liabilities		**54,211,414,424.65**	**51,055,710,337.74**
Non-current liabilities:			
Provision for insurance contracts			
Long-term loans	VIII.36	18,939,717,722.17	15,031,704,840.39
Bonds payable	VIII.37	13,555,798,828.03	19,216,929,919.98
Including: Preference shares			
Perpetual bonds			
Lease liabilities	VIII.38	50,351,901.66	40,991,982.55
Long-term payables	VIII.39	13,586,303,992.60	11,016,295,679.79
Long-term employee benefits payable			
Provisions	VIII.40	324,754,989.98	377,220,547.40
Deferred income	VIII.41	227,016,966.06	218,631,119.24
Deferred tax Liabilities	VIII.24	761,922,722.76	276,658,094.45
Other non-current liabilities		1,406,378.52	1,406,378.52
Total non-current liabilities		**47,447,273,501.78**	**46,179,838,562.32**
Total liabilities		**101,658,687,926.43**	**97,235,548,900.06**
Owners' equity			
Paid-in capital	VIII.42	850,000,000.00	850,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	VIII.43	18,100,586,037.42	18,038,396,214.54
Less: Treasury share			
Other comprehensive income	VIII.44	1,644,493,144.23	412,033,804.28
Special reserve	VIII.45	17,201,054.95	17,890,533.40
Surplus reserve	VIII.46	280,645,102.92	280,645,102.92
General risk reserve		2,722,935.88	2,612,935.61
Undistributed profits	VIII.47	904,072,426.29	1,078,559,809.56
Total equity attributable to the owners of parent company		21,799,720,701.69	20,680,138,400.31
Non-controlling interests		15,672,374,276.55	15,643,590,019.79
Total owners' equity		**37,472,094,978.24**	**36,323,728,420.10**
Total liabilities and owners' equity		**139,130,782,904.67**	**133,559,277,320.16**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Balance Sheet of the Parent Company

December 31st, 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Closing balance	Opening balance
Current assets:			
Cash and cash equivalents		3,886,645,710.48	8,497,820,906.53
Financial assets held for trading		2,400,000,000.00	
Derivative financial assets			
Bills receivable			
Accounts receivable	XII.1	2,063,808,563.58	1,993,895,160.09
Receivables financing			
Prepayments		772,686,344.71	4,310,632,275.53
Other receivables	XII.2	16,368,755,814.10	16,732,143,405.47
Including: Interest receivable		976,689,465.13	702,232,844.12
Dividends receivable		15,117,782.81	15,117,782.81
Inventories		1,666,162,218.69	1,673,741,545.14
Contract assets			
Assets held for sale			
Non-current assets due within one year		985,000,000.00	975,000,000.00
Other current assets		227,256,827.88	327,945,860.31
Total current assets:		**28,370,315,479.44**	**34,511,179,153.07**
Non-current assets:			
Debt investments		990,000,000.00	1,975,000,000.00
Other debt investments			
Long-term receivables			
Long-term equity investments	XII.3	23,978,036,658.64	26,661,502,039.34
Investments in other equity instruments		4,504,473,116.57	2,673,100,000.00
Other non-current financial assets			
Investment properties		1,186,755,741.47	1,188,546,402.98
Fixed assets		139,683,318.80	5,879,975.30
Construction in progress		2,568,105,636.41	1,238,906,873.55
Productive biological assets			
Oil and gas assets			
Right-of-use assets			956,512.30
Intangible assets		2,370,384.22	2,014,211.57
Development expenses			
Goodwill			
Long-term deferred expenses		5,895,307.57	4,032,477.03
Deferred tax assets		29,894,663.58	26,192,700.51
Other non-current assets		14,025,310,958.72	11,488,907,417.22
Total non-current assets		**47,430,525,785.98**	**45,265,038,609.80**
Total assets		**75,800,841,265.42**	**79,776,217,762.87**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Balance Sheet of the Parent Company (Continued)

December 31st, 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Closing balance	Opening balance
Current liabilities:			
Short-term loans		3,231,962,137.90	3,397,939,709.10
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payabable			
Accounts payable		749,859,862.22	1,511,845,294.89
Advances from customers		2,749,591.24	1,896,663.24
Contract liabilities		544,901,587.36	239,061,664.19
Employee benefits payable		18,540,582.95	20,901,616.38
Taxes payable		276,786,747.83	241,589,126.37
Other payables		16,152,721,253.19	16,350,606,479.38
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		13,896,616,777.55	13,259,811,668.54
Other current liabilities			
Total current liabilities		**34,874,138,540.24**	**35,023,652,222.09**
Non-current liabilities:			
Long-term loans		5,591,594,539.00	6,188,855,039.00
Bonds payable		10,786,851,111.42	15,686,074,576.42
Including: Preference shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		3,636,993,165.17	3,555,969,402.77
Long-term employee benefits payable			
Provisions		75,060,000.00	144,858,800.00
Deferred income			
Deferred tax Liabilities		498,744,299.52	19,290,944.91
Other non-current liabilities			
Total non-current liabilities		**20,589,243,115.11**	**25,595,048,763.10**
Total liabilities		**55,463,381,655.35**	**60,618,700,985.19**
Owners' equity			
Paid-in capital		850,000,000.00	850,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		17,767,869,503.80	17,739,302,763.60
Less: Treasury share			
Other comprehensive income		1,529,978,723.08	95,770,234.45
Special reserve			
Surplus reserve		280,645,102.92	280,645,102.92
Undistributed profits		-91,033,719.73	191,798,676.71
Total owners' equity		**20,337,459,610.07**	**19,157,516,777.68**
Total liabilities and owners' equity		**75,800,841,265.42**	**79,776,217,762.87**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Income Statement

FY 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Current year amount	Prior year amount
I. Total operating income		**9,862,553,986.53**	**9,302,249,751.39**
Including: Operating income	VIII.48	9,859,858,002.13	9,292,251,507.91
Interest income	VIII.48	2,695,984.40	9,998,243.48
Earned premiums			
Fees and commissions income			
II. Total operating costs		**12,152,928,535.36**	**11,546,879,676.11**
Including: Operating costs	VIII.48	8,854,265,321.66	8,116,673,841.41
Interest expense			
Fees and commissions expenses			
Surrenders			
Net claims expenses			
Net appropriation of deposit for duty			
Policy dividend expenses			
Reinsurance expenses			
Taxes and surcharges	VIII.49	113,737,034.42	128,595,653.16
Selling expenses	VIII.50	224,931,349.47	224,213,990.64
Administrative expenses	VIII.51	772,605,870.57	739,688,117.87
Research and development (R&D) expenses	VIII.52	4,722,551.15	5,611,420.31
Financial expenses	VIII.53	2,182,666,408.09	2,332,096,652.72
Including: Interest expense			
Interest income			
Add: Other income	VIII.54	1,735,320,369.94	1,374,792,333.74
Investment income ("-" for losses)	VIII.55	819,442,067.66	988,125,373.43
Including: Income from investments in associates and joint ventures		272,898,417.30	342,267,409.82
Gains on derecognition of financial assets measured at amortized cost			
Exchange gains ("-" for losses)			
Net exposure hedging gains ("-" for losses)			
Gains from changes of fair value ("-" for losses)	VIII.56	-16,665,901.69	-19,572,792.15
Credit losses ("-" for losses)	VIII.57	-59,664,847.81	-10,337,234.81
Impairment losses ("-" for losses)	VIII.58	-204,656,684.19	3,710,203.67
Gains from asset disposals ("-" for losses)	VIII.59	77,167,167.28	179,762,269.44
III. Operating profit ("-" for losses)		**60,567,622.36**	**271,850,228.60**
Add: Non-operating income	VIII.60	299,722,391.49	98,137,781.09
Less: Non-operating expenses	VIII.61	65,848,697.46	60,736,256.31
IV. Profit before income tax ("-" for total losses)		**294,441,316.39**	**309,251,753.38**
Less: Income tax expenses	VIII.62	145,844,187.16	83,470,993.41
V. Net profit ("-" for net losses)		**148,597,129.23**	**225,780,759.97**
(I) Classified by continuity of operations		**148,597,129.23**	**225,780,759.97**
Net profit from continuing operations ("-" for net losses)		148,597,129.23	225,780,759.97
Net profit from discontinued operations ("-" for net losses)			
(II) Classified by the attribution of ownership		**148,597,129.23**	**225,780,759.97**
Net profit attributable to owners of the parent company ("-" for net losses)		153,436,915.44	34,556,822.94
Gains or losses on non-controlling interests ("-" for net losses)		-4,839,786.21	191,223,937.03
VI. Other comprehensive income, net of tax		**1,037,439,191.41**	**-77,109,897.48**
The net after-tax value of other comprehensive income attributable to owners of the parent company	VIII.63	1,129,371,141.51	-68,183,022.48
(I) Other comprehensive income that cannot be reclassified into profit or loss		1,129,210,929.14	-48,277,485.78
1. Gains or losses due to remeasurement of defined benefit plans			
2. Other comprehensive income not converted into profit or loss under equity method		12,902,206.50	-27,448,110.78
3. Changes in fair value of investments in other equity instruments		1,116,308,722.64	-20,829,375.00
4. Changes in fair value of enterprise's own credit risk			
5. Others			
(II) Other comprehensive income reclassified into profit and loss		160,212.37	-19,905,536.70
1. Other comprehensive income converted into profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Amount reclassified from financial assets to other comprehensive income			
4. Credit impairment provision for other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Foreign currency statement translation difference			
7. Others		160,212.37	-19,905,536.70
Other comprehensive income (net of tax) attributable to non-controlling interests		-91,931,950.10	-8,926,875.00
VII. Total comprehensive income		**1,186,036,320.64**	**148,670,862.49**
Total comprehensive income attributable to owners of the parent company		1,282,808,056.95	-33,626,199.54
Total comprehensive income attributable to non-controlling interests		-96,771,736.31	182,297,062.03

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Income Statement of the Parent Company

FY 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Current year amount	Prior year amount
I. Operating income	XII.4	**306,081,382.91**	**216,077,117.14**
Less: Operating costs	XII.4	304,564,889.61	207,303,023.97
Taxes and surcharges		17,949,183.27	12,180,746.12
Selling expenses		1,366,794.59	9,453,839.73
Administrative expenses		54,499,961.45	49,024,002.02
Research and development (R&D) expenses			
Financial expenses		1,541,836,994.34	1,571,725,529.55
Including: Interest expense			
Interest income			
Add: Other income		884,377,310.22	680,090,973.25
Investment income ("-" for losses)	XII.5	669,335,016.33	695,588,877.72
Including: Income from investments in associates and joint ventures		107,696,016.18	138,660,563.50
Gains on derecognition of financial assets measured at amortized cost			
Net exposure hedging gains ("-" for losses)			
Gains from changes of fair value ("-" for losses)		-2,851,899.73	-2,701,611.76
Credit losses ("-" for losses)		-14,807,852.27	-5,562,113.45
Impairment losses ("-" for losses)		-204,906,900.00	
Gains from asset disposals ("-" for losses)		-15,723.34	177,216,014.72
II. Operating profit ("-" for losses)		**-283,006,489.14**	**-88,977,883.77**
Add: Non-operating income		70,748,178.33	1,135,728.80
Less: Non-operating expenses		12,406,431.44	19,304,132.74
III. Profit before income tax ("-" for total losses)		**-224,664,742.25**	**-107,146,287.71**
Less: Income tax expenses		-804,945.81	-6,901,755.60
IV. Net profit ("-" for net losses)		**-223,859,796.44**	**-100,244,532.11**
(I) Net profit from continuing operations ("-" for net losses)		-223,859,796.44	-100,244,532.11
(II) Net profit from discontinued operations ("-" for net losses)			
V. Other comprehensive income, net of tax		1,434,208,488.63	
(I) Other comprehensive income that cannot be reclassified into profit or loss		1,434,048,276.26	
1. Gains or losses due to remeasurement of defined benefit plans			
2. Other comprehensive income not converted into profit or loss under equity method			
3. Changes in fair value of investments in other equity instruments		1,434,048,276.26	
4. Changes in fair value of enterprise's own credit risk			
5. Others			
(II) Other comprehensive income reclassified into profit and loss		160,212.37	
1. Other comprehensive income converted into profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Amount reclassified from financial assets to other comprehensive income			
4. Credit impairment provision for other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Foreign currency statement translation difference			
7. Others		160,212.37	
VI. Total comprehensive income		**1,210,348,692.19**	**-100,244,532.11**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Cash Flow Statement

FY 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Current year amount	Prior year amount
I. Cash flow from operating activities:			
Proceeds from sale of goods and rendering of services		12,727,944,843.16	15,661,532,713.99
Net increase of clients' deposits and interbank deposits		-37,039,782.29	43,896,882.30
Net increase in borrowings from the Central Bank			
Net increase in borrowings from other financial institutions			
Cash received for premiums of original insurance contracts			
Net cash received from reinsurance operations			
Net increase in policyholders' savings and investment funds			
Cash received from interest, fees and commissions		2,755,547.99	6,913,887.36
Net increase in borrowings from banks and other financial institutions			
Net increase in funds of repurchase operations			
Net cash received from acting trading securities			
Refund of taxes		10,492,460.44	13,156,857.47
Other proceeds from operating activities		5,418,026,360.98	8,441,104,612.88
Subtotal of cash inflow from operating activities		**18,122,179,430.28**	**24,166,604,954.00**
Payment for goods and services		12,055,397,971.01	15,044,786,678.45
Net increase in loans and advances to customers			
Net increase in deposits with the Central Bank and interbank			
Cash payment of compensation for original insurance contracts			
Net increase in lending to banks and other financial institutions			
Cash paid for interest, fees and commissions			
Cash paid as policy dividends			
Payment to and for employees		1,571,985,707.95	1,556,101,526.74
Payment of various taxes		1,031,433,956.41	776,643,160.96
Other payments for operating activities		3,804,221,177.36	5,830,945,360.19
Subtotal of cash outflow from operating activities		**18,463,038,812.73**	**23,208,476,726.34**
Net cash flow from operating activities		**-340,859,382.45**	**958,128,227.66**
II. Cash flow from investing activities:			
Proceeds from disposal of investments		5,824,046,550.75	1,125,884,776.35
Investment income received		14,379,176.87	37,219,989.31
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		115,885,273.11	211,859,719.81
Net proceeds from disposal of subsidiaries and other business units		501,916,900.00	160,284,316.43
Other proceeds from investing activities		216,915,611.12	5,331,430,908.51
Subtotal of cash inflow from investing activities		**6,673,143,511.85**	**6,866,679,710.41**
Payment for acquisition of fixed assets, intangible assets and other long-term assets		2,304,421,096.17	1,815,949,260.89
Payment for acquisition of investments		4,670,504,342.00	1,455,642,788.96
Net increase in pledge loans			
Net payment for acquisition of subsidiaries and other business units		1,960,000.00	
Other payments for investing activities		360,067,770.11	117,222,964.46
Subtotal of cash outflow from investing activities		**7,336,953,208.28**	**3,388,815,014.31**
Net cash flow from investing activities		**-663,809,696.43**	**3,477,864,696.10**
III. Cash flow from financing activities:			
Proceeds from investors		39,040,000.00	107,882,353.00
Including: Cash received by subsidiaries from minority shareholders' investments			
Proceeds from borrowings		36,098,508,266.85	31,136,935,005.87
Other proceeds from financing activities		8,765,108,475.26	5,934,102,192.47
Subtotal of cash inflow from financing activities		**44,902,656,742.11**	**37,178,919,551.34**
Repayments of debts		39,436,026,990.25	31,182,978,182.90
Payment for dividends, profit distributions or interest		3,605,631,245.35	4,054,390,784.80
Including: Dividends and profits paid to minority shareholders by subsidiaries			1,069,467.30
Other payments for financing activities		4,294,153,686.94	1,244,036,764.02
Subtotal of cash outflow from financing activities		**47,335,811,922.54**	**36,481,405,731.72**
Net cash flow from financing activities		**-2,433,155,180.43**	**697,513,819.62**
IV. Effect of foreign exchange rate changes on cash and cash equivalents		2,610.93	-86,087.25
V. Net increase in cash and cash equivalents		**-3,437,821,648.38**	**5,133,420,656.13**
Add: Opening balance of cash and cash equivalents		12,392,073,758.35	7,258,653,102.22
VI. Closing balance of cash and cash equivalents		**8,954,252,109.97**	**12,392,073,758.35**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Cash Flow Statement of the Parent Company

FY 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Current year amount	Prior year amount
I. Cash flow from operating activities:			
Proceeds from sale of goods and rendering of services		408,837,052.33	388,941,972.34
Refund of taxes			2,943,435.75
Other proceeds from operating activities		2,758,226,063.06	1,986,426,720.32
Subtotal of cash inflow from operating activities		**3,167,063,115.39**	**2,378,312,128.41**
Payment for goods and services		93,849,820.00	473,584,640.85
Payment to and for employees		44,700,613.34	41,053,253.81
Payment of various taxes		174,233,900.61	131,977,022.29
Other payments for operating activities		2,142,970,898.50	1,010,990,356.02
Subtotal of cash outflow from operating activities		**2,455,755,232.45**	**1,657,605,272.97**
Net cash flow from operating activities		**711,307,882.94**	**720,706,855.44**
II. Cash flow from investing activities:			
Proceeds from disposal of investments		5,810,699,654.22	1,031,757,695.48
Investment income received		19,733,762.15	11,650,309.06
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		10,665.27	202,617,300.00
Net proceeds from disposal of subsidiaries and other business units		501,916,900.00	
Other proceeds from investing activities		165,331,158.98	5,046,294,472.40
Subtotal of cash inflow from investing activities		**6,497,692,140.62**	**6,292,319,776.94**
Payment for acquisition of fixed assets, intangible assets and other long-term assets		1,086,359,683.63	1,761,617.45
Payment for acquisition of investments		3,021,579,100.00	2,593,000,000.00
Net payment for acquisition of subsidiaries and other business units			
Other payments for investing activities			1,507,169,308.63
Subtotal of cash outflow from investing activities		**4,107,938,783.63**	**4,101,930,926.08**
Net cash flow from investing activities		**2,389,753,356.99**	**2,190,388,850.86**
III. Cash flow from financing activities:			
Proceeds from investors		22,820,000.00	
Proceeds from borrowings		14,679,847,000.00	16,353,916,000.00
Other proceeds from financing activities		23,150,261,324.73	8,854,665,863.45
Subtotal of cash inflow from financing activities		**37,852,928,324.73**	**25,208,581,863.45**
Repayments of debts		19,624,165,157.05	21,076,076,904.33
Payment for dividends, profit distributions or interest		2,176,102,690.04	2,382,872,390.71
Other payments for financing activities		23,764,899,388.11	897,528,528.69
Subtotal of cash outflow from financing activities		**45,565,167,235.20**	**24,356,477,823.73**
Net cash flow from financing activities		**-7,712,238,910.47**	**852,104,039.72**
IV. Effect of foreign exchange rate changes on cash and cash equivalents		2,474.49	2,762.72
V. Net increase in cash and cash equivalents		**-4,611,175,196.05**	**3,763,202,508.74**
Add: Opening balance of cash and cash equivalents		5,955,202,512.64	2,192,000,003.90
VI. Closing balance of cash and cash equivalents		**1,344,027,316.59**	**5,955,202,512.64**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Statement of Changes in Owners' Equity

FY 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd.

Currency: RMB Yuan

Item	Line	Current year amount													
		Equity attributable to the owners of parent company												Non-controlling interests	Total owners' equity
		Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	△General risk reserve	Undistributed profits	Subtotal		
			Preference shares	Perpetual bonds	Others										
Column	—	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance in the prior year	1	850,000,000.00				18,038,396,214.54		412,033,804.28	17,890,533.40	280,645,102.92	2,612,935.61	1,164,097,460.66	20,765,676,051.41	15,643,590,019.79	36,409,266,071.20
Add: Changes in accounting policies	2														
Correction of prior-period errors	3											-85,537,651.10	-85,537,651.10		-85,537,651.10
Others	4														
II. Opening balance in the current year	5	850,000,000.00		-		18,038,396,214.54		412,033,804.28	17,890,533.40	280,645,102.92	2,612,935.61	1,078,559,809.56	20,680,138,400.31	15,643,590,019.79	36,323,728,420.10
III. Increase or decrease in the current year ("-" for decrease)	6					62,189,822.88		1,232,459,339.95	-689,478.45		110,000.27	-174,487,383.27	1,119,582,301.38	28,784,256.76	1,148,366,558.14
1. Total comprehensive income	7							1,129,371,141.51				153,436,915.44	1,282,808,056.95	-96,771,736.31	1,186,036,320.64
2. Owners' inputs and decreases in capital	8					62,189,822.88							62,189,822.88	128,702,900.50	190,892,723.38
(1) Ordinary shares invested by owners	9													4,900,000.00	4,900,000.00
(2) Other equity instrument holder's investment	10														
(3) Amount of share-based payments included in owner's equity	11														
(4) Others	12					62,189,822.88							62,189,822.88	123,802,900.50	185,992,723.38
3. Withdrawal and use of special reserve	13								-689,478.45				-689,478.45		-689,478.45
(1) Withdrawal of special reserve	14								5,132,975.17				5,132,975.17		5,132,975.17
(2) Use of special reserve	15								-5,822,453.62				-5,822,453.62		-5,822,453.62
4. Profit distribution	16										110,000.27	-224,836,100.27	-224,726,100.00	-3,146,907.43	-227,873,007.43
(1) Withdrawal of surplus reserve	17														
Including: Statutory surplus reserve	18														
Discretionary surplus reserve	19														
#Reserve funds	20														
#Enterprise development funds	21														
#Profits returned to investment	22														
(2) Withdrawal of general risk reserve	23										110,000.27	-110,000.27			
(3) Distribution to owners	24											-224,726,100.00	-224,726,100.00	-3,146,907.43	-227,873,007.43
(4) Others	25														
5. Internal carry forward of owners' equity	26							103,088,198.44				-103,088,198.44			
(1) Transfer of capital reserve to capital	27														
(2) Transfer of surplus reserve to capital	28														
(3) Recover of loss by surplus reserve	29														
(4) Changes in defined benefit plans carried forward to retained earnings	30														
(5) Other comprehensive income carried forward to retained earnings	31							103,088,198.44				-103,088,198.44			
(6) Others	32														
IV. Closing balance in the current year	33	850,000,000.00				18,100,586,037.42		1,644,493,144.23	17,201,054.95	280,645,102.92	2,722,935.88	904,072,426.29	21,799,720,701.69	15,672,374,276.55	37,472,094,978.24

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Statement of Changes in Owners' Equity (Continued)

FY 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd.

Currency: RMB Yuan

Item	Line	Prior year amount												
		Equity attributable to the owners of parent company											Non-controlling interests	Total owners' equity
		Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	△General risk reserve	Undistributed profits	Subtotal	
			Preference shares	Perpetual bonds	Others									
Column	—	15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance in the prior year	1	850,000,000.00				17,648,120,867.04		498,054,927.79	14,488,866.96	280,645,102.92	2,612,935.61	1,387,567,968.93	20,681,490,669.25	13,864,944,059.93	34,546,434,729.18
Add: Changes in accounting policies	2														
Correction of prior-period errors	3							-17,838,101.03				-78,349,083.83	-96,187,184.86	5,385,835.43	-90,801,349.43
Others	4														
II. Opening balance in the current year	5	850,000,000.00				17,648,120,867.04		480,216,826.76	14,488,866.96	280,645,102.92	2,612,935.61	1,309,218,885.10	20,585,303,484.39	13,870,329,895.36	34,455,633,379.75
III. Increase or decrease in the current year ("-" for decrease)	6					390,275,347.50		-68,183,022.48	3,401,666.44			-145,121,424.44	180,372,567.02	1,773,260,124.43	1,953,632,691.45
1. Total comprehensive income	7							-68,183,022.48				34,556,822.94	-33,626,199.54	182,297,062.03	148,670,862.49
2. Owners' inputs and decreases in capital	8													1,677,907,019.67	1,677,907,019.67
(1) Ordinary shares invested by owners	9													102,632,353.00	102,632,353.00
(2) Other equity instrument holder's investment	10														
(3) Amount of share-based payments included in owner's equity	11														
(4) Others	12													1,575,274,666.67	1,575,274,666.67
3. Withdrawal and use of special reserve	13								3,401,666.44				3,401,666.44		3,401,666.44
(1) Withdrawal of special reserve	14								6,078,506.13				6,078,506.13		6,078,506.13
(2) Use of special reserve	15								-2,676,839.69				-2,676,839.69		-2,676,839.69
4. Profit distribution	16											-179,678,247.38	-179,678,247.38	-1,343,916.03	-181,022,163.41
(1) Withdrawal of surplus reserve	17														
Including: Statutory surplus reserve	18														
Discretionary surplus reserve	19														
#Reserve funds	20														
#Enterprise development funds	21														
#Profits returned to investment	22														
(2) Withdrawal of general risk reserve	23														
(3) Distribution to owners	24											-179,678,247.38	-179,678,247.38	-1,343,916.03	-181,022,163.41
(4) Others	25														
5. Internal carry forward of owners' equity	26					390,275,347.50							390,275,347.50	-85,600,041.24	304,675,306.26
(1) Transfer of capital reserve to capital	27														
(2) Transfer of surplus reserve to capital	28														
(3) Recover of loss by surplus reserve	29														
(4) Changes in defined benefit plans carried forward to retained earnings	30														
(5) Other comprehensive income carried forward to retained earnings	31														
(6) Others	32					390,275,347.50							390,275,347.50	-85,600,041.24	304,675,306.26
IV. Closing balance in the current year	33	850,000,000.00				18,038,396,214.54		412,033,804.28	17,890,533.40	280,645,102.92	2,612,935.61	1,164,097,460.66	20,765,676,051.41	15,643,590,019.79	36,409,266,071.20

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Parent Company's Statement of Changes in Owners' Equity

FY 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd.

Currency: RMB Yuan

Item	Line	Current year amount										
		Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
			Preference shares	Perpetual bonds	Others							
Column	—	1	2	3	4	5	6	7	8	9	10	11
I. Closing balance in the prior year	1	850,000,000.00				17,739,302,763.60		95,770,234.45		280,645,102.92	191,798,676.71	19,157,516,777.68
Add: Changes in accounting policies	2											
Correction of prior-period errors	3											
Others	4											
II. Opening balance in the current year	5	850,000,000.00				17,739,302,763.60		95,770,234.45		280,645,102.92	191,798,676.71	19,157,516,777.68
III. Increase or decrease in the current year ("-" for decrease)	6					28,566,740.20		1,434,208,488.63			-282,832,396.44	1,179,942,832.39
1. Total comprehensive income	7							1,434,208,488.63			-223,859,796.44	1,210,348,692.19
2. Owners' inputs and decreases in capital	8					28,566,740.20						28,566,740.20
(1) Ordinary shares invested by owners	9											
(2) Other equity instrument holder's investment	10											
(3) Amount of share-based payments included in owner's equity	11											
(4) Others	12					28,566,740.20						28,566,740.20
3. Withdrawal and use of special reserve	13											
(1) Withdrawal of special reserve	14											
(2) Use of special reserve	15											
4. Profit distribution	16										-58,972,600.00	-58,972,600.00
(1) Withdrawal of surplus reserve	17											
Including: Statutory surplus reserve	18											
Discretionary surplus reserve	19											
#Reserve funds	20											
#Enterprise development funds	21											
#Profits returned to investment	22											
(2) Distribution to owners	23										-58,972,600.00	-58,972,600.00
(3) Others	24											
5. Internal carry forward of owners' equity	25											
(1) Transfer of capital reserve to capital	26											
(2) Transfer of surplus reserve to capital	27											
(3) Recover of loss by surplus reserve	28											
(4) Changes in defined benefit plans carried forward to retained earnings	29											
(5) Other comprehensive income carried forward to retained earnings	30											
(6) Others	31											
IV. Closing balance in the current year	32	850,000,000.00				17,767,869,503.80		1,529,978,723.08		280,645,102.92	-91,033,719.73	20,337,459,610.07

Legal Representative: Chief Financial Officer: Head of Accounting Department:

&"Times New Roman" 11

Parent Company's Statement of Changes in Owners' Equity (Continued)

FY 2024

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Line	Prior year amount										
		Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
			Preference shares	Perpetual bonds	Others							
Column	—	12	13	14	15	16	17	18	19	20	21	22
I. Closing balance in the prior year	1	850,000,000.00				17,728,302,763.60		95,770,234.45		280,645,102.92	346,162,308.82	19,300,880,409.79
Add: Changes in accounting policies	2											
Correction of prior-period errors	3											
Others	4											
II. Opening balance in the current year	5	850,000,000.00				17,728,302,763.60		95,770,234.45		280,645,102.92	346,162,308.82	19,300,880,409.79
III. Increase or decrease in the current year ("-" for decrease)	6					11,000,000.00					-154,363,632.11	-143,363,632.11
1. Total comprehensive income	7										-100,244,532.11	-100,244,532.11
2. Owners' inputs and decreases in capital	8					11,000,000.00						11,000,000.00
(1) Ordinary shares invested by owners	9											
(2) Other equity instrument holder's investment	10											
(3) Amount of share-based payments included in owner's equity	11											
(4) Others	12					11,000,000.00						11,000,000.00
3. Withdrawal and use of special reserve	13											
(1) Withdrawal of special reserve	14											
(2) Use of special reserve	15											
4. Profit distribution	16										-54,119,100.00	-54,119,100.00
(1) Withdrawal of surplus reserve	17											
Including: Statutory surplus reserve	18											
Discretionary surplus reserve	19											
#Reserve funds	20											
#Enterprise development funds	21											
#Profits returned to investment	22											
(2) Distribution to owners	23										-54,119,100.00	-54,119,100.00
(3) Others	24											
5. Internal carry forward of owners' equity	25											
(1) Transfer of capital reserve to capital	26											
(2) Transfer of surplus reserve to capital	27											
(3) Recover of loss by surplus reserve	28											
(4) Changes in defined benefit plans carried forward to retained earnings	29											
(5) Other comprehensive income carried forward to retained earnings	30											
(6) Others	31											
IV. Closing balance in the current year	32	850,000,000.00				17,739,302,763.60		95,770,234.45		280,645,102.92	191,798,676.71	19,157,516,777.68

Legal Representative: Chief Financial Officer: Head of Accounting Department:

I. The Company's profile

1. Corporate history, registration place, organizational form, and headquarters address

Mianyang Investment Holding (Group) Co., Ltd. (hereinafter referred to as "Mianyang Investment Group" or "the Company", collectively referred to as "the Group" when including subsidiaries) is a state-owned holding limited liability company, formerly known as Mianyang Xindali Assets Management Co., Ltd., established in 1999. The Company's unified social credit code is 91510700709196960H with the registered capital of RMB 850 million. The legal representative is Xiao Lin, and the registered address is Construction Building, No. 76 of Fucheng Road, Fucheng District, Mianyang City, Sichuan Province.

Approved by the Mianyang Municipal People's Government on May 17th, 1999 (*Mianyang Municipal People's Government Letter (1999) No. 35*), State-owned Assets Supervision and Administration Commission of Mianyang Municipal Government (hereinafter referred to as "Mianyang SASAC") has the net state-owned assets of four units as of December 31st, 1998, including the Mianyang Nanjiao Airport Administration, Mianyang City Water Supply Corporation No. 3 Water Plant, Mianyang Fuleshan International Hotel, and Mianyang Mianzhou Hotel Co., Ltd., invested and established Sichuan Province Mianyang Xindali Assets Management Co. Ltd. with the registered capital of RMB 200 million. The capital contribution was verified by Sichuan Zhongping Certified Public Accountants Co., Ltd. in the *Capital Verification Report No. 19 of Zhongping Inspection (99)*.

In August 2000, the Company's name was changed to Mianyang Investment Holding (Group) Co., Ltd.

In July 2006, according to the Mianyang Municipal Committee of the CPC's *Opinions of the Mianyang Municipal Committee of the CPC and the Mianyang Municipal People's Government on Innovating the Government's Investment and Financing System (Mianweifa [2006] No. 11)*, and the *Reply of the Mianyang Municipal People's Government on the Approval of Mianyang City Investment Holding (Group) Co., Ltd. to Hold the State-owned Shares of Mianyang Fuda Asset Management Co., Ltd. and Mianyang High-grade Highway Development Co., Ltd. (Mianfu Letter [2006] No. 127)* issued by the Mianyang Municipal People's Government, the Mianyang SASAC increased the registered capital by RMB 650 million from the equity held in Mianyang Fuda Asset Management Co., Ltd. and Mianyang High-grade Highway Development Co., Ltd. After this capital increase, the Company's registered capital was increased to RMB 850 million. The capital increase was verified by Sichuan Zhongxin Certified Public Accountants Co., Ltd., which issued *Chuan Zhongxin Verification [2006] No. 1224 Capital Verification Report*.

In December 2008, in accordance with the *Approval of the Mianyang Municipal People's Government on the Spin-off of Mianyang High-grade Highway Development Co., Ltd. (Mianfu Letter [2008] No. 289)*, the Company transferred out the RMB 600 million equity investment held in Mianyang High-grade Highway Development Co., Ltd., and transferred the capital reserve of RMB 600 million formed by the land use rights of the Chengnan New District allocated by the Mianyang Municipal People's Government in 2007 to the share capital. After this change, the Company's registered capital is still RMB 850 million.

In June 2014, according to the Mianyang SASAC's *Approval on the Transfer of State-owned Equity of Mianyang Education Investment Development Co., Ltd. to Mianyang Investment Holding (Group) Co., Ltd. at Nil Consideration (Mianguo Assets [2014] No. 31)*, Mianyang SASAC transferred its 100% equity of Mianyang Education Investment Development Co., Ltd. (now known as "Mianyang Talent Development Group Co., Ltd") to the Company at nil consideration.

In November 2019, according to the requirements of the *Notice on Optimizing and Reorganizing State-owned Assets to Promote the Reform and Development of Municipal State-owned Enterprises (Mianwei Office [2019] No. 138)* issued by the Office of Mianyang Municipal Committee of the CPC and the Office of Mianyang Municipal People's Government, the 100% equity of Mianyang Communications Development Group Co., Ltd. held by the Mianyang SASAC was transferred to the Company at nil consideration.

In June 2020, according to the requirements of the *Notice on Optimizing and Reorganizing State-owned Assets to Promote the Reform and Development of Municipal State-owned Enterprises (Mianwei Office [2019] No. 138)* issued by the Office of Mianyang Municipal Committee of the CPC and the Office of Mianyang Municipal People's Government, Mianyang SASAC transferred 100% of the equity held in Mianyang Grain and Oil Group Co., Ltd. to the Company at nil consideration.

In December 2020, according to the *Notice on Printing and Distributing the Implementation Plan for the Transfer of Part of the State-owned Capital in Sichuan Province to Enrich the Social Security Fund (Chuan Fu Fa [2019] No. 9)* issued by the People's Government of Sichuan Province, the *Notice on Transference of Partial State-owned Capital of State-owned Enterprises in Cities and Counties to Enlarge Social Security Fund (the First Batch) (Chuan Cai Zi [2020] No. 95)* issued by the Sichuan Provincial Finance Department, Department of Human Resources and Social Security of Sichuan Province, and Sichuan SASAC, and the *Notice on Transference of Partial State-owned Capital of State-owned Enterprises to Enlarge Social Security Fund (the First Batch)* issued by Mianyang Municipal Finance Department, Bureau of Human Resources and Social Security of Mianyang City, and Mianyang SASAC, Mianyang SASAC transferred its 10% equity of the Company to Sichuan Provincial

Finance Department at nil consideration. After the share transfer, the registered capital of the Company is still RMB 850 million, of which the Mianyang SASAC contributes RMB 765 million (accounting for 90% of the registered capital), and the Sichuan Provincial Finance Department contributes RMB 85 million (accounting for 10% of the registered capital).

2. The business nature and main business activities of the enterprise

The Company's business scope: Investment in projects within the scope permitted by the national industrial policy; investment and construction of urban infrastructure, real estate development, commercial housing sales, rental properties, real estate information consultation, estate management, land consolidation, tourism and cultural creative project development, hotel management service and related supporting business, rental of mechanical equipment, new energy development, pension services, general freight and warehousing services, import and export of goods, providing investment management services to the medical industry, E-commerce platform development and use of the Internet to engage in goods sales (for projects subject to approval according to law, business activities can be carried out only with the approval of relevant departments).

The main business segments of the Group are infrastructure construction, commodity sales, land consolidation, education investment, transportation, real estate development, water supply and drainage, grain and oil reserves, hotel operation, and other businesses.

3. The parent company (controlling shareholder) and actual controller

The controlling shareholder of the Company: Mianyang State-owned Assets Supervision and Administration Commission.

The actual controller of the Company and the Group: Mianyang State-owned Assets Supervision and Administration Commission.

4. Business term

The business term of the Company is from May 17th, 1999, to permanent.

II. Basis for preparation of financial statements

The Group’s financial statements have been prepared on a going concern basis and based on actual transactions and events, in accordance with *Accounting Standards for Business Enterprises* and other related regulations issued by the Ministry of Finance, and the accounting policies and estimates as stated in “Note IV. Significant accounting policies and accounting estimates”.

III. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of *Accounting Standards for Business Enterprises* and present truly and completely the financial position, operating results, cash flows, and other relevant information of the Company and the Group.

IV. Significant accounting policies and accounting estimates

1. Accounting period

The accounting period of the Group is from January 1st to December 31st of each calendar year.

2. Functional currency

The financial statements are presented in Renminbi("RMB"), which is also the functional currency of the Group.

3. Accounting basis and pricing principle

The accounting of the Group is on the accrual basis. The Group generally adopts historical cost when measuring accounting elements. When the determined amount of accounting elements meets the requirements of *Accounting Standards for Business Enterprises* and can be obtained and reliably measured, it can be measured by replacement cost, net realizable value, present value, and fair value.

4. Business combination

The Group, as a merger, acquires its assets and liabilities acquired in a business combination under the common control and are measured at their book values on the consolidated financial statements of the ultimate controlling shareholder at the combination date. The difference between the book value of the net assets acquired and the book value of the consideration paid is adjusted against capital reserves. Any excess over capital reserves is adjusted against retained earnings.

The identifiable assets, liabilities, and contingent liabilities of the acquiree acquired in a business combination not under the common control are measured at fair value on the acquisition date. The combination cost is the fair value of the cash or non-cash assets, the issued or assumed liabilities, the issued equity securities etc., which are paid by the Group on the acquisition date to obtain control of the acquiree, and the sum of the direct related expenses in the business combination (the business combination achieved through multiple transactions in a step-by-step manner, the combination cost is the sum of the cost of each individual transaction). As for the difference between the combination cost and the fair value of the identifiable net assets obtained in the combination, if the combination cost is greater than the fair value of the acquiree's identifiable net assets, the difference is recognized as

goodwill; if the combination cost is less than the fair value of the acquiree's identifiable net assets acquired in the combination, the fair value of the identifiable assets, liabilities or contingent liabilities, and the non-cash assets or the issued equity securities, etc., shall be reviewed first. After the review, if the combination cost is still less than the acquiree's identifiable net assets, the difference shall be included in non-operating income for the period of the combination.

5. Preparation of consolidated financial statements

(1) Principles for determining the scope of consolidated financial statements

The Group incorporates all controlled subsidiaries and structured entities into the scope of the consolidated financial statements.

(2) Principles, procedures, and methods for the preparation of consolidated financial statements

In the preparation of the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiaries and the Company are inconsistent, the necessary adjustments shall be made to the financial statements of the subsidiaries in accordance with the accounting policies or accounting periods of the Company.

All major internal transactions, current balances, and unrealized profits within the scope of consolidation are eliminated in the preparation of the consolidated statements. The share of a subsidiary's owner's equity that is not attributable to the parent company and the portion of the current net profit or loss, other comprehensive incomes and total comprehensive incomes attributable to non-controlling interests were respectively disclosed in the consolidated financial statements under the headings "non-controlling interests, gains or losses on non-controlling interests, other comprehensive income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests".

For subsidiaries acquired under common control, the operating results and cash flows are included in the consolidated financial statements from the beginning of the period of the combination. When compiling the comparative consolidated financial statements, the relevant items of the financial statements of the previous year are adjusted as if the reporting entity formed after the merger had existed since the time when the ultimate controlling party began to control.

Where the equity of the investee under the common control is acquired step by step through multiple transactions and the business combination is finally formed, it shall, in the reporting period of the acquisition of the control, make supplementary disclosure of the treatment method in the consolidated financial statements. For example, the equity of the

investee under the common control is acquired through multiple transactions in stages, which eventually form a business combination. When preparing the consolidated financial statements, the equity is adjusted as if it existed in its present state at the time when the ultimate controlling party commenced control, and in preparing the comparative statements, the relevant assets and liabilities of the merged party are consolidated in the comparative statements of the Group's consolidated financial statements to the extent that it is no earlier than the point at which the Group and the merged party are both under the control of the ultimate controlling party, and the related items under owners' equity are adjusted in the comparative statements for the increase in net assets resulting from the combination. In order to avoid double counting of the value of the merged party's net assets, the Group's long-term equity investments held prior to reaching consolidation and the recognized gains and losses, other comprehensive income and other changes in net assets between the combination date and the later of the date of acquisition of the original equity and the date when the Group and the merged party are under the ultimate control of the same party shall be offset against opening retained earnings and profit or loss, respectively, in the comparative statements' period.

For subsidiaries acquired through business combinations not under the common control, the operating results and cash flows are included in the consolidated financial statements from the date when the Group obtains control. In preparing the consolidated financial statements, the financial statements of the subsidiaries are adjusted based on the fair values of the identifiable assets, liabilities, and contingent liabilities determined on the acquisition date.

Where the equity of the investee is not under the common control and is acquired step by step through multiple transactions, and the business combination is finally formed, it shall, in the reporting period of the acquisition of the control, make supplementary disclosure of the treatment method in the consolidated financial statements. For example, the Group acquires the equity of the investee not under the common control step by step through multiple transactions, which finally form a business combination. When preparing the consolidated statements, the acquiree's equity held before the purchase date shall be re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and the book value shall be recorded in the current investment income. If the acquiree's equity held before the relevant purchase date involves other comprehensive income under the equity method and changes in the owner's equity other than net profit and loss, other comprehensive income and profit distribution, they shall be transferred to investment profit and loss in the current period to which the purchase date belongs. However, other comprehensive income arising from changes in net liabilities or net assets of the defined benefit plan re-measured by the investee shall be excluded.

The Group partially disposes of long-term equity investments in subsidiaries without losing control. In the consolidated financial statements, the difference between the disposal price and the share of net assets continuously calculated by the subsidiaries since the purchase date or the combination date corresponding to the long-term equity investments disposed of shall be adjusted to the capital premium or share capital premium. If the capital reserve is insufficient to be written down, the retained earnings shall be adjusted.

If the Group loses control of the investee due to the disposal of part of the equity investment and other reasons, when preparing the consolidated financial statements, the remaining equity shall be re-measured according to its fair value on the day of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the share of the original subsidiary's net assets which should be continuously calculated since the purchase date or the combination date according to the original shareholding ratio, shall be included in the investment profit and loss for the period of loss of control, and the goodwill shall be written off at the same time. Other comprehensive income related to the equity investment of the original subsidiary shall be converted into the current investment profit and loss when control is lost.

When the Group loses control of a subsidiary by disposing of its long-term equity investment in the subsidiary through multiple transactions in stages, if each of the transactions that disposes of the equity investment in the subsidiary until loss of control belongs to a package deal, each transaction is accounted for as a single transaction that disposes of the subsidiary until loss of control. However, in the consolidated financial statements, the difference between the disposal price and the share of the subsidiary’s net assets corresponding to the investment disposed of in each disposal prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss for the period when the control is lost.

6. Classification of joint arrangements and accounting treatment of joint operations

Joint arrangements include joint operations and joint ventures. For joint operating projects, the Group recognizes the assets held separately and the liabilities assumed as joint operators in the joint operation, and recognizes the assets held and the liabilities assumed on a share basis, and recognizes the relevant income and expenses on its own or on a share basis according to the relevant agreements. In the case of transactions in which the joint operation occurs in the purchase or sale of assets that do not constitute a business, only the portion of the profit or loss arising from the transaction that is attributable to other parties to the joint operation is recognized.

7. Criteria for determining cash and cash equivalents

Cash in the cash flow statement represents cash on hand and deposits that could be readily withdrawn on demand. Cash equivalents in the cash flow statement represent investments held for no more than 3 months, highly liquid, easily converted into known amounts of cash, and with insignificant risk of change in value.

8. Foreign currency operations and translation of foreign currency financial statements

(1) Foreign currency transactions

The foreign currency transactions of the Group are translated into RMB amounts at the spot exchange rate on the transaction date. On the balance sheet date, foreign currency monetary items are translated into RMB at the spot exchange rate on that day and the resulting exchange difference is included in the current profit and loss, except for the exchange difference arising from the foreign currency special borrowings borrowed for the acquisition, construction or production of assets eligible for capitalization, which shall be treated in accordance with the principle of capitalization.

(2) Translation of foreign currency financial statements

The assets and liabilities on the foreign currency balance sheet are translated at the spot exchange rate on the balance sheet date; the owner's equity items are translated at the spot exchange rate at the time of business occurrence, except for “undistributed profits”; income and expense items in the income statement are converted at the spot exchange rate on the transaction date. The foreign currency statement translation difference arising from the above conversion is listed as “other comprehensive income” items under owners’ equity. Foreign currency cash flows are translated at the spot exchange rate on the date the cash flows occur. The amount of impact of exchange rate changes on cash is presented separately in the cash flow statement.

9. Financial assets and financial liabilities

(1) Financial assets

1) Classification, recognition, and measurement of financial assets

The classification of financial assets is generally based on the business model in which financial assets are managed and the contractual cash flow characteristics. On initial recognition, a financial asset of the Group is classified as measured at amortised cost, at fair value through other comprehensive income (“FVOCI”), or at fair value through profit or loss (“FVTPL”).

The Group classifies financial assets that meet the following criteria as financial assets measured at amortized cost: ① The business model for managing such financial assets is to collect the contractual cash flows. ② The contractual terms of the financial assets provide

that the cash flows arising on a specified date are solely payments of principal and interest on the principal amount outstanding. Such financial assets are initially measured at fair value, with the associated transaction costs included in the initial recognition amounts. They are subsequently measured at amortized costs. Except for those designated as hedged items, the difference between the initial amount and the amount due under the effective interest method, and amortization, impairment, exchange gains and losses, and gains or losses arising from derecognition shall be included in the profit or loss of the current period.

The Group classifies financial assets that meet the following criteria as financial assets measured at fair value through other comprehensive income: ① The business model for managing such financial assets is both to collect the contractual cash flows and to sell the financial assets. ② The contractual terms of the financial assets provide that the cash flows arising on a specified date are solely payments of principal and interest on the principal amount outstanding. Such financial assets are initially measured at fair value, with the associated transaction costs included in the initial recognition amounts. Except for those designated as hedged items, other gains or losses arising from such financial assets, except for credit impairment losses or gains, exchange gains and losses and the interest of such financial assets calculated according to the effective interest method, shall be included in other comprehensive income; when a financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in the current profits and losses.

The Group recognizes interest income in accordance with the effective interest method. Interest income is calculated and determined by multiplying the book balance of financial assets by the effective interest rate, except for the following circumstances: ① For the financial assets purchased or generated with credit impairment, the interest income shall be calculated and determined according to the amortized cost of the financial assets and the effective interest rate adjusted by credit from the initial recognition. ②For the financial assets purchased or generated without credit impairment but with credit impairment in the subsequent period, the interest income shall be calculated and determined according to the amortized cost and effective interest rate of the financial assets in the subsequent period.

The Group designates investments in non-trading equity instruments as financial assets measured at fair value through other comprehensive income. Once the designation is made, it cannot be revoked. Investments in non-trading equity instruments that are designated as at fair value through other comprehensive income are initially recognised at fair value, with the related transaction costs included in the initial recognition amounts. Except that dividends (except those belonging to the recovery part of investment costs) are included in the current profits and losses, other relevant gains and losses (including exchange gains and losses) are

included in other comprehensive income, and shall not be transferred into the current profits and losses in the subsequent period. When they are derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

For financial assets other than the above categories: financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the Group classifies them as financial assets at fair value through profit or loss. Such financial assets are initially recognised at fair value, and the related transaction costs are charged to profit or loss. The gains or losses of such financial assets shall be included in the current profits and losses.

A financial asset resulting from contingent consideration recognized by the Group in the business combination not under common control is classified as a financial asset at fair value through profit or loss.

2) Recognition basis and measurement method of financial asset transfer

The Group derecognizes a financial asset if it meets one of the following conditions: ① The contractual right to receive the cash flow of the financial asset shall terminate; ② When the financial asset is transferred, the Group transfers almost all the risks and rewards of the ownership of the financial asset; ③ When the financial asset has been transferred, the Group has neither transferred nor retained almost all the risks and rewards of the ownership of the financial asset and has given up its control over the financial asset.

If the overall transfer of financial assets satisfies the conditions for derecognition, the difference between the book value of the transferred financial assets and the sum of the consideration received for transfer and the amount corresponding to the derecognized part in the cumulative amount of changes in fair value previously included in other comprehensive income directly (the contractual terms of the financial assets involved in the transfer stipulate that the cash flow generated on a specific date is solely payment of principal and interest on the principal amount outstanding) are included in the profit or loss for the current period.

If a partial transfer of a financial asset satisfies the conditions for derecognition, the whole book value of the transferred financial asset is apportioned between the derecognized portion and the non-derecognized portion according to their respective relative fair values. The difference between the sum of the consideration received for the transfer and the cumulative amount of changes in fair value previously recognized in other comprehensive income corresponding to the derecognized portion that shall be apportioned to the derecognized portion (the contractual terms of the financial asset involved in the transfer provide that the cash flows arising on a specific date are only payments of principal and

interest on the principal amount outstanding), and the above apportioned book value of the financial asset is recognized in profit or loss.

3) Expected credit loss

a. Scope of application

The Group accounts for impairment and recognises loss allowances based on expected credit loss (ECL) on: ① debt investments; ② lease receivables; ③ contract assets; ④ accounts receivable; ⑤ financial guarantee contracts, etc.

b. Determination method and accounting treatment of expected credit loss

Expected credit loss refers to the weighted average of credit loss of financial instruments with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., the present value of all cash shortfalls), discounted at the original effective interest rate.

For the following items, the Group always measures its loss allowances according to the amount equivalent to the expected credit loss over the whole duration: ① The transactions regulated by *Accounting Standards for Business Enterprises No. 14—Revenue* form a provision for the loss of receivables or contract assets; ② Lease receivables.

Except for the above items, the Group measures the loss allowances for other items according to the following circumstances: ① For financial assets with no significant increase in credit risk since initial recognition, the Group measures the loss allowance according to 12-month expected credit losses. ② For financial assets with a significant increase in credit risk since the initial recognition, the Group measures the loss allowance according to the amount equivalent to the expected credit loss of the financial instruments over the whole duration. ③ For the financial assets purchased or generated with credit impairment, the Group measures the loss allowance according to the amount equivalent to the expected credit loss over the whole duration.

Judgment on whether the credit risk has increased significantly since initial recognition. The Group determines whether the credit risk of financial instruments has increased significantly by comparing the default probability within the expected duration determined for the financial instruments at the initial recognition with the default probability within the expected duration determined for the instruments at the balance sheet date. However, if the Group determines that the financial instruments have only low credit risk on the balance sheet date, it can be assumed that the credit risk of the financial instruments has not increased significantly since initial recognition.

Portfolio-based assessment. For accounts receivable, the Group cannot obtain sufficient evidence of a significant increase in credit risk at a reasonable cost at the level of a single instrument. But it is feasible to evaluate whether the credit risk increases significantly on the portfolio-based assessment. Therefore, the Group grouped the financial instruments according to the common risk characteristics such as the type of financial instruments/credit risk rating / collateral type / initial recognition date / remaining contract term/industry of the borrower / geographical location of the borrower/loan mortgage rate, and considered whether the credit risk increased significantly on the basis of the combination.

Measurement of expected credit loss. ① For debt investments, the credit loss is the present value of the difference between the contractual cash flow to be received by the Group and the expected cash flows to be received. ② For lease receivables, the credit loss is the present value of the difference between the contractual cash flow to be received by the Group and the expected cash flow to be received. Among them, the cash flow used to determine the expected credit loss is consistent with the cash flow used by the Group to measure lease receivables in accordance with the Lease Standards.

(2) Financial liabilities

1) Classification, recognition, and measurement of financial liabilities

Except for the following items, the Group classifies financial liabilities as financial liabilities measured at amortized cost: ① Financial liabilities at fair value through profit or loss, including financial liabilities held for trading (including derivatives belonging to financial liabilities) and financial liabilities designated as at fair value through profit or loss. ② Financial liabilities resulting from the transfer of financial assets that do not meet the conditions for derecognition or from the continuing involvement in the transferred financial assets. ③ Financial guarantee contracts that do not fall under the circumstances of ① or ② above, and loan commitments to lend at a rate lower than the market interest rate that do not fall under the circumstances of ① above.

If the Group forms financial liabilities from the contingent consideration recognized as the purchaser in the business combination not under the common control, it shall be measured at fair value, and the changes shall be included in the current profit and loss for accounting treatment.

2) Criteria for derecognition of financial liabilities

The financial liability or part of it can be terminated if all or part of the current obligation of the financial liability has been discharged. If the Group and the creditor sign an agreement to replace the existing financial liabilities with new financial liabilities, and the contractual terms of the new financial liabilities and the existing financial liabilities are substantially

different, the existing financial liabilities are derecognized, and the new financial liabilities are recognized. If the Group makes a material modification to all or part of the contractual terms of the existing financial liabilities, it shall derecognize the existing financial liabilities or part thereof, and at the same time, the financial liabilities after the modification of contractual terms shall be recognized as a new financial liability. The difference between the book value of the part of derecognition and the consideration paid shall be recorded in the current profit or loss.

(3) Method for determining the fair value of financial assets and financial liabilities

The Group measures the fair value of financial assets and financial liabilities at the principal market price. If there is no principal market, the fair value of financial assets and financial liabilities is measured at the price of the most advantageous market. The valuation techniques applicable at that time and supported by sufficient available data and other information are adopted. The input values used in fair value measurement are categorized into three levels: The Level 1 inputs are the quoted prices (unadjusted) in active markets for identical assets or liabilities available at the measurement date; The Level 2 inputs are inputs that are observable for the related asset or liability, either directly or indirectly, other than the Level 1 inputs; The Level 3 inputs are unobservable inputs for the related asset or liability. The Group gives priority to the Level 1 inputs and finally uses the Level 3 inputs.

The Group's investment in equity instruments is measured at fair value. However, in limited circumstances, if the recent information used to determine the fair value is insufficient, or the possible estimated amount of the fair value is widely distributed, and the cost represents the best estimate of the fair value within this range, the cost can represent its appropriate estimate of the fair value within this distribution range.

(4) Offset of financial assets and financial liabilities

The financial assets and financial liabilities of the Group are shown separately on the balance sheet and do not offset each other. However, when the following conditions are met at the same time, the net amount after offsetting shall be shown on the balance sheet: 1) The Group has the legal right to offset the recognized amount and such legal right is currently enforceable; 2) The Group plans to settle on a net basis or realize the financial assets and liquidate the financial liabilities at the same time.

(5) Distinction between financial liabilities and equity instruments and the relevant treatment method

The Group distinguishes between financial liabilities and equity instruments in accordance with the following principles: 1) If the Group cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, the contractual

obligation meets the definition of a financial liability. Although some financial instruments do not explicitly contain terms and conditions for the obligation to deliver cash or other financial assets, they may indirectly form contractual obligations through other terms and conditions. 2) If a financial instrument must or may be settled with the Group's own equity instrument, it is necessary to consider whether the Group's own equity instrument used to settle the instrument is to be used as a substitute for cash or other financial assets or to give the holder of the instrument a residual interest in the assets of the issuer after deducting all liabilities. If the former, the instrument is the financial liability of the issuer; if the latter, the instrument is an equity instrument of the issuer. In some cases, a financial instrument contract requires the Group must or may settle the financial instrument with its own equity instrument, where the amount of contractual rights or obligations is equal to the number of its equity instrument available or to be delivered multiplied by its fair value at the time of settlement, whether the amount of the rights or obligations under the contract is fixed, or changes in all or in part with variables other than the market price of the Group's own equity instrument (such as interest rate, the price of a good or the price of a financial instrument), the contract is classified as a financial liability.

When the Group classifies financial instruments (or their constituent parts) in the consolidated statements, all terms and conditions agreed between group members and holders of financial instruments are considered. The instrument shall be classified as a financial liability if the Group as a whole undertakes, as a result of the instrument, to deliver cash, other financial assets, or to settle accounts in other ways that cause the instrument to become a financial liability.

A financial instrument or part thereof is a financial liability, relevant interest, dividends, gain or loss, and gain or loss from redemption or refinancing, etc., are recognized by the Group in the current profit or loss.

A financial instrument or part thereof is an equity instrument; its issues (including refinancing), buy-back, sales, or write-off are treated by the Group as a change in equity, and the change in the fair value of equity instruments is not recognized.

10. Bad debt provision for receivables

For receivables without major financing components (including contract assets), the Group measures the loss allowance according to the amount equivalent to the expected credit loss over the whole duration; For receivables (including contract assets) and lease receivables with significant financing components, the Group chooses to always measure the loss allowance according to the amount equivalent to the expected credit loss over the duration.

For other receivables, the Group adopts the amount equivalent to the expected credit loss in the next 12 months or the whole duration to measure the impairment loss, based on whether the credit risk has increased significantly since the initial recognition. The Group measures the loss allowance of other receivables according to the following circumstances: ① For financial assets with no significant increase in credit risk since initial recognition, the Group measures the loss allowance according to 12-month expected credit losses. ② For financial assets with a significant increase in credit risk since the initial recognition, the Group measures the loss allowance according to the amount equivalent to the expected credit loss of the financial instrument over the whole duration. ③ For the financial assets purchased or generated with credit impairment, the Group measures the loss allowance according to the amount equivalent to the expected credit loss over the whole duration.

In addition to the receivables that are individually assessed for credit risk, the Group divides them into different combinations based on their credit risk characteristics. On the basis of grouping, the Group considers the elements that should be reflected in the measurement method of expected credit loss, refers to the experience of historical credit loss, prepares the comparison table between the aging and fixed reserve rate of receivables as follows, and calculates the expected credit loss on this basis.

Determine the basis of the combination	
Transactions between units within the Group	Current accounts between subsidiaries (sub-companies) included in the Group's consolidated statements
Aging Portfolio 1	Divide portfolios according to the credit risk characteristics of account aging - Integrated business section
Aging Portfolio 2	Divide portfolios according to the credit risk characteristics of account aging - Water business section
Aging portfolio 3	Divide portfolios according to the credit risk characteristics of account aging - Transportation business section
Aging portfolio 4	Divide portfolios according to the credit risk characteristics of account aging - Grain and oil business sector
Method of accruing bad debt provision by combination	
Transactions between units within the Group	The expected credit loss rate is 0
Aging Portfolio 1	Provision for bad debts based on aging analysis method
Aging portfolio 2	Provision for bad debts based on aging analysis method
Aging portfolio 3	Provision for bad debts based on aging analysis method
Aging portfolio 4	Provision for bad debts based on aging analysis method

(1) The proportion of provision for bad debts of receivables using the aging analysis portfolio 1 is as follows:

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (inclusive)	0.5	0.5

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
1-2 years (inclusive)	10	10
2-3 years (inclusive)	20	20
3-4 years (inclusive)	50	50
4-5 years (inclusive)	50	50
More than 5 years	100	100

(2) The proportion of provision for bad debts of receivables using the aging analysis portfolio 2 is as follows:

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (inclusive)	0.5	0.5
1-2 years (inclusive)	30	30
2-3 years (inclusive)	80	80
More than 3 years	100	100

(3) The proportion of provision for bad debts of receivables using the aging analysis portfolio 3 is as follows:

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (inclusive)	1	1
1-2 years (inclusive)	5	5
2-3 years (inclusive)	10	10
3-4 years (inclusive)	20	20
4-5 years (inclusive)	30	30
More than 5 years	50	50

(4) The proportion of provision for bad debts of receivables using the aging analysis portfolio 4 is as follows:

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (inclusive)	5	5
1-2 years (inclusive)	10	10
2-3 years (inclusive)	50	50
More than 3 years	100	100

11. Inventories

The Group's inventory mainly includes contract performance costs (refer to "Note IV. 26. Contract costs" for details), development products, development costs, goods in stock, raw materials, low-value consumables, etc.

The Group maintains a perpetual inventory system. The inventories are priced at the actual cost when obtained, and the actual cost is determined using the weighted average method when the inventory is claimed or issued. Low-value consumables and packaging are amortized using the one-off write-off method.

The inventory at the end of the period is valued on the basis of the lower of cost and net realizable value. For reasons such as damage to the inventory, complete or partial obsolescence, or sales price lower than cost, the part of the cost that is not expected to be recovered is provided for inventory depreciation.

The net realizable value of the inventory of goods that are directly used for sale, such as development products, goods in stock, and materials for sale, is determined by the estimated selling price of the inventory minus estimated selling expenses and related taxes. The net realizable value of the inventory held for production is determined by the estimated selling price of the finished product produced minus the estimated cost to be incurred until completion, estimated selling expenses, and related taxes.

12. Long-term equity investments

Long-term equity investments include investments in subsidiaries and investments in associates / joint ventures.

The Group's judgment on joint control is based on the collective control of the arrangement by all participants or a combination of participants, and the policies of relevant activities of the arrangement must be unanimously agreed upon by the participants who collectively control the arrangement.

When the Group, directly or indirectly through its subsidiaries, owns more than 20% but less than 50% of the voting rights of the investee, it is usually presumed to have significant influence on the investee. If the Group holds less than 20% of the voting rights of the investee, it is also necessary to comprehensively consider the facts and circumstances to make a judgment that it has significant influence on the investee, such as sending representatives to the board of directors or similar authorities of the investee, participating in the formulation procedures of financial and business policies of the investee, material transactions with the investee, sending managerial personnel to the investee, or providing essential technical information to the investee.

If the Group can control the investee, the investee is a subsidiary of the Group. For the long-term equity investment obtained through a business combination under the common

control, on the combination date, the share of the book value of the net assets of the merged party in the consolidated statements of the ultimate controlling party shall be taken as the initial investment cost of the long-term equity investment. If the book value of the merged party's net assets on the combination date is negative, the cost of the long-term equity investment shall be determined at zero.

If the Group obtains the equity of the investee under the common control step by step through multiple transactions, which eventually form a business combination, and the transactions belong to a package deal, the Group treats each transaction as a single transaction to obtain control. If the transactions do not belong to a package deal, on the combination date, the share of the book value of the merged party's net assets in the ultimate controlling party's consolidated financial statements after the combination shall be regarded as the initial investment cost of the long-term equity investment. The capital reserve shall be adjusted based on the difference between the initial investment cost and the sum of the book value of the long-term equity investment before reaching the combination and the book value of the newly paid consideration for further obtaining the shares on the combination date. If the capital reserve is insufficient to offset, the retained earnings shall be offset.

For the long-term equity investment obtained through a business combination not under the common control, the combination cost shall be taken as the initial investment cost.

If the Group obtains the equity of the investee not under the common control step by step through multiple transactions, which eventually form a business combination, and the transactions belong to a package deal, the Group treats each transaction as a single transaction to obtain control. If the transactions do not belong to a package deal, the sum of the book value of the originally held equity investment plus the additional investment cost shall be regarded as the initial investment cost calculated according to the cost method. If the equity held before the purchase date is accounted for by the equity method, the relevant other comprehensive income previously accounted for by the equity method will not be adjusted temporarily. When disposing of the investment, the accounting treatment shall be carried out on the same basis as the direct disposal of relevant assets or liabilities by the investee. If the equity held before the purchase date is a financial asset designated as at fair value through other comprehensive income, the accumulated gains or losses of the equity originally included in other comprehensive income shall be transferred out of other comprehensive income and reclassified in retained earnings. If it is a financial asset at fair value through profit or loss, the gains or losses of the equity originally included in the profits and losses of changes in fair value do not need to be transferred to investment income. If the equity held before the purchase date is an investment in other equity instruments, the

changes in the fair value of the equity instrument investment accumulated in other comprehensive income before the purchase date are transferred to retained earnings.

Except for the above long-term equity investments obtained through business combinations, the investment cost of the long-term equity investment obtained by paying cash shall be recognised based on the actual purchase price paid. For the long-term equity investment obtained by issuing equity securities, the fair value of the issued equity securities shall be taken as the investment cost. The investment cost of the long-term equity investment invested by investors shall be recorded at the value agreed in the investment contract or agreement.

The Group adopts the cost method to account for the investment in subsidiaries and the equity method to account for the investment in joint ventures and associates.

For the long-term equity investment measured by the cost method in subsequent measurement, when an additional investment is made, the book value of the cost of the long-term equity investment shall be increased according to the fair value of the cost paid for the additional investment, including the related transaction costs. The cash dividends or profits declared to be distributed by the investee shall be recognized as the current investment income according to the amount to be shared.

The book value of the long-term equity investment measured by the equity method in subsequent measurement shall be adjusted for the change in the owner's equity of the investee. Among them, the share of the net profit and loss of the investee to which the Group is entitled is determined after adjusting the net profit of the investee based on the fair value of all identifiable assets of the investee at the time of obtaining the investment, according to the accounting policies and accounting periods of the Group, and offsetting the part of the profits and losses of internal transactions with associates and joint ventures attributable to the investor calculated according to the shareholding ratio.

Upon disposal of the long-term equity investment, the difference between the book value and the proceeds received should be recognised in current investment income. For the long-term equity investment accounted for by the equity method, the relevant other comprehensive income previously accounted for by the equity method shall be accounted for on the same basis as the investee’s direct disposal of relevant assets or liabilities when the equity method is terminated. Owner's equity recognized due to changes in owner's equity other than the investee’s net profit and loss, other comprehensive income, and profit distribution shall be fully transferred to the current investment income when the equity method is terminated.

If the joint control or significant influence on the investee is lost due to the disposal of part of the equity investment, the remaining equity after the disposal shall be accounted for according to the relevant provisions of the recognition and measurement standards of financial instruments. The difference between the fair value and book value of the remaining equity on the date of loss of joint control or loss of significant influence shall be included in the current profits and losses. When the equity method is terminated, other comprehensive income recognized for the original equity investment as a result of accounting treatment using the equity method shall be treated on the same basis as the investee's direct disposal of relevant assets or liabilities and carried forward in proportion. Owner's equity recognized due to changes in owner's equity other than the investee's net profit and loss, other comprehensive income, and profit distribution shall be transferred into the current investment income in proportion.

If the control over the investee is lost due to the disposal of part of the long-term equity investment, and the remaining equity after disposal can jointly control or exert significant influence on the investee, the accounting method should be changed to the equity method. The difference between the book value of the equity disposed of and the consideration for disposal is included in the investment income. The remaining equity is deemed to be adjusted by adopting the equity method at the time of acquisition. If the remaining equity after disposal cannot exercise joint control or exert significant influence on the investee, it shall be accounted for in accordance with the relevant provisions of the recognition and measurement standards of financial instruments. The difference between the book value of the equity disposed of and the consideration for disposal shall be included in the investment income, and the difference between the fair value and the book value of the remaining equity on the date of loss of control shall be included in the current profit and loss.

If the Group's transactions for step-by-step disposal of equity until loss of control do not belong to a package deal, each transaction shall be subject to accounting treatment separately. If they belong to a "package deal", each transaction shall be treated as a single transaction for the disposal of subsidiaries and loss of control. However, before losing control, the difference between the disposal price of each transaction and the book value of the long-term equity investment corresponding to the equity disposed of shall be recognized as other comprehensive income. When the control is lost, it will be transferred to the current profit and loss.

13. Investment properties

Investment properties include leased land use rights, land use rights held for transfer after appreciation, and leased buildings.

The Group's investment property is recorded at its cost. The cost of purchased investment property includes purchase price, relevant taxes, and other expenses directly attributable to the asset. The cost of self-built investment property comprises the necessary expenses incurred before the asset reaches the condition for intended use.

The Group adopts the fair value model for subsequent measurement of investment property. The investment property is not depreciated or amortized. The book value is adjusted based on the fair value of the investment property on the balance sheet date. The difference between fair value and the original book value is recognized in profit or loss for the current period. In the meantime, the Group will take into account the effects of deferred income tax or deferred tax liabilities.

When there is conclusive evidence that the use of property has changed, the Group converts the investment property to self-use property. The fair value of the investment property at the conversion date is taken as the book value of the self-use property. The difference between the fair value and the original book value is included in the current profit and loss.

When the self-use property or inventories are converted to investment property measured using the fair value model, the investment property is valued at the fair value on the date of conversion. If the fair value on the conversion date is less than the original book value, the difference is recognized in profit or loss for the current period; if the fair value is greater than the original book value, the difference shall be included in the owner's equity.

Investment property is derecognized when it is disposed of, or permanently withdrawn from use, and is not expected to obtain economic benefits from its disposal. Disposal income from the sale, transfer, retirement, or damage of investment property is charged to the current profit and loss after deducting its book value and related taxes.

The Group adopts the fair value model on the balance sheet date to conduct subsequent measurement of investment property, and its basis mainly includes:

(1) There is an active real estate trading market where investment property is located. The Group's investment property is mainly located in the core area of the city, and the real estate trading market is relatively active.

(2) The Group is able to obtain the market price and other relevant information of the same or similar real estate from the real estate trading market, so as to make a reasonable estimate of the fair value of the investment property. Through real estate market trading inquiry and other surveys, the Group can obtain the market price and other relevant information of the same or similar real estate from the real estate trading market. The fair

value of investment property can be obtained by employing professional appraisers with professional qualifications to reasonably evaluate the fair value of the investment property.

(3) The key assumptions and major uncertainties adopted by the Group in the estimation of the fair value of investment property are as follows:

Due to changes in the operating environment of the Group and the changing factors that affect the value of the assets, some assumptions must be established to make judgments on the value of the assets. They include general assumptions and special assumptions. General assumptions include going concern assumptions of the enterprise, trading assumptions, and open market assumptions. Special assumptions include:

1) Economic environment stability assumption: It is assumed that there is no significant change in the relevant prevailing laws, regulations, and policies of the country and the national macroeconomic situation after the evaluation of the benchmark date. There is no major change in the political, economic, and social environment of the regions where the parties to the transaction are located, and no other significant adverse effects from unpredictable and force majeure factors.

2) No major change assumptions: It is assumed that the country does not have major changes in interest rates, exchange rates, tax bases and tax rates, and policy-based fees.

3) No adverse impact assumptions: It is assumed that no other force majeure factors and unforeseen factors have a significant adverse effect on the assets being assessed.

When determining the fair value of investment property, refer to the current market price of identical or similar properties in an active market. If the current market price of identical or similar properties cannot be obtained, refer to the recent transaction price of identical or similar properties in an active market; the fair value of the investment property should be estimated by considering the transactions, the dates of the transactions, the region and other factors; or the fair value is determined based on the expected future rental income and the present value of the relevant cash flow.

14. Fixed assets

Fixed assets refer to the tangible assets that have the following characteristics at the same time, that is, tangible assets held for the purpose of producing goods, provision of services, leasing, or operation and management, and with a useful life exceeding one year.

Fixed assets include loan-repayment toll highways, buildings, machinery and equipment, transportation equipment, pipeline network assets, electronic equipment, office equipment, and others. Among them, the cost of purchased fixed assets shall include the purchase price, import tariff, and other related taxes, as well as other expenditures that can be directly

attributable to the asset before the fixed asset reaches its intended usable state. The cost of self-built fixed assets consists of the necessary expenditures incurred before the constructed asset reaches its intended usable state. The fixed assets invested by investors shall be recorded at the value agreed in the investment contract or agreement, but if the value agreed in the contract or agreement is not fair, it shall be recorded at fair value. For fixed assets leased under finance leases, the lower of the fair value of the leased asset and the present value of the minimum lease payments on the beginning date of the lease shall be taken as the entry value.

Subsequent expenditures related to fixed assets, including repair expenditures, renewal and transformation expenditures, etc., which meet the conditions for the recognition of fixed assets, shall be included in the cost of fixed assets, and the book value of the replaced part shall be derecognized. Those that do not meet the conditions for the recognition of fixed assets shall be included in profit or loss when they occur.

Except for fixed assets that have been fully depreciated but are still in use and the land that is separately priced and accounted for, the Group accrues depreciation for all fixed assets. Depreciation is calculated using the average life method, and is separately recorded into the cost of the relevant assets or current expenses according to the purpose. The depreciation periods, estimated net residual value rates, and depreciation rates of the Group's fixed assets are categorized as follows:

No.	Class	Depreciation period (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
1	Loan-repayment toll highways	Note 1		
2	Buildings	10-50	0-5.00	1.90-10.00
3	Machinery and equipment	2-20	0-5.00	4.75-50.00
4	Transportation equipment	5-15	0-5.00	6.33-20.00
5	Pipeline network assets	10-25	0-5.00	3.80-9.50
6	Electronic equipment	2-8	0-5.00	11.88-50.00
7	Office equipment and others	3-15	0-5.00	6.33-33.33

Note 1: According to the *Reply on the Depreciation Policy of Highway Assets of Mianyang High-grade Highway Development Co., Ltd (Mian Cai Jian [2010] No. 206)*, the subsidiaries such as Mianyang Communications Development Group Co., Ltd., Mianyang High-grade Highway Development Co., Ltd., and Mianyang Mianjiang Road Construction Engineering Co., Ltd., don't accrue depreciation for their loan-repayment toll highways assets.

Note 2: When the fixed assets for which the provision for impairment has been accrued are depreciated, the depreciation rate and depreciation amount are determined based on the book value of the fixed assets and the remaining useful life.

At the end of each year, the Group reviews the estimated useful life, estimated net residual value, and depreciation method of fixed assets, and if there is any change, it is treated as a change in accounting estimates.

Subsequent expenses related to fixed assets are included in the costs of fixed assets if the economic benefits related to the fixed assets are likely to flow into the Group and their costs can be reliably measured, and the book value of the replaced portion is derecognized. Other subsequent expenditures other than this are recognized in profit or loss in the period in which they are incurred.

When a fixed asset is disposed of or is not expected to generate economic benefits through its use or disposal, the fixed asset shall be derecognized. The amount of the disposal income from the sale, transfer, scrapping, or damage of fixed assets after deducting the book value and relevant taxes and fees is charged to the current profit or loss. The Group shall review the useful life, estimated net residual value, and depreciation method of fixed assets at least at the end of the year. Any changes will be treated as changes in accounting estimates.

15. Construction in progress

Construction in progress is measured at the actual cost incurred. Self-operated construction projects are measured based on direct materials, direct wages, and direct construction costs, etc.; outsourced construction projects are measured based on the project price payable, etc.; the cost of the equipment installation project shall be determined according to the value of the equipment installed, the installation cost, the expenditure incurred in the project commissioning, etc. The cost of construction in progress also includes borrowing costs and exchange gains and losses that should be capitalized.

Since the day when the construction in progress reaches the expected usable state, it shall be carried forward to fixed assets according to the estimated value by referring to the project budget, cost, or actual cost of the project. Depreciation shall be calculated and carried out from the next month, and the difference in the original value of fixed assets shall be adjusted after the final accounting procedures for completion.

16. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings. Borrowing costs that can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions shall be capitalized when the

asset expenditure has occurred, the borrowing costs have occurred, and the acquisition and construction or production activities necessary for the asset to be available for intended use or sale have started. When the purchased, built, or produced assets that meet the capitalization conditions are available for intended use or sale, the borrowing costs shall cease to be capitalized. The remaining borrowing costs are recognized as expenses in the period as incurred.

Interest expense actually incurred during the period of the special borrowing is capitalized after deducting interest income earned on unused borrowed funds deposited with the bank or investment income earned on temporary investments; the capitalization amount is determined for general borrowing by multiplying the weighted average of cumulative asset expenditures in excess of the portion of the special borrowing by the weighted average interest rate of the general borrowing occupied.

Assets eligible for capitalization refer to fixed assets, investment properties, inventories, and other assets that require a long period of time (usually more than one year) of purchase, construction, or production activities to reach the condition for intended use or sale.

If the assets eligible for capitalization are abnormally interrupted during the acquisition, construction, or production process, and the interruption lasts for more than 3 months, the capitalization of borrowing costs shall be suspended until the acquisition, construction, or production activities of the assets restart.

17. Intangible assets

Intangible assets include land use rights, patented technologies, and non-patented technologies, etc., which are measured at the actual cost at the time of acquisition. Among them, the actual cost of the purchased intangible assets shall be the actual price paid and other related expenses. The actual cost of the intangible assets invested by investors shall be determined according to the value agreed upon in the investment contract or agreement, but if the value agreed upon in the contract or agreement is not fair, the actual cost shall be determined according to the fair value.

Intangible assets owned by the acquiree but not recognized in its financial statements and acquired by the Group in the business combination not under the common control shall be recognized at fair value if one of the following conditions is satisfied during the initial recognition of the acquiree's assets: 1) they are derived from contractual rights or other legal rights; 2) they can be separated or divided from the acquiree, and can be used for sale, transfer, grant licenses, lease or exchange alone or together with related contracts, assets and liabilities.

Land use rights shall be amortized evenly according to the grant period from the start date of the grant. Patented technologies, non-patented technologies, and other intangible assets shall be amortized evenly in installments according to the shortest of the expected useful life, the beneficial life specified in the contract, and the effective life specified in the law. The amortization amount shall be recorded into the cost of the relevant assets and the current profit and loss based on its beneficiaries.

The estimated useful life and amortization method of an intangible asset with a finite useful life are reviewed at the end of each year, and any changes are treated as changes in accounting estimates. The estimated useful life of an intangible asset with an indefinite useful life is reviewed during each accounting period. If there is evidence that the useful life of the intangible asset is finite, its useful life is estimated and it is amortized over the estimated useful life.

18. Long-term deferred expenses

The long-term deferred expenses refer to expenses that have been paid but should be amortized in the current period and subsequent periods with a period of more than one year (excluding one year), mainly including house renovation and decoration expenses, house overhaul expenses, etc., which shall be amortized evenly during the benefit period. If a long-term deferred expense item does not benefit the subsequent accounting period, the amortized value of the item that has not been amortized shall be transferred to the current profit or loss.

19. Goodwill

Goodwill is the difference between the cost of equity investment or the cost of a business combination not under the common control and the share of the fair value of the investee's or the acquiree's identifiable net assets acquired in a business combination on the acquisition date or purchase date.

Goodwill related to subsidiaries is separately listed in the consolidated financial statements, and goodwill related to associates and joint ventures is included in the book value of long-term equity investments.

20. Impairment of non-financial long-term assets

The Group inspects items such as long-term equity investments, fixed assets, construction in progress, and intangible assets with finite useful lives on each balance sheet date. The Group will conduct an impairment test when the following indications exist and indicate that the assets may have been impaired. For goodwill and intangible assets with indefinite useful lives, regardless of whether there are signs of impairment, an impairment test is carried out at the end of each year. If it is difficult to test the recoverable amount of a

single asset, the test shall be based on the asset group or combination of asset groups to which the asset belongs.

If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, the impairment loss is recognized based on the difference. Once the above asset impairment loss is recognized, it will not be reversed in a later period. The recoverable amount of an asset is the higher of the fair value of the asset less the disposal expense or the present value of the estimated future cash flow of the asset.

The signs of impairment are as follows:

(1) The market price of the asset falls sharply in the current period, and its decline is significantly higher than that expected due to the passage of time or normal use.

(2) The economic, technical, or legal environment in which the enterprise operates and the market in which the asset is dedicated undergo major changes in the current period or in the near future, which will adversely affect the enterprise.

(3) The market interest rate or the rate of return on investment in other markets has increased in the current period, which affects the discount rate for enterprises to calculate the present value of the expected future cash flow of assets, resulting in a significant decrease in the recoverable amount of assets.

(4) There is evidence that the asset is obsolete or has been physically damaged.

(5) Assets have been or will be idle, terminated, or planned to be disposed of in advance.

(6) Evidence from the internal report of the enterprise indicates that the economic performance of the asset has been lower than or will be lower than expected, such as the net cash flow created by the asset or the realized operating profit (or loss) is far lower (or higher) than the expected amount, etc.

(7) Other signs that the asset may have been impaired.

21. Employee benefits

Employee benefits refer to various forms of remuneration or compensation provided by the Group to obtain services provided by employees or to terminate the employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits, and other long-term employee benefits. The benefits provided by the Group to employee spouses, children, dependents, survivors of deceased employees, and other beneficiaries are also employee benefits.

(1) Short-term employee benefits refer to the employee benefits that the Group needs to pay in full within twelve months after the end of the annual reporting period during which

the employees provide related services, except for compensation for termination of the employment relationship with the employees. The Group's short-term employee benefits include: employee salaries, bonuses, allowances and subsidies, staff welfare, medical insurance, work-related injury insurance and maternity insurance, housing provident fund, labor union funds and staff education funds, short-term paid absences, short-term profit sharing plans, non-monetary benefits, and other short-term employee benefits.

During the accounting period in which the employees provide services, the Group recognizes the actual short-term employee benefits as liabilities, and includes them in the current profit and loss or the cost of relevant assets based on the beneficiaries of the services provided by the employees. If the short-term employee benefits are non-monetary benefits, they shall be measured at fair value.

(2) Post-employment benefits refer to the various forms of remuneration and benefits provided by the Group to the employees for the purpose of obtaining the services provided by the employees after the employees retire or terminate the employment relationship with the Group, except for short-term employee benefits and termination benefits.

The defined contribution plan of the Group refers to the payment of basic pension insurance, unemployment insurance, and enterprise annuity for employees in accordance with the relevant regulations of the local government. During the accounting period when the employees provide services to the Group, the amount payable shall be calculated according to the payment base and proportion stipulated by the local government, recognized as a liability, and recorded in the current profit and loss or the cost of relevant assets.

The Group establishes an enterprise annuity, and the enterprise annuity funds are jointly paid by the Group and individuals. The part paid by the Company is withdrawn according to a certain proportion of the total salary and listed in the Group's cost. The part paid by individuals is withdrawn and remitted by the Group from the employees' salaries.

The Group assigns the welfare obligations arising from the defined benefit plan to the period during which the employees provide services according to the formula determined by the expected cumulative welfare unit method, and includes it in the current profit and loss or the cost of related assets. The deficit or surplus formed by the present value of the defined benefit plan's obligations minus the fair value of the defined benefit plan's assets is recognized as the defined benefit plan's net liability or net asset. If there is a surplus in the defined benefit plan, the Group uses the lower of the surplus of the defined benefit plan and the asset ceiling to measure the net assets of the defined benefit plan.

All defined benefit plan obligations, including obligations that are expected to be paid within twelve months after the end of the annual reporting period in which the employees

provide services, are discounted based on the market yield on the balance sheet date of treasury bonds or high quality corporate bonds in the active market that match the maturity and currency of the defined benefit plan obligations.

The service cost generated by the defined benefit plan and the net interest on the net liabilities or net assets of the defined benefit plan are recorded in the current profit and loss or the cost of relevant assets. Changes resulting from the re-measurement of net liabilities or net assets of the defined benefit plan are recorded in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods.

At the time of settlement of the defined benefit plan, the settlement gain or loss shall be recognized according to the difference between the present value of the defined benefit plan obligation and the settlement price determined on the settlement date.

(3) Termination benefits refer to the compensation given to the employees by the Group for terminating the employment relationship with the employees before the expiration of the employment contracts, or for encouraging the employees to accept the layoff voluntarily. For employees who have not terminated their employment contracts with the Group, but will no longer provide services in the future and cannot bring economic benefits to the Group, the Group promises to provide economic compensation with the same nature as termination benefits, in the event of “early retirement”, which shall be treated as termination benefits before the official retirement date, and treated as post-employment benefits after the official retirement date.

Where the Group provides termination benefits to the employees, the employee benefit liability resulting from termination benefits shall be recognized in the current profit or loss at the earlier of when the Group is unable to unilaterally withdraw the termination benefits provided as a result of a termination plan or a proposed reduction in force and when the Group recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

For the termination benefits that are not expected to be fully paid within twelve months after the end of the annual reporting period, and the substantial termination work is completed within one year but the compensation payment exceeds one year for the termination plan, the Group selects an appropriate discount rate, and measures the amount of termination benefits to be recognized in profit or loss based on the discounted amount.

(4) Other long-term employee benefits refer to all employee benefits except short-term employee benefits, post-employment benefits, and termination benefits, including long-term paid absences, long-term disability benefits, and long-term profit-sharing plans.

Other long-term employee benefits provided by the Group to employees that meet the conditions of the defined contribution plan shall be subject to accounting treatment in accordance with the relevant provisions of the defined contribution plan. If other long-term employee benefits provided by the Group to employees meet the conditions of the defined benefit plan, the Group shall, in accordance with the relevant provisions of the defined benefit plan, recognize and measure the net negative components of other long-term employee benefits: service costs, net interest on liabilities or net assets of other long-term employee benefits, changes in re-measurement of net liabilities or net assets of other long-term employee benefits. The total net amount is included in the current profit and loss or the cost of related assets.

22. Bonds payable

Bonds payable are measured at fair value when they are initially recognized, and related transaction costs are included in the initial recognition amount. Subsequent measurement is based on amortized cost.

The difference between the bond payment price and the total face value of the bonds should be treated as a bond premium or discount, amortized using the effective interest method when accruing interest during the duration of the bonds, and treated according to the principle of borrowing costs.

23. Provisions

When an obligation related to a contingent event, such as external guarantees, discounting of commercial acceptance bills, pending litigation or arbitration, product quality assurance, etc. meets the following conditions, it is recognized as a liability: the obligation is the current obligation assumed by the Group; the performance of the obligation is likely to result in the outflow of economic benefits from the enterprise; the amount of the obligation can be reliably measured.

Provisions are initially measured based on the best estimate of the expenditure required to perform the relevant current obligations, and the Group comprehensively considers factors related to contingencies such as risks, uncertainties, and the time value of money. If the time value of money has a significant impact, the best estimate is determined after discounting the relevant future cash outflows. The book value of the provisions is reviewed on each balance sheet date, and if there are any changes, the book value is adjusted to reflect the current best estimate.

24. Other financial instruments such as preferred stocks and perpetual bonds

The Group classifies preferred stocks and perpetual bonds that qualify as equity instruments as equity instruments, and classifies the others as financial liabilities. For details

of relevant accounting policies, please refer to "Note IV. 9. (5) Distinction between financial liabilities and equity instruments and relevant treatment method".

Preferred stocks and perpetual bonds classified as debt instruments are initially measured at their fair value after deducting transaction costs, and are subsequently measured at amortized cost using the effective interest method. Their interest payments or dividend distributions are, in principle, treated as borrowing costs, and the profit or loss caused by their repurchase or redemption is charged to the current profit and loss.

For preferred stocks and perpetual bonds classified as equity instruments, the owner's equity is increased based on the consideration received at the time of issuance, deducting transaction costs. The interest payments or dividend distributions shall be regarded as profit distributions, and the repurchase and cancellation are treated as a change in equity.

25. Revenue

The Group's revenue mainly involves infrastructure investment and construction, commodity sales, land consolidation, real estate development, engineering construction, education, passenger transport, water supply and sewage treatment, hotel services, etc.

Revenue is recognised when the Group satisfies the performance obligation in the contract, i.e., the customer obtains control over relevant goods or services.

Where a contract has two or more performance obligations, the transaction price is allocated to each performance obligation by the Group at contract inception in the relative proportion of the stand-alone selling price of the goods or services promised by each performance obligation, and revenue is measured according to the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to the customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is resolved. The amount that the Group expects to refund to the customer is recognised as a liability and excluded from the transaction price. If there is a significant financing component in the contract, the Group determines the transaction price according to the payable amount, assuming that the customer will pay in cash when obtaining control of goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest method during the contract period. Where the Group expects that at contract inception, if the interval between the time the customer obtains control over the goods or

service and the time of the customer's payment will not exceed one year, the significant financing components will not be considered in the contract.

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, a performance obligation is satisfied at a point in time:

(1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(2) the customer can control the goods created or enhanced during the Group's performance;

(3) the Group's performance does not create goods with an alternative use, and the Group, during the entire contract period, has a right to payment for performance completed to date.

For a performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the progress towards complete satisfaction of that performance obligation cannot be measured reasonably and the Group expects to recover the costs that have been incurred, the Group recognises revenue only to the extent of the costs incurred until it can reasonably measure the progress towards complete satisfaction of that performance obligation.

For a performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods or services, the Group considers the following indicators:

(1) the Group has a present right to payment for the goods or services;

(2) the Group has transferred the legal title of the goods to the customer;

(3) the Group has transferred physical possession of the goods to the customer;

(4) The Group has transferred the principal risks and rewards of ownership of the goods to the customer;

(5) the customer has accepted the goods or services.

The Group's right to receive consideration for the goods or services that are transferred to the customer is presented as contract assets, which are impaired on the basis of expected credit losses. The Group's unconditional right to receive consideration from the customer is presented as receivables. The Group's obligation to transfer goods or services to the customer for consideration received or receivable from the customer is presented as contract liabilities.

26. Contract costs

(1) Determination method of the amount of assets related to contract costs

The Group's assets related to contract costs include the costs of fulfilling a contract and the costs of obtaining a contract.

The costs of fulfilling a contract, which are the costs incurred in fulfilling a contract by the Group, are recognised as an asset as contract performance costs if they meet all of the following criteria and do not fall within the scope of other accounting standards for business enterprises: the costs relate directly to a contract or to an anticipated contract that will be obtained, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer, and other costs incurred only due to the contract; the costs increase resources of the Group that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

The costs of obtaining a contract, which are the incremental costs incurred by the Group to obtain a contract and are expected to be recovered, are recognized as an asset as contract acquisition costs. If the amortization period of the asset does not exceed one year, it shall be included in profit or loss when it occurs. Incremental costs are the costs that the Group would not have incurred had it not obtained a contract (e.g., sales commissions). Expenses incurred by the Group to obtain a contract, other than incremental costs that are expected to be recovered (such as travel expenses that will occur regardless of whether the contract is obtained or not), should be charged to profit or loss as incurred, unless the costs are explicitly borne by the customer.

(2) Amortisation of assets related to contract costs

The Group's assets related to contract costs shall be amortised on the same basis as the recognition of commodity income to which the asset relates, and be charged to profit or loss.

(3) Impairment of assets related to contract costs

When determining the impairment loss of assets related to contract cost, the Group first recognises the impairment loss of other assets related to the contract recognized in accordance with other relevant accounting standards for business enterprises; then, if the book value is higher than the difference between the remaining amount of consideration that the Group expects to receive in exchange for the goods to which the asset relates and the estimated costs to be incurred for the transfer of the relevant goods, the excess shall be provided for impairment provision and recognized as an asset impairment loss.

If the factors causing the impairment in the previous period change later and, as a result, the above difference is higher than the book value of the asset, the originally accrued asset impairment provision shall be reversed and included in the current profit and loss. However,

the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date if no impairment loss had been recognised previously.

27. Government grants

Government grants are the monetary or non-monetary assets obtained by the Group free of charge from the government. The government grants shall be recognized when the conditions attached to the government grants can be met and they can be received.

If a government grant is a monetary asset, it shall be measured in the light of the received or receivable amount. For the grants allocated according to the fixed quota standard, or if there is conclusive evidence at the end of the period that they can meet the relevant conditions stipulated by the financial support policies and are expected to receive financial support funds, the amount receivable shall be measured. Where government grants are non-monetary assets, they shall be measured at fair value. If the fair value cannot be reliably obtained, it shall be measured according to the nominal amount (RMB 1).

The Group's government grants are divided into government grants related to assets and government grants related to income. Government grants obtained by the Group for the purchase, construction, or otherwise formation of long-term assets shall be regarded as asset-related government grants. Government grants other than those related to assets obtained by the Group shall be regarded as government grants related to income. If the government documents do not clearly specify the subsidy object, the Group will judge according to the above-mentioned distinguishing principle. If it is difficult to distinguish, it is classified as a government grant related to income.

Government grants related to assets are used to offset the book value of related assets or are recognized as deferred income.

Asset-related government grants that are recognized as deferred income are included in profit and loss in installments according to the average distribution method over the useful life of the relevant assets.

If the relevant asset is sold, transferred, scrapped, or damaged before the end of its useful life, the undistributed deferred income balance shall be transferred to the current profit or loss in the period of asset disposal.

Government grants related to income, if used to compensate related costs or losses in subsequent periods, are recognized as deferred income and included in the current profit or loss during the period when the related costs or losses are recognized. If it is used to compensate related costs or losses that have occurred, it shall be directly included in the current profit or loss. Government grants related to daily activities are included in other

income in accordance with the nature of the economic business. Government grants not related to daily activities are included in non-operating income and expenditure.

28. Deferred tax assets and deferred tax liabilities

The deferred tax assets and deferred tax liabilities of the Group are calculated and recognized based on the difference (temporary difference) between the tax base of assets and liabilities and their book value. For deductible losses and tax deductions that can be deducted from taxable income in subsequent years according to the tax law, the corresponding deferred tax assets are recognized for temporary differences. On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the applicable tax rates in the period that the related assets are recovered and the liabilities are settled in accordance with the tax laws.

The Group recognizes the deferred tax assets arising from the deductible temporary differences within the limit of the taxable income that is likely to be obtained to deduct the deductible temporary differences. For recognized deferred tax assets, when it is estimated that it is unlikely to obtain sufficient taxable income to deduct the deferred tax assets in the future, the book value of the deferred tax assets shall be written down. When it is possible to obtain sufficient taxable income, the reduced amount shall be reversed.

29. Leases

A lease refers to a contract in which the lessor transfers the right to use assets to the lessee for consideration within a certain period. At the inception of a contract, the Group will assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period in exchange for consideration. To determine whether the contract transfers the right to control the use of the identified assets within a certain period, the Group evaluates whether the customers in the contract have the right to obtain almost all the economic benefits arising from the use of the identified assets during the use period, and have the right to dominate the use of the identified assets during the use period.

If the contract contains multiple separate leases at the same time, the Group will split the contract and account for each lease component within the contract separately. If the contract contains both lease and non-lease components, the Group will account for each lease component within the contract as a lease separately from non-lease components of the contract.

(1) The Group acts as the Lessee

At the commencement date, the Group recognises a right-of-use asset and a lease liability for a lease.

A lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date(less any lease incentives received); any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group depreciates the right-of-use assets using the straight-line method. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, the Group shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group uses the incremental borrowing rate as the discount rate.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability and is included in the current profit and loss or the cost of relevant assets. The amount of variable lease payments not included in the measurement of the lease liability shall be included in the current profits and losses or relevant asset costs when actually incurred.

After the commencement date, in case of the following circumstances, the Group will re-determine the lease payment amount and remeasure the lease liability by discounting the revised lease payments using a revised discount rate: there is a change in the assessment of purchase option, renewal option or termination option, there is a change in the lease term because the actual exercise of the option to renew or terminate the lease is inconsistent with the original assessment results; there is a change in the expected payable amount based on the guarantee residual value, or there is a change in the index or ratio used to determine the lease payment.

The Group shall recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the book value of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.

The Group has chosen not to recognize the right of use assets and lease liabilities for short-term lease payments (leases with a lease term of no more than 12 months) and payment for leases of low-value assets, and the relevant lease payments are included in the

current profit and loss or relevant asset costs according to the straight-line method in each period of the lease term.

(2) The Group acts as the Lessor

At the commencement date, the Group classifies each of its leases as either a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases refer to leases other than finance leases.

When the Group acts as a sub-lesser, the sub-lease is classified based on the right-of-use asset generated from the original lease rather than the underlying assets of the original lease. If the original lease is a short-term lease and the Group chooses to apply the simplified treatment of the above short-term lease to the original lease, the Group classifies the sublease as an operating lease.

Under the finance lease, at the commencement date, the Group recognizes the finance lease receivables for the finance lease and terminates the recognition of the finance lease assets. The Group initially measures the finance lease receivables as receivable at a book value equal to the net investment in the lease. The net investment in the lease is the sum of residual value guarantees and the present value of the lease receipts not received at the commencement date of the lease term, discounted at the interest rate implicit in the lease.

The Group calculates and recognizes the interest income of each period within the lease term at a constant periodic rate. The amount of variable lease payments not included in the measurement of net investment in the lease shall be included in the current profit and loss when it actually occurs.

Under operating leases, during each period of the lease term, the Group recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis. The initial direct costs related to operating leases are capitalized and amortized on the same basis as the rental income during the lease term, and are included in the current profits and losses in stages. The amount of variable lease payments not included in the lease receipts shall be included in the current profit and loss when it actually occurs.

30. Held for sale

(1) The Group classifies non-current assets or disposal groups that meet the following conditions as being held for sale: ① In accordance with the practice of selling such assets or disposal groups in similar transactions, the non-current asset or disposal group is immediately available for sale in its current condition. ② The sale is likely to take place where the Group has resolved on a sale plan and entered into a legally binding purchase agreement with other parties, and the sale is expected to be completed within one year. Relevant regulations

require the approval of the relevant authority or regulatory unit before the sale may be relevant approval. Before the Group classifies the non-current assets or disposal group as held for sale for the first time, it measures the book value of the non-current assets or the assets and liabilities in the disposal group in accordance with the relevant accounting standards. When the Company initially measures or remeasures the non-current assets and disposal groups held for sale on the balance sheet date, if the book value is higher than the fair value less the sales expenses, the book value is reduced to the net amount of the fair value less the selling expenses. The amount of the write-down is recognized as the asset impairment loss, which is included in the current profit and loss, and the provision for impairment of assets held for sale is recorded.

(2) The non-current assets or disposal group acquired by the Group exclusively for resale, if the required conditions of "sales are expected to be completed within one year" are met on the acquisition date, and the other classification conditions of the held for sale category are likely to be met within a short period (usually three months), are classified as held for sale on the date of acquisition. At the time of initial measurement, compare the initial measurement amount and the net fair value minus the selling expense, assuming that it is not classified as the holding for sale category, and the lower of the two is measured. Except for the non-current assets or disposal groups acquired in a business combination, the net amount of the non-current assets or disposal groups after the fair value minus the selling expenses is used as the initial measurement amount, and the difference generated is included in the current profit and loss.

(3) If the Group loses control of the subsidiary due to the sale of its investment in a subsidiary, regardless of whether the Group retains part of the equity investment after the sale, when the investment in the subsidiary to be sold meets the conditions for the classification of held for sale, the investment in the subsidiary is classified as held for sale in the individual financial statements of the parent company, and all the assets and liabilities of the subsidiary are classified as held for sale in the consolidated financial statements.

(4) If the net amount of the fair value of the non-current asset held for sale less selling expenses on the subsequent balance sheet date increases, the amount previously written down shall be recovered and rolled back within the amount of the impairment loss of the asset recognized after the classification of the non-current asset held for sale, and the rolled back amount shall be recorded into the current profit and loss. Impairment losses of assets recognized before they are classified as held for sale shall not be carried back.

(5) For the disposal group, the recognized asset impairment loss first deducts the book value of the goodwill in the disposal group, and then proportionally deducts the book value of non-current assets in the disposal group.

If the net amount of the fair value of the disposal group held for sale on the subsequent balance sheet date minus the sale proceeds is increased, the amount previously written down shall be recovered and transferred back within the amount of asset impairment loss recognized by the relevant measurement provisions of the non-current assets after the classification of held for sale, and the transferred amount shall be recorded into the current profit and loss. The book value of goodwill that has been written off, as well as the impairment losses on non-current assets recognized before they are classified as held for sale, cannot be rolled back.

The subsequent reversal of the asset impairment loss confirmed by the disposal group held for sale is based on the proportion of the book value of each non-current asset in the disposal group, excluding goodwill, to increase its book value in proportion.

(6) Non-current assets held for sale or non-current assets in disposal groups are not depreciated or amortized. Interest and other expenses on liabilities in disposal groups of held for sale continue to be recognized.

(7) When a non-current asset or disposal group no longer meets the criteria for the held-for-sale category, the Company will remove non-current assets from the disposal group. The measurement is based on the lower of the following two principles: (1) The amount of the book value before being classified as held for sale, adjusted for depreciation, amortization, or impairment that should be confirmed if it is not classified as held for sale; (2) the recoverable amount.

(8) When terminating the recognition of non-current assets held for sale or the disposal group, the unrecognized gains or losses shall be included in the current profit and loss.

31. Fair value measurement

(1) Initial measurement of fair value

For the assets and liabilities measured at fair value, considering the characteristics of the asset or liability, the Group measures the fair value by adopting the price that market participants can receive from selling an asset or pay for transferring a liability in an orderly transaction occurring on the measurement date. When fair value is used to measure related assets or liabilities, a transaction in which market participants sell assets or transfer liabilities on the measurement date is an orderly transaction under current market conditions. Orderly transactions for the sale of assets or the transfer of liabilities are carried out in the main market for the relevant assets or liabilities. When there is no major market, it is assumed that the transaction is conducted in the most favourable market for the relevant assets or liabilities. Adoption of the assumptions used by market participants to maximize their economic benefits when pricing the asset or liability. When measuring non-financial assets at fair value,

the ability of market participants to use the asset for the best use to generate economic benefits or the ability to sell the asset to other market participants who can use the asset for the best use to generate economic benefits is taken into account.

(2) Valuation techniques

The Group measures related assets or liabilities at fair value, and adopts valuation techniques that are applicable under current circumstances and have sufficient data and other information to support. Valuation techniques used by the Company to measure related assets or liabilities at fair value mainly include market law, income method, and cost method. In the application of valuation techniques, the Company prioritizes the use of relevant observable inputs and uses unobservable inputs only if the relevant observable inputs are not available or not practicable.

(3) Hierarchical division of fair value

The Group determines the level of the fair value measurement result based on the lowest level of the input value that is important to the fair value measurement as a whole: The first level input is an unadjusted quote for the same asset or liability that can be obtained on the measurement date in an active market. An active market refers to a market where the transaction volume and transaction frequency of related assets or liabilities are sufficient to continuously provide pricing information. The second level input is an input value that is directly or indirectly observable for related assets or liabilities other than the first level input value. The third level input is the unobservable input value of the relevant assets or liabilities.

V. Changes in accounting policies and accounting estimates and correction of errors

1. Changes in accounting policies and impacts

The content and reasons for changes in accounting policies	Note
The Ministry of Finance issued *Interpretation No. 17 of the Accounting Standards for Business Enterprises* on October 25th, 2023 (Caikuai [2023] No. 21, hereinafter referred to as "Interpretation No. 17"), which is effective for the Company from January 1st, 2024 onwards.	The implementation of this provision did not have a material impact on the Company's financial position and results of operations.
The Ministry of Finance issued the *Interim Provisions on Accounting Treatment Related to Enterprise Data Resources* (Caikuai [2023] No. 11) on August 1st, 2023, which is effective for the Company from January 1st, 2024, onwards.	The implementation of this provision did not have a material impact on the Company's financial position and results of operations.
The Ministry of Finance issued *Interpretation No. 18 of the Accounting Standards for Business Enterprises* on December 6th, 2024 (Caikuai [2024] No. 24, hereinafter referred to as "Interpretation No. 18"), which became effective on the date of its issuance, and is effective for the Company from January 1st, 2024 onwards.	The implementation of this provision did not have a material impact on the Company's financial position and results of operations.

2. Changes in accounting estimates and impacts:

None.

3. Significant correction of errors in prior periods and impacts

Presentation of significant items	Prior year-end (prior year) amount before adjustment	Adjustment amount	Restated prior year-end (prior year) amount after correction	Remarks on corrections
Taxes payable	464,076,419.18	78,600,983.82	542,677,403.00	Based on the tax treatment decision of the tax authorities and the results of the Group's tax self-inspection, additional accounting treatments, etc., have been applied to taxes and late fees for prior periods.
Other payables	5,737,214,257.51	12,343,164.66	5,749,557,422.17	
Undistributed profits	1,169,503,958.04	-90,944,148.48	1,078,559,809.56	

VI. Taxation

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate (levy)
Value-added tax (VAT)	General taxpayer (general tax calculation method): the added value of taxable sales after deducting input VAT; General taxpayer (simple collection method) and small-scale taxpayers: taxable sales	3%, 5%, 6%, 9%, 11%, 13%
Urban maintenance and construction tax	Actual turnover tax paid	7%, 5%
Education surcharge	Actual turnover tax paid	3%
Local education surcharge	Actual turnover tax paid	2%
Corporate income tax	Taxable income	15%, 20%, 25%

2. Tax incentives and approvals

The main tax incentives qualified for the Group are as follows:

(1) Value-added tax (VAT)

1) Pursuant to the transition policy for the pilot business tax to value-added tax under the *Notice on Comprehensively Launching the Pilot Reform of Business Tax to VAT* (Cai Shui [2016] No. 36) issued by the Ministry of Finance and the State Taxation Administration, childcare and education services provided by childcare centers and kindergartens, as well as education services provided by schools engaging in education at the academic level, are exempted from value-added tax. Mian Zhong Experimental School and Mianyang Nanshan Experimental High School under the secondary subsidiary Mianyang Talent Development Group Co., Ltd. are engaged in academic education, and the kindergartens under the secondary subsidiaries Sichuan Chuanyou Chunhui Preschool Education Management Co., Ltd. and Santai Chunhui Education Investment Co., Ltd. are engaged in pre-school education, and the tuition fee income earned by these entities is exempted from value-added tax.

2) Pursuant to the *Notice on Issuance of the Catalogue of Preferential Value-added Tax on Products and Services for Comprehensive Utilization of Resources* (Cai Shui [2015] No. 78) issued by the Ministry of Finance and the State Taxation Administration, taxpayers are entitled to an immediate refund of the value-added tax for the sale of self-produced products for comprehensive utilization of resources and the provision of services for comprehensive utilization of resources. Mianyang Sanjiang Huize Urban Wewage Purification Co., Ltd., under the secondary subsidiary Mianyang Water (Group) Co., Ltd., is entitled to a refund of 70% of the value-added tax (VAT) paid.

3) Pursuant to the *Circular of the Ministry of Finance and the State Taxation Administration on Issues Relating to the Exemption of Vegetables from Value-added Tax in the Circulation Segment* (Cai Shui [2011] No. 137), vegetables sold by taxpayers engaged in the wholesaling and retailing of vegetables are exempted from value-added tax. Pursuant to the *Circular of the Ministry of Finance and the State Taxation Administration on the Policy of Exempting Certain Fresh Meat and Egg Products from Value-added Tax in the Circulation Segment* (Cai Shui [2012] No. 75), certain fresh meat and egg products sold by taxpayers engaging in the wholesaling and retailing of agricultural products are exempted from value-added tax. Mianyang City Gaoshui Agricultural and Sideline Products Wholesale Co., Ltd., under the secondary subsidiary Mianyang Communications Development Group Co., Ltd., is exempt from value-added tax for selling vegetables, fresh meat, and egg products that meet the tax-free conditions.

(2) Corporate income tax

1) Pursuant to the *Announcement of the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration on the Renewal of Corporate Income Tax Policies for the Development of the Western Region* (Announcement No. 23 of 2020 of the National Development and Reform Commission), from January 1st, 2021, to December 31st, 2030, enterprises in encouraged industries located in the western region are subject to a reduced corporate income tax rate of 15%. The major entities involved in the Group are: Mianyang Water (Group) Co., Ltd. and its subsidiaries Mianyang City Water Supply Co., Ltd., Mianyang Purun Water Supply Co., Ltd., Mianyang Sanshuiyuan Water Supply Co., Ltd., and Mianyang Lingtong Property Service Co., Ltd.; Mianyang Airport (Group) Co., Ltd.; Sichuan Longwei Security Service Co., Ltd.

2) Pursuant to Paragraph 3 of Article 27 of the *Corporate Income Tax Law of the People's Republic of China*, the *Notice of the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission on the Announcement of the Preferential Income Tax Catalogue for Environmental Protection, Energy Conservation, and Water-saving Projects (for Trial Implementation)* (Cai Shui [2009] No. 166), and the *Notice*

of the Ministry of Finance and the State Taxation Administration on Issues Concerning the Preferential Corporate Income Tax Policies for Public Infrastructure Projects and Environmental Protection, Energy Conservation, and Water-saving Projects (Cai Shui [2012] No. 10), the income derived from qualified environmental protection, energy conservation, and water-saving projects shall be exempt from corporate income tax in the first three years starting from the tax year when the project obtains the first income from production and business operations, and shall be subject to a 50% reduction in corporate income tax in the fourth to sixth years. The "Qixingba Wastewater Treatment Project" of the subsidiary Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd. complies with this provision and is entitled to corporate income tax reduction and exemption.

3) Pursuant to the *Circular on the Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises* (Cai Shui [2019] No. 13), for the part of the annual taxable income not exceeding RMB 1 million, 25% of such part shall be included in the taxable income, and corporate income tax shall be paid at a tax rate of 20%; for the part of the annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million, 50% of such part shall be included in the taxable income, and corporate income tax shall be paid at a tax rate of 20%. The Company is entitled to the policies.

For small and low-profit enterprises, an additional 50% reduction in corporate income tax shall be applied to the part of the annual taxable income not exceeding RMB 1 million, on the basis of the Cai Shui [2019] No. 13.

(3) Other tax incentives

According to the *Notice on Education Tax Policies* (Caishui [2004] No. 39) by the Ministry of Finance and the State Taxation Administration, property tax and urban land use tax shall be exempted for the property and land used by various schools, nurseries, and kindergartens established with state-allocated funds for public institutions and those run by enterprises. Mian Zhong Experimental School and Mianyang Nanshan Experimental High School under the secondary subsidiary Mianyang Talent Development Group Co., Ltd., and the kindergartens under the secondary subsidiaries Sichuan Chuanyou Chunhui Preschool Education Management Co., Ltd. and Santai Chunhui Education Investment Co., Ltd. are exempted from property tax and urban land use tax.

VII. Business combinations and consolidated financial statements

1. Basic information of subsidiaries included in the scope of consolidated financial statements

(1) Second-level subsidiaries

No.	Company name	Business Type	Principal place of business	Business Nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition Method
2-1	Mianyang Kangju Real Estate Management Co., Ltd.	1	Mianyang, Sichuan	Management and sale of public housing; house demolition, etc.	135,798.49	100.00	100.00	1
2-2	Mianyang Cultural & Tourism Group Co., Ltd.	1	Mianyang, Sichuan	Radio and television program production, film production, etc.	16,287.86	100.00	100.00	1
2-3	Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd.	1	Mianyang, Sichuan	Conference and exhibition services, hotel operations, etc.	12,500.00	83.00	83.00	1
2-4	Mianyang Jinkong Microfinance Co., Ltd.	2	Mianyang, Sichuan	Loan (excluding entrusted loans) and related consulting activities	32,293.10	100.00	100.00	1
2-5	Sichuan Youyue Culture Media Co., Ltd.	1	Mianyang, Sichuan	Domestic advertising design, production, agency, release, etc.	2,000.00	100.00	100.00	1
2-6	Mianyang Fuda Asset Operation Co., Ltd.	1	Mianyang, Sichuan	Asset management, real estate development, etc.	5,000.00		100.00	4
2-7	Mianyang Communications Development Group Co., Ltd.	1	Mianyang, Sichuan	Investment in and operation of highway transportation projects, etc.	76,000.00	100.00	100.00	4
2-8	Sichuan Jia Lai Construction Engineering Co., Ltd.	1	Mianyang, Sichuan	Building construction, water and electricity installation, building decoration, etc.	111,847.09	50.96	50.96	1
2-9	Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	1	Mianyang, Sichuan	Real estate development	10,000.00	100.00	100.00	1
2-10	Sichuan Xijin Logistics Co., Ltd.	1	Mianyang, Sichuan	Freight agent and distribution, sales of hardware, building materials, etc.	10,000.00	100.00	100.00	1
2-11	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	1	Mianyang, Sichuan	Accommodation, Chinese food, song and dance entertainment, etc.	17,529.56	100.00	100.00	1
2-12	Mianyang Grain and Oil Group Co., Ltd.	1	Mianyang, Sichuan	Grain and oil storage, processing, sales, etc.	10,000.00	100.00	100.00	4
2-13	Mianyang Talent Development Group Co., Ltd.	1	Mianyang, Sichuan	Education investment, asset management, development of educational resources, etc.	30,000.00	100.00	100.00	4
2-14	Sichuan Yuewanglou Culture Communication Co., Ltd.	1	Mianyang, Sichuan	Conference and exhibition services, tour management of Yuewanglou Scenic Area, etc.	4,212.15	100.00	100.00	1
2-15	Mianyang Jianan Tourism Development Co., Ltd.	1	Mianyang, Sichuan	Tourism projects, real estate development projects, etc.	1,000.00	100.00	100.00	1

No.	Company name	Business Type	Principal place of business	Business Nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition Method
2-16	Mianyang City Parking Management Co., Ltd.	1	Mianyang, Sichuan	Static traffic IoT system construction and management, parking berth management, public parking management, etc.	1,000.00	100.00	100.00	1
2-17	Sichuan Longwei Security Service Co., Ltd.	1	Mianyang, Sichuan	Labor dispatch; guard, patrol, guard, armed escort, bodyguard, safety inspection, safety risk assessment, etc.	1,000.00	100.00	100.00	4
2-18	Mianyang Automobile Experimental Driving Technology School Co., Ltd.	1	Mianyang, Sichuan	Motor vehicle driver training, operating driver qualification training	1,500.00	100.00	100.00	1
2-19	Mianyang Water (Group) Co., Ltd.	1	Mianyang, Sichuan	Tap water production, supply, urban sewage purification, water supply, and drainage engineering design	13,241.00	77.34	77.34	4
2-20	Mianyang Sanjiang Medical Investment Co., Ltd.	1	Mianyang, Sichuan	Medical investment	45,000.00	70.00	70.00	1
2-21	Mianyang Jiachuang Incubator Management Co., Ltd.	1	Mianyang, Sichuan	Business incubator management and service	30,000.00	51.00	51.00	1
2-22	Sichuan Xingtu Kunpeng Aerospace Technology Co., Ltd.	1	Mianyang, Sichuan	Rocket launch equipment R&D and manufacturing, rocket engine R&D and manufacturing, rocket control system R&D	4,000.00	100.00	100.00	1
2-23	Mianyang Water Conservancy Planning and Design Institute Co., Ltd.	1	Mianyang, Sichuan	Planning and design management, project management services, etc.	5,938.38	100.00	100.00	1
2-24	Mianyang Miantai Industrial Co., Ltd.	1	Mianyang, Sichuan	Construction projects, real estate development, and operation, etc.	10,056.49	70.00	70.00	1
2-25	Mianyang Jiuhong Real Estate Development Co., Ltd.	1	Mianyang, Sichuan	Real estate development	800.00	100.00	100.00	1
2-26	Mianyang Mingyue Real Estate Development Co., Ltd.	1	Mianyang, Sichuan	Real estate development	800.00	100.00	100.00	1
2-27	SINOTRUK Mianyang SPECIAL VEHICLE Co., Ltd.	1	Mianyang, Sichuan	Road motor vehicle production; Sales of new cars; New energy vehicle sales; Manufacturing of automotive parts and accessories, etc.	19,000.00	66.00	66.00	3
2-28	Mianyang Mingsheng Real Estate Development Co., Ltd.	1	Mianyang, Sichuan	Real estate development	86,611.63	100.00	100.00	1
2-29	Mianyang Science and Technology City Kexin Medical Development Co., Ltd.	1	Mianyang, Sichuan	Wholesale and retail of drugs; Third category medical device leasing, operation, etc.	80,000.00	55.00	55.00	1
2-30	Mianyang Miantou Commercial Operation Management Co., Ltd.	1	Mianyang, Sichuan	Leasing and business services	4,500.00	100.00	100.00	1
2-31	Mianyang Miantou Jiangfa Industrial Co., Ltd.	1	Mianyang, Sichuan	Sales of construction materials, etc.	5,000.00	100.00	100.00	1
2-32	Mianyang Miantou Industrial Investment Co., Ltd.	1	Mianyang, Sichuan	Business management, business consulting	10,000.00	100.00	100.00	5

No.	Company name	Business Type	Principal place of business	Business Nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition Method
2-33	Mianyang Miantou Yuqiang Energy Development Co., Ltd.	1	Mianyang, Sichuan	Sales of new cars; New energy vehicle sales	2,800.00	100.00	100.00	1

(2) The important third and fourth level sub-enterprises are as follows:

No.	Company name	Level	Business Type	Principal place of business	Business Nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition Method
1	Mianyang Mianzhou Hotel Co., Ltd.	3	1	Mianyang, Sichuan	Tourism	4,100.00	100.00	100.00	1
2	Mianyang City Water Supply Co., Ltd.	3	1	Mianyang, Sichuan	Production and supply of tap water	1,415.00	100.00	100.00	1
3	Mianyang Sanshuiyuan water supply Co., Ltd.	3	1	Mianyang, Sichuan	Production and supply of tap water	3,329.27	57.95	57.95	1
4	Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd.	3	1	Mianyang, Sichuan	Urban sewage purification	500.00	100.00	100.00	1
5	Mianyang Sipurun Municipal Engineering Construction Co., Ltd.	3	1	Mianyang, Sichuan	Installation and maintenance of water supply and drainage equipment	831.09	100.00	100.00	1
6	Mianyang Lingtong Property Service Co., Ltd.	3	1	Mianyang, Sichuan	Property management	100.00	100.00	100.00	5
7	Mianyang Transportation Development Industrial Co., Ltd.	3	1	Mianyang, Sichuan	Business services	5,000.00	100.00	100.00	1
8	Mianyang Jiaofa Shunda Taxi Co., Ltd.	4	1	Mianyang, Sichuan	Services	1,000.00	100.00	100.00	1
9	Mianyang Airport (Group) Co., Ltd.	3	1	Mianyang, Sichuan	Transportation	5,000.00	100.00	100.00	4
10	Mianyang High-grade Highway Development Co., Ltd.	3	1	Mianyang, Sichuan	Infrastructure investment	60,000.00	100.00	100.00	4
11	Mianyang Mianjiang Road Construction Engineering Co., Ltd.	3	1	Mianyang, Sichuan	Infrastructure	5,000.00	100.00	100.00	4
12	Mianyang Yunye Group Co., Ltd.	3	1	Mianyang, Sichuan	Transportation	5,000.00	100.00	100.00	4
13	Mianyang Qianfo Transportation Co., Ltd.	4	1	Mianyang, Sichuan	Services	2,000.00	85.00	85.00	4
14	Mianyang Road and Bridge Construction Group Co., Ltd.	3	1	Mianyang, Sichuan	Infrastructure	10,000.00	100.00	100.00	4

No.	Company name	Level	Business Type	Principal place of business	Business Nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition Method
15	Mianyang Lutongyuan Construction Co., Ltd.	4	1	Mianyang, Sichuan	Civil-engineering construction	12,438.49	95.00	95.00	1
16	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	4	1	Mianyang, Sichuan	Engineering construction	10,000.00	100.00	100.00	1
17	Mianyang City Gaoshui Agricultural and Sideline Products Wholesale Co., Ltd.	3	1	Mianyang, Sichuan	Commerce	1,881.00	76.07	76.07	4
18	Mianyang Public Traffic Group Co., Ltd.	3	1	Mianyang, Sichuan	Transportation	13,655.84	100.00	100.00	4
19	Mianyang Mianzhoutong Technology Co., Ltd.	4	1	Mianyang, Sichuan	Business services	3,000.00	50.00	50.00	4
20	Sichuan Dadao Zhiyuan Supply Chain Management Co., Ltd.	3	1	Mianyang, Sichuan	Commerce	2,900.00	100.00	100.00	1
21	Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd.	3	1	Mianyang, Sichuan	Commerce	3,000.00	100.00	100.00	4
22	Mianyang Grain Reserve Management Co., Ltd.	3	1	Mianyang, Sichuan	Commerce	2,000.00	100.00	100.00	4
23	Mianyang Miantou Land Co., Ltd.	3	1	Mianyang, Sichuan	Real estate development; housing rental, property management, etc.	115,404.90	100.00	100.00	1
24	Mianyang Kanglai Property Management Co., Ltd.	3	1	Mianyang, Sichuan	Property management and consulting services, housing rental and sales agency, etc.	300.00	100.00	100.00	1
25	Mianyang Financial Holding Investment Management Co., Ltd.	3	1	Mianyang, Sichuan	Management consulting services	3,000.00	100.00	100.00	1
26	Mianyang Jianyuan Real Estate Development Co., Ltd.	4	1	Mianyang, Sichuan	Real estate development	87,601.11	100.00	100.00	1

Note: Business type: 1 domestic non-financial subsidiary; 2 domestic financial subsidiary; 3 overseas subsidiary; 4 public institution; 5 infrastructure unit.

Acquisition method: 1 investment establishment; 2 business combination under common control; 3 business combination not under common control; 4 transfer without compensation; 5 others.

2. Reasons for owning less than half of the voting rights of the investee but being able to control the investee

Company name	Proportion of contribution (%)	Proportion of voting rights (%)	Registered capital (RMB 10,000)	Investment amount (RMB 10,000)	Reasons for inclusion in the scope of consolidation
Mianyang Zhuojing Education Consulting Co., Ltd.	34.00	34.00	3,000.00	102.00	Note

Note: The secondary subsidiary Mianyang Talent Development Group Co., Ltd. directly holds 34% equity interest in Mianyang Zhuojing Education Consulting Co., Ltd. and is its single largest shareholder. According to the Articles of Association, Mianyang Talent Development Group Co., Ltd. has five persons on the Board of Directors (seven members) of Mianyang Zhuojing Education Consulting Co., Ltd., which forms substantial control.

3. Changes in the scope of consolidation in the current year

(1) Entities newly included in the scope of consolidation during the year

Name of the subsidiaries	Shareholding ratio (%)	Net assets as of the end of the year (RMB 10,000)	Net profit for the year (RMB 10,000)	Note
Mianyang Miantou Yuqiang Energy Development Co., Ltd.	65.00	98.76	48.76	
Mianliang International Trade (Mianyang) Co., Ltd.	51.00	1,159.04	294.36	
Mianyang Science and Technology City Investment Promotion Service Co., Ltd.	100.00	86.82	6.83	

(2) Significant entities no longer included in the scope of consolidation during the year: none.

VIII. Notes on the principal items of the financial statements

Except for special notes, for the financial statement data disclosed below, “Opening” refers to January 1st, 2024, and “Closing” refers to December 31st, 2024. “Current year” refers to the period from January 1st, 2024, to December 31st, 2024, and “Prior year” refers to the period from January 1st, 2023, to December 31st, 2023. The currency unit is RMB.

1. Cash and cash equivalents

(1) Cash and cash equivalents balance

Item	Closing balance	Opening balance
Cash on hand	302,220.72	615,689.25
Bank deposits	11,722,366,840.61	14,967,573,333.65
Other cash and cash equivalents	4,916,172,093.22	3,888,953,809.51

Item	Closing balance	Opening balance
Deposits with finance companies		
Total	**16,638,841,154.55**	**18,857,142,832.41**
Including: Total amount deposited abroad		

(2) Breakdown of restricted cash and cash equivalents

Item	Closing balance	Opening balance
Pledged certificate of deposit	2,561,403,273.91	2,711,542,426.71
Guarantee	4,842,922,155.42	3,362,331,473.36
Funds in the condominium account		13,151,202.84
Migrant workers' wage guarantee letter		8,924,400.00
Other restricted cash and cash equivalents	280,263,615.25	369,119,571.15
Total	**7,684,589,044.58**	**6,465,069,074.06**

2. Financial assets held for trading

(1) Types of financial assets held for trading

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	2,400,000,000.00	
Financial assets designated at fair value through profit or loss		
Total	**2,400,000,000.00**	

3. Bills receivable

Types of bills	Closing balance	Opening balance
Bank acceptance bills	61,777,087.14	589,756,247.51
Commercial acceptance bills	481,000,000.00	
Total	**542,777,087.14**	**589,756,247.51**

4. Accounts receivable

Class	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Accounts receivable for which bad debt provision is made on an individual basis	3,231,960,671.13	89.13	19,412,509.49	0.60
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	394,051,313.80	10.87	43,955,756.01	11.15
Including: Aging portfolio 1 - integrated business	110,927,850.29	3.06	17,856,549.19	16.10

Class	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Aging portfolio 2 - water sector	18,019,406.49	0.50	2,863,776.31	15.89
Aging portfolio 3 - transportation sector	189,876,544.02	5.24	10,012,361.73	5.27
Aging portfolio 4 - grain and oil sector	75,227,513.00	2.07	13,223,068.78	17.58
Total	**3,626,011,984.93**	**100.00**	**63,368,265.50**	**—**

(Continued)

Class	Opening balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Accounts receivable for which bad debt provision is made on an individual basis	3,048,822,673.12	91.05	25,912,224.62	0.85
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	299,593,577.05	8.95	40,355,195.09	13.47
Including: Aging portfolio 1 - integrated business	73,315,478.79	2.19	8,200,686.88	11.19
Aging portfolio 2 - water sector	27,196,932.30	0.81	6,581,406.29	24.20
Aging portfolio 3 - transportation sector	118,572,609.78	3.54	9,011,131.31	7.60
Aging portfolio 4 - grain and oil sector	80,508,556.18	2.41	16,561,970.61	20.57
Total	**3,348,416,250.17**	**100.00**	**66,267,419.71**	**—**

(1) Accounts receivable for which bad debt provision is made on an individual basis at the end of the year

Creditor name	Name of debtor	Closing book balance	Bad debt provision	Expected credit loss rate (%)	Note
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	1,027,742,372.77			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Housing and Urban-Rural Development Commission	736,832,765.26			Expected to be recoverable
Mianyang Sanjiang Huize urban sewage purification Co., Ltd.	Mianyang City Bureau of Finance	208,428,164.88			Expected to be recoverable

Creditor name	Name of debtor	Closing book balance	Bad debt provision	Expected credit loss rate (%)	Note
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone Management Committee	160,551,759.00			Expected to be recoverable
Mianyang Xinjiarui Road and Bridge Engineering Co., Ltd.	Transportation Bureau of Anzhou District, Mianyang City	123,829,624.00			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Department of Transportation of Mianyang City	115,247,697.88			Expected to be recoverable
Sichuan Xijin Logistics Co., Ltd.	Mianyang Fucheng Industrial Co., Ltd.	78,052,262.13			Expected to be recoverable
Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone	46,720,254.82	1,109,494.94	2.37	Expected partial recovery
Sichuan Xijin Logistics Co., Ltd.	Sichuan Changjin Industry Co., Ltd.	45,939,209.56			Expected to be recoverable
Sichuan Xijin Logistics Co., Ltd.	China Railway No.5 Engineering Group Chengdu Engineering Co., Ltd.	37,542,329.34	5,107,798.75	13.61	Expected partial recovery
Sichuan Xijin Logistics Co., Ltd.	Sichuan Road & Bridge (Group) Co., Ltd.	34,661,361.61			Expected to be recoverable
Mianliang International Trade (Mianyang) Co., Ltd.	Sichuan Xinghaofeng Food Co., Ltd.	34,193,932.23			Expected to be recoverable
Mianyang Lutongyuan Construction Co., Ltd.	Zitong County Transportation Bureau	32,992,441.48			Expected to be recoverable
Sichuan Dangui Grain and Oil Co., Ltd.	Sichuan Xinghaofeng Food Co., Ltd.	22,729,411.20			Expected to be recoverable
Sichuan Jialai Haichuan Medical Technology Co., Ltd.	The Third Hospital of Mianyang	21,925,212.31			Expected to be recoverable
Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd.	C.P. Trading (China) Co., Ltd.	17,814,683.03			Expected to be recoverable
Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Public Security Bureau	16,018,929.07			Expected to be recoverable
Sichuan Jia Lai Construction Engineering Co., Ltd.	People's Government of Wujia Town, Fucheng District, Mianyang City	14,349,433.07			Expected to be recoverable

Creditor name	Name of debtor	Closing book balance	Bad debt provision	Expected credit loss rate (%)	Note
Sichuan Xijin Logistics Co., Ltd.	Shaanxi Iron and Steel Group Industrial Innovation Research Institute Co., Ltd.	13,993,735.36			Expected to be recoverable
	Others	442,395,092.13	13,195,215.80	2.98	Expected partial recovery
Total	—	**3,231,960,671.13**	**19,412,509.49**	—	—

(2) Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics

1) Accounts receivable for which provision for bad debts is made using the aging analysis method - aging portfolio 1

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	72,328,443.72	65.20	361,127.09
1-2 years (including 2 years)	16,001,512.83	14.43	1,597,705.20
2-3 years (inclusive)	6,160,796.72	5.55	1,232,159.35
3-4 years (inclusive)	2,946,892.39	2.66	1,473,446.25
4-5 years (inclusive)	596,186.67	0.54	298,093.34
More than 5 years	12,894,017.96	11.62	12,894,017.96
Total	**110,927,850.29**	**100.00**	**17,856,549.19**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	50,975,686.87	69.53	254,878.42
1-2 years (including 2 years)	11,858,794.86	16.18	1,185,879.49
2-3 years (inclusive)	4,203,638.24	5.73	840,727.65
3-4 years (inclusive)	552,906.25	0.75	276,453.13
4-5 years (inclusive)	163,408.76	0.22	81,704.38
More than 5 years	5,561,043.81	7.59	5,561,043.81
Total	**73,315,478.79**	**100.00**	**8,200,686.88**

2) Accounts receivable for which provision for bad debts is made using the aging analysis method - aging portfolio 2

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	13,301,633.37	73.82	66,508.17
1-2 years (including 2 years)	2,530,612.86	14.04	759,183.85
2-3 years (inclusive)	745,379.85	4.14	596,303.88
More than 3 years	1,441,780.41	8.00	1,441,780.41
Total	**18,019,406.49**	**100.00**	**2,863,776.31**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	18,961,917.06	69.72	94,809.58
1-2 years (including 2 years)	1,871,101.02	6.88	561,330.31
2-3 years (inclusive)	2,193,239.11	8.06	1,754,591.29
More than 3 years	4,170,675.11	15.34	4,170,675.11
Total	**27,196,932.30**	**100.00**	**6,581,406.29**

3) Accounts receivable for which provision for bad debts is made using the aging analysis method - aging portfolio 3

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	147,831,287.00	77.85	808,072.45
1-2 years (including 2 years)	22,214,461.11	11.70	1,104,841.14
2-3 years (inclusive)	1,555,948.82	0.82	151,106.03
3-4 years (inclusive)	3,529,885.09	1.86	703,997.87
4-5 years (inclusive)	698,454.91	0.37	208,489.53
More than 5 years	14,046,507.09	7.40	7,035,854.71
Total	**189,876,544.02**	**100.00**	**10,012,361.73**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	91,770,467.01	77.40	917,704.67
1-2 years (including 2 years)	7,334,001.55	6.19	366,700.08

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
2-3 years (inclusive)	4,255,401.72	3.59	425,540.17
3-4 years (inclusive)	936,452.29	0.79	187,290.46
4-5 years (inclusive)	121,238.34	0.09	36,371.50
More than 5 years	14,155,048.87	11.94	7,077,524.43
Total	**118,572,609.78**	**100.00**	**9,011,131.31**

4) Accounts receivable for which provision for bad debts is made using the aging analysis method - aging portfolio 4

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	60,982,926.89	81.06	304,985.53
1-2 years (including 2 years)	42,855.45	0.06	4,285.55
2-3 years (inclusive)	1,609,916.20	2.14	321,983.24
More than 3 years	12,591,814.46	16.74	12,591,814.46
Total	**75,227,513.00**	**100.00**	**13,223,068.78**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	65,430,360.52	81.27	3,271,518.03
1-2 years (including 2 years)	1,986,381.20	2.47	198,638.12
2-3 years (inclusive)			
More than 3 years	13,091,814.46	16.26	13,091,814.46
Total	**80,508,556.18**	**100.00**	**16,561,970.61**

(3) Accounts receivable of the top five closing balances, grouped by party in arrears

Creditor name	Name of debtor	Closing book balance	As a percentage of the total accounts receivable (%)	Bad debt provision
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	1,027,742,372.77	28.34	
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Housing and Urban-Rural Development Commission	736,832,765.26	20.32	

Creditor name	Name of debtor	Closing book balance	As a percentage of the total accounts receivable (%)	Bad debt provision
Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd.	Mianyang City Bureau of Finance	208,428,164.88	5.75	
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone Management Committee	160,551,759.00	4.43	
Mianyang Xinjiarui Road and Bridge Engineering Co., Ltd.	Transportation Bureau of Anzhou District, Mianyang City	123,829,624.00	3.42	
Total		**2,257,384,685.91**	**62.26**	

5. Receivables financing

Item	Closing balance		Opening balance	
	Original value	Bad debt provision	Original value	Bad debt provision
Bills receivable	787,530.00		6,000,000.00	
Total	**787,530.00**		**6,000,000.00**	

6. Prepayments

(1) Aging of prepayments

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	757,760,275.30	44.10	2,228.35	951,956,779.23	15.52	
1-2 years	63,277,543.28	3.68	6,660.00	450,329,603.21	7.34	
2-3 years	31,651,826.49	1.84	239,247.28	22,579,325.55	0.37	
More than 3 years	865,840,736.31	50.38	7,724,400.00	4,710,499,814.23	76.77	7,535,861.69
Total	**1,718,530,381.38**	**100.00**	**7,972,535.63**	**6,135,365,522.22**	**100.00**	**7,535,861.69**

(2) Large prepayments aged over 1 year

Creditor name	Debtor name	Closing balance	Aging	Note
Mianyang Talent Development Group Co., Ltd.	Qingyi Town People's Government of Fucheng District, Mianyang City	373,723,787.82	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Youxian District Finance Treasury Payment Center	176,000,000.00	More than 3 years	Demolition compensation, to be settled

Creditor name	Debtor name	Closing balance	Aging	Note
Mianyang Investment Holding (Group) Co., Ltd.	People's Government of Shima Town, Youxian District, Mianyang City	75,019,600.00	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Land Acquisition and Reserve Center	72,001,211.81	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Xianhai Water Conservancy Scenic Area Management Committee	66,754,599.69	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Xianhai Investment Co., Ltd.	21,660,000.00	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Fucheng District Housing and Urban-Rural Development Bureau of Mianyang City	21,000,000.00	More than 3 years	Demolition compensation, to be settled
Mianyang Talent Development Group Co., Ltd.	Mianyang Land Acquisition and Reserve Center	17,548,276.00	More than 3 years	Demolition compensation, to be settled
Total		**823,707,475.32**	**—**	**—**

(3) Prepayments of the top five closing balances, grouped by party in arrears

Creditor name	Debtor name	Book balance	As a percentage of the total prepayments (%)
Mianyang Talent Development Group Co., Ltd.	Qingyi Town People's Government of Fucheng District, Mianyang City	373,723,787.82	21.75
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Youxian District Finance Treasury Payment Center	176,000,000.00	10.24
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng District Land Acquisition, Demolition and Old City Renovation Service Center	152,000,000.00	8.84
Mianyang Jianyuan Real Estate Development Co., Ltd.	Mianyang Public Resource Trading Service Center	82,767,901.94	4.82
Mianyang Investment Holding (Group) Co., Ltd.	People's Government of Shima Town, Youxian District, Mianyang City	75,019,600.00	4.37
Total		**859,511,289.76**	**50.02**

7. Other receivables

Item	Closing balance	Opening balance
Interest receivable	980,233,060.81	704,720,226.20
Dividends receivable	39,353,785.20	38,937,324.00
Other receivables	16,085,482,548.79	15,996,552,426.99
Total	**17,105,069,394.80**	**16,740,209,977.19**

(1) Interest receivable

Item	Closing balance		Opening balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Interest on time deposits	3,543,595.68		2,487,382.08	
Interest on debt investments (Note)	976,689,465.13		702,232,844.12	
Total	**980,233,060.81**		**704,720,226.20**	

Note: According to the Tripartite Agreement and the attached Interest (Subsidy) Payment Schedule signed by Mianyang Fucheng District People's Government, HKC Co., Ltd. and Mianyang Investment Group on April 29th, 2021, the interest receivable on "fake equity, real debt" of Mianyang Investment Group in Mianyang HKC Optoelectronics Technology Co., Ltd. shall be borne by People's Government of Fucheng District, Mianyang City. As of December 31st, 2024, interest receivable from the People's Government of Fucheng District, Mianyang City, totaled RMB 976,689,465.13.

(2) Dividends receivable

Creditor name	Debtor name	Closing balance	Opening balance
Mianyang Grain and Oil Group Co., Ltd.	Mianyang Xiante Rice Co.,Ltd	776,600.00	
Mianyang Water (Group) Co., Ltd.	Mianyang Zhongke Miantou Environmental Service Co., Ltd.	38,500,000.00	38,500,000.00
Other sporadic clients	Other sporadic clients	77,185.20	437,324.00
Total		**39,353,785.20**	**38,937,324.00**

(3) Other receivables

Category	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Other receivables for which bad debt provision is made on an individual basis	16,138,180,183.22	99.36	109,655,713.97	0.68
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	103,175,515.77	0.64	46,217,436.23	44.79
Including: Aging portfolio 1 - integrated business	64,553,780.81	0.40	30,220,541.61	46.81
Aging portfolio 2 - water sector	10,604,201.37	0.07	8,175,863.69	77.10
Aging portfolio 3 - transportation sector	22,382,048.27	0.14	6,556,157.67	29.29
Aging portfolio 4 - grain and oil sector	5,635,485.32	0.03	1,264,873.26	22.44
Total	**16,241,355,698.99**	**100.00**	**155,873,150.20**	**—**

(Continued)

Category	Opening balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Other receivables for which bad debt provision is made on an individual basis	15,979,972,671.10	99.32	46,316,289.18	0.29
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	108,643,249.73	0.68	45,747,204.66	42.11
Including: Aging portfolio 1 - integrated business	54,366,452.75	0.34	23,601,000.49	43.41
Aging portfolio 2 - water sector	15,801,758.93	0.10	12,166,601.24	77.00
Aging portfolio 3 - transportation sector	19,194,997.00	0.12	5,985,132.32	31.18
Aging portfolio 4 - grain and oil sector	19,280,041.05	0.12	3,994,470.61	20.72
Total	**16,088,615,920.83**	**100.00**	**92,063,493.84**	**—**

1) Other receivables for which bad debt provision is made on an individual basis at the end of the year

Creditor name	Debtor name	Book balance	Bad debt provision	Expected credit loss rate (%)	Accrual reason
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Housing and Urban-Rural Development Commission	4,875,340,872.84			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Department of Transportation of Mianyang City	1,738,273,705.68			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jialai Real Estate Co., Ltd.	1,175,395,408.91			Expected to be recoverable
Mianyang High-grade Highway Development Co., Ltd.	Mianyang City Bureau of Finance	862,209,533.40			Expected to be recoverable
Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	721,916,900.00			Expected to be recoverable
Mianyang Communications Development Group Co., Ltd.	Mianyang City Bureau of Finance	514,560,881.27			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	498,567,820.41			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City	469,682,186.06			Expected to be recoverable

Creditor name	Debtor name	Book balance	Bad debt provision	Expected credit loss rate (%)	Accrual reason
	Development & Investment (Group) Co., Ltd.				
Mianyang Investment Holding (Group) Co., Ltd.	Jiangyou Finance Bureau (Jiangyou State-owned Assets Supervision and Administration Office)	461,979,225.44			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	People's Government of Fucheng District	432,055,563.79			Expected to be recoverable
Mianyang Communications Development Group Co., Ltd.	Pingwu County People's Government	418,317,089.04			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Construction Engineering Technology Service Center (Municipal Key Engineering Construction Command)	409,054,804.08			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Transportation Service Center (Mianyang Key Highway Construction Headquarters Office)	356,089,089.63			Expected to be recoverable
Mianyang Talent Development Group Co., Ltd.	Chengdu Dongchangrui Real Estate Co., Ltd.	291,337,366.99	77,348,760.84	26.55	Expected partial recovery
Sichuan Jia Lai Construction Engineering Co., Ltd.	Jiangyou Hongfei Investment (Group) Co., Ltd.	248,060,347.22			Expected to be recoverable
Mianyang Miantai Industrial Co., Ltd.	Jiangyou Finance Bureau (Jiangyou State-owned Assets Supervision and Administration Office)	219,190,000.00			Expected to be partially recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Investment Group Co., Ltd.	211,336,166.69			Expected to be recoverable
Mianyang Jianan Tourism Development Co., Ltd.	Mianyang Land Acquisition and Reserve Center	207,672,065.28			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone	181,561,874.97			Expected to be recoverable
Mianyang Public Traffic Group Co., Ltd.	Mianyang City Bureau of Finance	176,740,000.00			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Construction Engineering Technology Service Center (Mianyang Urban Key Engineering Construction Office)	173,572,365.00			Expected to be recoverable

Creditor name	Debtor name	Book balance	Bad debt provision	Expected credit loss rate (%)	Accrual reason
Mianyang Investment Holding (Group) Co., Ltd.	Chengdu Yechang Enterprise Management Consulting Co., Ltd.	127,332,745.51			Expected to be recoverable
Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Hospital of Traditional Chinese Medicine	118,499,908.22			Expected to be recoverable
Mianyang Communications Development Group Co., Ltd.	People's Government of Youxian District	100,000,000.00			Expected to be recoverable
Mianyang Communications Development Group Co., Ltd.	Jiangyou Municipal People's Government Office, Jiangyou City Jiumian Expressway (Jiangyou Section) Construction Coordination Command Center	95,000,000.00			Expected to be recoverable
Sichuan Huaxi Jialai Construction Engineering Co., Ltd.	China Huashi Enterprises Co., Ltd.	67,950,362.72			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Zhonglei Investment Development Group Co., Ltd	67,346,666.49			Expected to be recoverable
Mianyang Talent Development Group Co., Ltd.	People's Government of Chengjiao Town, Fucheng District, Mianyang City	65,478,038.95			Expected to be recoverable
Mianyang Financial Holding Investment Management Co., Ltd.	Mianyang Gas Group Co., Ltd.	52,481,905.91			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Horticultural Administration Center Construction Headquarters	50,990,385.36			Expected to be recoverable
Mianyang Miantou Commercial Operation Management Co., Ltd.	China Universal Leasing Co., Ltd.	14,800,000.00			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Urban and Rural Planning Bureau	13,390,100.00			Expected to be recoverable
Mianyang High-grade Highway Development Co., Ltd.	Department of Transportation of Mianyang City	12,555,113.20			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Genertec Universal International Financial Leasing (Tianjin) Co., Ltd.	12,500,000.00			Expected to be recoverable
Sichuan Xijin Logistics Co., Ltd.	Sichuan Mianyang Forgood Distillery Co., Ltd.	11,868,000.00	11,868,000.00	100.00	Not expected to be recoverable

Creditor name	Debtor name	Book balance	Bad debt provision	Expected credit loss rate (%)	Accrual reason
	Others	685,073,690.16	20,438,953.13	2.98	Expected partial recovery
Total		**16,138,180,183.22**	**109,655,713.97**	—	—

2) Other receivables with provision for bad debts based on the portfolio of credit risk characteristics

a. Other receivables for which provision for bad debts is made using the aging analysis method - aging portfolio 1

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (inclusive)	17,557,400.53	27.20	50,679.77	7,761,245.78	14.28	38,806.23
1-2 years (including 2 years)	2,579,337.74	4.00	257,933.79	4,076,585.62	7.50	407,658.56
2-3 years (inclusive)	3,067,343.72	4.75	614,224.79	18,819,288.11	34.62	3,763,857.62
3-4 years (inclusive)	19,134,791.85	29.64	9,567,395.94	7,752,113.20	14.26	3,876,056.60
4-5 years (inclusive)	4,969,199.40	7.70	2,484,599.75	885,197.13	1.63	442,598.57
More than 5 years	17,245,707.57	26.71	17,245,707.57	15,072,022.91	27.71	15,072,022.91
Total	**64,553,780.81**	**100.00**	**30,220,541.61**	**54,366,452.75**	**100.00**	**23,601,000.49**

b. Other receivables for which provision for bad debts is made using the aging analysis method - aging portfolio 2

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (inclusive)	1,339,780.06	12.64	6,698.90	2,606,780.23	16.50	13,033.90
1-2 years (including 2 years)	1,484,089.33	14.00	445,226.81	971,931.89	6.15	291,579.57
2-3 years (inclusive)	281,970.00	2.66	225,576.00	1,805,295.18	11.42	1,444,236.14
More than 3 years	7,498,361.98	70.70	7,498,361.98	10,417,751.63	65.93	10,417,751.63
Total	**10,604,201.37**	**100.00**	**8,175,863.69**	**15,801,758.93**	**100.00**	**12,166,601.24**

c. Other receivables for which provision for bad debts is made using the aging analysis method - aging portfolio 3

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (inclusive)	7,058,489.48	31.55	59,519.90	5,001,157.74	26.06	50,011.58
1-2 years (including 2 years)	539,623.12	2.41	40,467.38	1,615,967.04	8.42	80,798.35
2-3 years (inclusive)	1,446,888.07	6.46	145,075.73	721,912.49	3.76	72,191.25
3-4 years (inclusive)	882,557.06	3.94	176,911.42	430,578.05	2.24	86,115.61
4-5 years (inclusive)	459,810.41	2.05	137,343.13	83,376.56	0.43	25,012.97
More than 5 years	11,994,680.13	53.59	5,996,840.11	11,342,005.12	59.09	5,671,002.56
Total	**22,382,048.27**	**100.00**	**6,556,157.67**	**19,194,997.00**	**100.00**	**5,985,132.32**

d. Other receivables for which provision for bad debts is made using the aging analysis method - aging portfolio 4

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (inclusive)	3,949,559.17	70.09	19,755.00	15,719,547.83	81.53	785,977.39
1-2 years (including 2 years)	96,625.41	1.71	9,662.54	355,000.00	1.84	35,500.00
2-3 years (inclusive)	355,000.00	6.30	51,750.00	65,000.00	0.34	32,500.00
More than 3 years	1,234,300.74	21.90	1,183,705.72	3,140,493.22	16.29	3,140,493.22
Total	**5,635,485.32**	**100.00**	**1,264,873.26**	**19,280,041.05**	**100.00**	**3,994,470.61**

3) Other receivables of the top five closing balances, grouped by debtor

Creditor name	Debtor name	Book balance	As a percentage of the total other receivables (%)	Bad debt provision
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Housing and Urban-Rural Development Commission	4,875,340,872.84	30.02	
Mianyang Investment Holding (Group) Co., Ltd.	Department of Transportation of Mianyang City	1,738,273,705.68	10.70	
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jialai Real Estate Co., Ltd.	1,175,395,408.91	7.24	
Mianyang High-grade Highway Development Co., Ltd.	Mianyang City Bureau of Finance	862,209,533.40	5.31	

Creditor name	Debtor name	Book balance	As a percentage of the total other receivables (%)	Bad debt provision
Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	721,916,900.00	4.44	
Total		**9,373,136,420.83**	**57.71**	

8. Inventories

Item	Closing balance		
	Book balance	Provision for decline in value	Book value
Raw materials	29,039,159.65	3,134,659.60	25,904,500.05
Goods in stock (finished goods)	741,907,231.43	3,021,157.40	738,886,074.03
Working capital materials (packaging, low-value consumables, etc.)	3,083,082.16		3,083,082.16
Consumable biological assets	2,958,883.18		2,958,883.18
Real estate development cost	11,320,640,737.57		11,320,640,737.57
Real estate development products	1,524,588,672.24	3,597,055.08	1,520,991,617.16
Goods issued	1,155,737.37		1,155,737.37
Contract performance costs	288,296,655.08		288,296,655.08
Total	**13,911,670,158.68**	**9,752,872.08**	**13,901,917,286.60**

(Continued)

Item	Opening balance		
	Book balance	Provision for decline in value	Book value
Raw materials	33,048,580.17	3,363,531.84	29,685,048.33
Goods in stock (finished goods)	620,561,219.89	1,234,222.19	619,326,997.70
Working capital materials (packaging, low-value consumables, etc.)	2,452,269.26	31,696.53	2,420,572.73
Consumable biological assets	3,597,691.10		3,597,691.10
Real estate development cost	8,228,453,610.60		8,228,453,610.60
Real estate development products	612,111,253.57	3,597,055.08	608,514,198.49
Goods issued	454,383.73		454,383.73
Contract performance costs	316,457,188.42		316,457,188.42
Total	**9,817,136,196.74**	**8,226,505.64**	**9,808,909,691.10**

9. Contract assets

(1) Details of contract assets

Item	Closing balance		
	Book balance	Impairment provision	Book value
Amount to be settled for S209PPP Project	69,080,705.71		69,080,705.71
Project funds	30,575,812.99	811,309.87	29,764,503.12
Supervision fee	19,205,597.98	1,492,685.62	17,712,912.36
Total	**118,862,116.68**	**2,303,995.49**	**116,558,121.19**

(Continued)

Item	Opening balance		
	Book balance	Impairment provision	Book value
Amount to be settled for S209PPP Project	38,214,716.36		38,214,716.36
Project funds	44,507,930.47	2,513,327.16	41,994,603.31
Supervision fee	18,098,047.66	76,674.56	18,021,373.10
Total	**100,820,694.49**	**2,590,001.72**	**98,230,692.77**

(2) Provision for impairment of contract assets

Item	Opening balance	Current year accrual	Current year reversal	Current year write-offs/charge-offs	Closing balance
Project funds to be settled	2,513,327.16		1,702,017.29		811,309.87
Supervision fee to be settled	76,674.56	1,416,011.06			1,492,685.62
Total	**2,590,001.72**	**1,416,011.06**	**1,702,017.29**		**2,303,995.49**

10. Non-current assets due within one year

Item	Closing balance	Opening balance
Loans and advances due within one year	96,709,714.35	55,760,716.05
Debt investments due within one year	985,000,000.00	975,000,000.00
Entrusted loans due within one year		300,000,000.00
Total	**1,081,709,714.35**	**1,330,760,716.05**

(1) Details of loans and advances due within one year

1) Disclosure of loans and advances by individuals and enterprises

Item	Closing balance	Opening balance
Individual loans and advances	31,138,966.65	23,099,979.00
Enterprise loans and advances	115,148,308.40	86,072,818.38
Subtotal	146,287,275.05	109,172,797.38

Item	Closing balance	Opening balance
Less: Provision for loan losses	49,577,560.70	53,412,081.33
Total	**96,709,714.35**	**55,760,716.05**

2) Disclosure of loans and advances by guarantee

Item	Closing balance	Opening balance
Credit loans	768,728.86	744,664.94
Guaranteed loans	48,981,875.70	8,892,665.00
Loans with collateral	96,536,670.49	99,535,467.44
Including: Mortgage loans	61,494,795.66	69,478,801.04
Pledge loans	35,041,874.83	30,056,666.40
Total loans and advances	146,287,275.05	109,172,797.38
Less: Provision for loan losses	49,577,560.70	53,412,081.33
Book value of loans and advances	**96,709,714.35**	**55,760,716.05**

3) Overdue loans

Item	Closing balance				
	Overdue for 1 day to 90 days (including 90 days)	Overdue for 90 days to 360 days (including 360 days)	Overdue for 360 days to 3 years (including 3 years)	Overdue for more than 3 years	Total
Credit loans				634,377.44	634,377.44
Guaranteed loans				8,892,665.00	8,892,665.00
Loans with collateral				61,294,072.33	61,294,072.33
Including: Mortgage loans				61,294,072.33	61,294,072.33
Pledge loans					
Total				**70,821,114.77**	**70,821,114.77**

(Continued)

Item	Opening balance				
	Overdue for 1 day to 90 days (including 90 days)	Overdue for 90 days to 360 days (including 360 days)	Overdue for 360 days to 3 years (including 3 years)	Overdue for more than 3 years	Total
Credit loans				644,377.44	644,377.44
Guaranteed loans				8,892,665.00	8,892,665.00
Loans with collateral			400,000.00	68,778,290.04	69,178,290.04
Including: Mortgage loans			400,000.00	68,778,290.04	69,178,290.04
Pledge loans					
Total			**400,000.00**	**78,315,332.48**	**78,715,332.48**

4) Provision for loan losses

Item	Current year amount		Prior year amount	
	Individual	Portfolio	Individual	Portfolio
Opening balance		53,412,081.33		74,328,936.08
Current year accrual				
Current year transfers out				
Current year charge-offs				
Current year reversal		3,834,520.63		20,916,854.75
- Reversal caused by recovery of original write-off loans and advances		3,834,520.63		20,916,854.75
- Loans and advances reversed due to an increase in value				
- Reversal caused by other factors				
Closing balance		49,577,560.70		53,412,081.33

11. Other current assets

Item	Closing balance	Opening balance
Accrued interest not yet due for payment	221,812,505.91	316,875,005.38
VAT to be certified/deducted	353,085,909.16	282,959,619.70
Taxes paid in advance	813,583,023.71	262,984,063.41
Deferred expenses	2,667,836.69	2,507,520.41
Others	37,107,484.01	15,466,630.50
Total	**1,428,256,759.48**	**880,792,839.40**

12. Debt investments

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Debt investments	2,484,068,642.41		2,484,068,642.41	3,396,973,624.11		3,396,973,624.11
Less: Non-current assets due within one year	985,000,000.00		985,000,000.00	975,000,000.00		975,000,000.00
Total	**1,499,068,642.41**		**1,499,068,642.41**	**2,421,973,624.11**		**2,421,973,624.11**

13. Long-term receivables

Item	Closing balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Receivables of government projects	1,758,586,427.44		1,758,586,427.44	1,777,430,147.22		1,777,430,147.22
Total	**1,758,586,427.44**		**1,758,586,427.44**	**1,777,430,147.22**		**1,777,430,147.22**

(1) Significant long-term receivables at the end of the year

Creditor name	Debtor name	Closing balance	As a percentage of the total long-term receivables (%)	Bad debt provision
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Pingwu County Transportation Bureau	634,483,208.04	36.08	
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Housing and Urban-Rural Development Commission	553,453,485.09	31.47	
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Jinjian Investment Engineering Project Management Co., Ltd., Mianyang Anzhou District Housing and Urban-Rural Development Bureau	196,932,454.63	11.20	
Santai County Jiaheng Zhongfu Road and Bridge Engineering Co., Ltd.	Santai County Transportation Bureau	160,791,256.51	9.14	
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Zitong County Transportation Bureau	130,799,209.00	7.44	
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Yuancheng Integrated Development Group Co., Ltd.	66,436,196.31	3.78	
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Fucheng District Finance Bureau, Mianyang Youxian District Finance Bureau	13,286,174.89	0.76	
Total		**1,756,181,984.47**	**99.87**	

14. Long-term equity investments

(1) Classification of long-term equity investments

Item	Opening balance	Increase	Decrease	Closing balance
Investment in subsidiaries				
Investment in joint ventures				
Investment in associates	20,055,290,360.34	3,133,042,853.05	4,365,077,984.39	18,823,255,229.00
Subtotal	**20,055,290,360.34**	**3,133,042,853.05**	**4,365,077,984.39**	**18,823,255,229.00**
Less: Long-term equity investment impairment provision				
Total	**20,055,290,360.34**	**3,133,042,853.05**	**4,365,077,984.39**	**18,823,255,229.00**

(2) Details of long-term equity investments

Investee	Opening balance	Increase or decrease in the current year								Closing balance	Closing balance of impairment provision
		Increase in capital	Decrease in capital	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other equity changes	Declared distribution of cash dividends or profit	Provision for impairment	Other increases		
I. Joint ventures											
II. Associates											
Jiangyou Chuangyuan Development and Construction Investment Co., Ltd.	2,587,709,595.15			43,265,307.50						2,630,974,902.65	

Investee	Opening balance	Increase or decrease in the current year								Closing balance	Closing balance of impairment provision
		Increase in capital	Decrease in capital	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other equity changes	Declared distribution of cash dividends or profit	Provision for impairment	Other increases		
Jiangyou City Investment Development Co., Ltd.	3,459,154,363.97			38,472,378.21		459,729.27				3,498,086,471.45	
Jiangyou Xingyi Agricultural Investment Co., Ltd.	2,776,942,665.01			40,799,361.10	61,487.82	16,500,000.00				2,834,303,513.93	
Jiangyou Hongfei Investment (Group) Co., Ltd.	3,260,575,013.63			54,862,938.73		106,843,171.26				3,422,281,123.62	
Sichuan Xingshu Railway Investment Co., Ltd.	1,893,384,640.15			-36,583.69	12,902,206.50					1,906,250,262.96	
Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	1,579,167,559.77			-22,539,851.92						1,556,627,707.85	
Mian Sui Nei Railway Co., Ltd.		2,000,000,000.00		47,420.62					73,672,275.43	2,073,719,696.05	
Sichuan Mianjiu Expressway Co., Ltd.		41,000,000.00		-8,117,577.76					337,828,689.23	370,711,111.47	

Investee	Opening balance	Increase or decrease in the current year								Closing balance	Closing balance of impairment provision
		Increase in capital	Decrease in capital	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other equity changes	Declared distribution of cash dividends or profit	Provision for impairment	Other increases		
Mianyang HKC Optoelectronics Technology Co., Ltd.	4,201,763,675.13		4,309,459,691.31	107,696,016.18							
Other investments	296,592,847.53	45,492,900.00	52,302,000.08	18,449,008.33		18,835,495.34	3,316,293.00		206,548,480.90	530,300,439.02	
Total	**20,055,290,360.34**	**2,086,492,900.00**	**4,361,761,691.39**	**272,898,417.30**	**12,963,694.32**	**142,638,395.87**	**3,316,293.00**		**618,049,445.56**	**18,823,255,229.00**	

Note 1: On August 17th, 2021, the Company and Jiangyou Hongfei Investment (Group) Co., Ltd., a state-owned enterprise of Jiangyou City, jointly established Mianyang Miantai Industrial Co., Ltd. (hereinafter referred to as "Miantai Industrial"). On December 31st, 2021, Jiangyou State-owned Assets Supervision and Administration Office injected 33% of the state-owned equity of each of the four companies into Miantai Industrial, a subsidiary of the Company at nil consideration in accordance with the *Notice on Agreeing to Transfer 33% of the State-owned Equity of Jiangyou City Investment and Development Co., Ltd.* (JYZB (2021) No. 372), the *Notice on Agreeing to Transfer 33% of the State-owned Equity of Jiangyou Chuangyuan Development and Construction Investment Co., Ltd.* (JGZB (2021) No. 373), the *Notice on Agreeing to Transfer 33% of the State-owned Equity of Jiangyou Hongfei Investment (Group) Co., Ltd.* (JGZB (2021) No. 374), the *Notice on Agreeing to Transfer 33% of the State-owned Equity of Jiangyou Xingyi Agricultural Investment Co., Ltd.* (JGZB (2021) No. 375). The Company presented the equity held by Miantai Industrial as non-controlling interests in the consolidated statements of Mianyang Investment Group, and the investment income based on this portion of the equity is presented as gains or losses on non-controlling interests.

15. Investments in other equity instruments

Item	Closing balance	Opening balance
Equity instruments designated as fair value through other comprehensive income	5,217,973,196.59	4,501,703,354.60
Total	**5,217,973,196.59**	**4,501,703,354.60**

16. Other non-current assets

Item	Closing balance	Opening balance
Mianyang Fidelity Venture Capital Equity Venture Partners (L.P.)	8,048,065.22	9,699,055.32
Sichuan Bashu Grain Warehouse Technology Co., Ltd.	1,451,440.53	1,451,440.53
Sichuan Haodong Food Technology Co., Ltd.	840,870.07	840,870.07
Mianyang Xinyou Grain and Oil Crops Planting Professional Cooperative	10,000.00	10,000.00
Total	**10,350,375.82**	**12,001,365.92**

17. Investment properties

(1) Investment properties using the fair value measurement model

Item	Opening fair value	Increase			Decrease		Closing fair value
		Purchases and financial transfers	Transfer from self-used real estate or inventories	Gains and losses on changes in fair value	Disposal	Transfer to self-used real estate	
Total cost	**5,095,821,122.62**	**200,768,074.36**	**53,310,206.26**		**5,687,849.15**		**5,344,211,554.09**
1. Buildings	5,034,345,422.62	200,768,074.36	37,945,514.19		5,687,849.15		5,267,371,162.02
2. Land use rights	61,475,700.00		15,364,692.07				76,840,392.07
Total changes in fair value	**851,266,113.95**		**213,616.49**	**-19,679,101.69**	**3,654,032.27**		**828,146,596.48**
1. Buildings	848,694,213.95		213,616.49	-15,374,710.90	3,654,032.27		829,879,087.27

Item	Opening fair value	Increase			Decrease		Closing fair value
		Purchases and financial transfers	Transfer from self-used real estate or inventories	Gains and losses on changes in fair value	Disposal	Transfer to self-used real estate	
2. Land use rights	2,571,900.00			-4,304,390.79			-1,732,490.79
Total book value	**5,947,087,236.57**						**6,172,358,150.57**
1. Buildings	5,883,039,636.57						6,097,250,249.29
2. Land use rights	64,047,600.00						75,107,901.28

(2) Investment properties without the certificate of ownership

Item	Book value	Note
Longmen Gaoshui Agricultural Products Wholesale Market	331,069,113.22	In the process
Mianyang Kangju Real Estate Management Co., Ltd. - Rental property	250,769,475.18	Ownership certificates have not been obtained due to historical problems such as old city renovation
Mianyang Kangju Real Estate Management Co., Ltd. - Relocation compensation property	361,710,618.36	Property ownership certificates for relocation compensation housing are currently being processed
Mianyang Fuda Asset Operation Co., Ltd. - Rental property	46,779,524.00	The original property rights unit did not process the certificate of ownership at the time of transfer, and the information was not available for certification.
Mianyang Communications Development Group Co., Ltd.	23,988,824.00	Transferred assets. The original property rights unit did not complete the approval and construction application according to the procedures, failed to obtain multiple completion acceptance certificates, and defaulted on payment to the construction unit. It has not been possible to apply for the *House Ownership Certificate* so far.
Mianyang Grain and Oil Group Co., Ltd. - Houses, warehouses, etc.	13,678,479.00	Due to historical problems and incomplete information, unable to apply for a certificate
Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd. - Grain Management Office	5,616,000.00	Incomplete information, unable to apply for a certificate.
Mianyang Fuhai Asset Management Co., Ltd. - Nanhua Palace	4,148,000.00	Incomplete information, unable to apply for a certificate.
Mianyang Grain Reserve Management Co., Ltd.	1,544,253.00	Incomplete information, unable to apply for a certificate.
Mianyang Zhongyi Cereals and Oils Co., Ltd.	1,015,259.00	Incomplete information, unable to apply for a certificate.

Item	Book value	Note
Longmen Gaoshui Agricultural Products Wholesale Market	331,069,113.22	In the process
Total	**1,040,319,545.76**	

18. Fixed assets

Item	Closing book value	Opening book value
Fixed assets	11,700,077,818.97	9,782,656,459.94
Liquidation of fixed assets	1,045,494.76	5,969,947.15
Total	**11,701,123,313.73**	**9,788,626,407.09**

(1) Details of fixed assets

Item	Opening balance	Increase	Decrease	Closing balance
Total original book value	**13,385,187,727.49**	**2,452,569,596.19**	**226,103,016.48**	**15,611,654,307.20**
Buildings	6,907,875,450.18	2,018,312,053.93	92,282,561.90	8,833,904,942.21
Loan-repayment toll highways	3,349,442,810.15			3,349,442,810.15
Transportation	1,029,216,278.28	37,435,806.75	73,907,750.28	992,744,334.75
Machinery and equipment	933,208,562.18	268,916,574.52	5,939,391.52	1,196,185,745.18
Pipeline network assets	676,747,503.69	75,030,346.49	198,224.34	751,579,625.84
Electronic equipment	137,967,879.84	50,889,016.94	1,377,916.69	187,478,980.09
Instrumentation	14,741,842.86	312,862.00	11,752.00	15,042,952.86
Office equipment and others	335,987,400.31	1,672,935.56	52,385,419.75	285,274,916.12
Total accumulated depreciation	**3,597,174,628.57**	**404,329,221.69**	**100,518,919.06**	**3,900,984,931.20**
Buildings	1,882,772,007.71	146,463,118.45	4,585,351.61	2,024,649,774.55
Loan-repayment toll highways				
Transportation	688,586,400.18	112,885,986.23	70,273,208.50	731,199,177.91
Machinery and equipment	469,052,605.09	64,082,766.64	5,010,653.75	528,124,717.98
Pipeline network assets	227,193,607.43	26,856,121.80		254,049,729.23
Electronic equipment	109,051,163.11	32,158,010.84	1,344,041.26	139,865,132.69
Instrumentation	11,454,237.44	738,732.83	11,177.00	12,181,793.27
Office equipment and others	209,064,607.61	21,144,484.90	19,294,486.94	210,914,605.57
Total impairment provision	**5,356,638.98**	**5,498,821.27**	**263,903.22**	**10,591,557.03**
Buildings	5,084,747.83	5,498,821.27		10,583,569.10
Loan-repayment toll highways				
Transportation	21,447.77		13,459.84	7,987.93
Machinery and equipment	212,214.09		212,214.09	
Pipeline network assets				

Item	Opening balance	Increase	Decrease	Closing balance
Electronic equipment	31,860.07		31,860.07	
Instrumentation				
Office equipment and others	6,369.22		6,369.22	
Book value of fixed assets	**9,782,656,459.94**			**11,700,077,818.97**
Buildings	5,020,018,694.64			6,798,671,598.56
Loan-repayment toll highways	3,349,442,810.15			3,349,442,810.15
Transportation	340,608,430.33			261,537,168.91
Machinery and equipment	463,943,743.00			668,061,027.20
Pipeline network assets	449,553,896.26			497,529,896.61
Electronic equipment	28,884,856.66			47,613,847.40
Instrumentation	3,287,605.42			2,861,159.59
Office equipment and others	126,916,423.48			74,360,310.55

(2) Fixed assets without the certificate of ownership

Item	Book value	Note
Mianyang Sanjiang Hospital	1,250,878,042.59	In the process
Mianyang Airport (Group) Co., Ltd. - T2 International Terminal	287,919,816.43	Newly built, pending certification
Mian Zhong Experimental School	291,100,605.40	In the process
Mianyang Nanshan Experimental High School	226,854,493.70	In the process
Mianyang Airport (Group) Co., Ltd.	96,937,906.73	Due to the early construction of the airport, the relevant information archived in the early stage of infrastructure construction cannot meet the current requirements for property rights application, resulting in the inability to apply for a certificate of ownership
Mianyang Grain and Oil Group Co., Ltd.	88,662,772.45	Due to historical reasons, there is no certificate
Mianyang Fuda Asset Operation Co., Ltd.	83,712,847.94	The original unit did not process the certificate of ownership and the information was incomplete
Mianyang Investment Holding (Group) Co., Ltd. - No. 8 Anchang Road Intelligent Mechanical Parking Building	38,523,783.79	In the process
Mianyang Airport (Group) Co., Ltd. - Multiple-functional building	32,054,927.86	In the process
Sichuan Longwei Security Service Co., Ltd.	11,076,246.56	In the process
Pingwu County Shuhan Tourism Development Co., Ltd.	5,840,336.43	In the process
Mianyang Road and Bridge Construction Co., Ltd.	17,209,140.67	In the process
Mianyang Construction Engineering Quality Testing Center Co., Ltd.	6,907,936.42	In the process
Gas station of Mianyang High-grade Highway Development Co., Ltd.	2,584,255.40	Due to historical reasons, there is no certificate
Mianyang Public Traffic Group Co., Ltd.	2,831,757.16	Due to historical reasons, there is no certificate
Total	**2,443,094,869.53**	

19. Construction in progress

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction in progress	5,615,026,082.05	22,344,307.24	5,592,681,774.81	6,389,536,115.13	22,344,307.24	6,367,191,807.89
Project materials				387,104.99		387,104.99
Total	**5,615,026,082.05**	**22,344,307.24**	**5,592,681,774.81**	**6,389,923,220.12**	**22,344,307.24**	**6,367,578,912.88**

(1) Changes in significant construction in progress during the year

Project name	Opening balance	Increase	Transferred to fixed assets during the year	Other decreases during the year	Closing balance
Xiaojiangou urbanization construction	1,067,162,317.76	60,754,677.50		1,127,916,995.26	
Land Consolidation on Xianhai Avenue	724,943,394.55	37,707,481.99		762,650,876.54	
037 Kaimao Reservoir, the Second Water Source	657,319,050.92	78,274,684.57	735,593,735.49		
Sanjiang Hospital project	585,948,510.95	677,125,511.54	1,251,882,317.76		11,191,704.73
Land Consolidation in Chengnan New District	54,320,197.42	3,179,966,660.50		945,864,140.45	2,288,422,717.47
Total	**3,089,693,471.60**	**4,033,829,016.10**	**1,987,476,053.25**	**2,836,432,012.25**	**2,299,614,422.20**

20. Right-of-use assets

Item	Opening balance	Increase	Decrease	Closing balance
Total original book value	**93,819,906.33**	**39,167,498.75**	**8,005,837.91**	**124,981,567.17**
Including: Land and buildings	93,819,906.33	10,099,293.94	8,005,837.91	95,913,362.36
Electronic equipment		29,068,204.81		29,068,204.81
Total accumulated depreciation (amortization)	**28,241,143.41**	**16,060,949.94**	**5,005,658.97**	**39,296,434.38**
Including: Land and buildings	28,241,143.41	12,427,424.34	5,005,658.97	35,662,908.78
Electronic equipment		3,633,525.60		3,633,525.60
Total impairment provision				
Including: Land and buildings				
Electronic equipment				
Total book value	**65,578,762.92**			**85,685,132.79**
Including: Land and buildings	65,578,762.92			60,250,453.58
Electronic equipment				25,434,679.21

21. Intangible assets

(1) Classification of intangible assets

Item	Opening balance	Increase	Decrease	Closing balance
Total original value	**2,410,371,730.29**	**199,031,182.51**	**229,554,734.21**	**2,379,848,178.59**
Including: Software	68,401,584.18	9,165,487.35	3,707,621.87	73,859,449.66
Land use rights	949,211,398.38	188,071,612.72	224,308,027.44	912,974,983.66
Patent	259,700.58		224,960.90	34,739.68
Concession	1,391,652,783.97	42,452.83	1,314,124.00	1,390,381,112.80
Copyright	846,263.18	1,751,629.61		2,597,892.79
Total accumulated amortization	**443,224,025.87**	**70,921,999.49**	**31,457,473.22**	**482,688,552.14**
Including: Software	26,807,747.42	6,221,595.90	1,384,500.23	31,644,843.09
Land use rights	165,609,814.70	21,834,999.68	29,993,266.90	157,451,547.48
Patent	106,379.66	3,584.88	79,706.09	30,258.45
Concession	250,570,217.45	42,759,424.73		293,329,642.18
Copyright	129,866.64	102,394.30		232,260.94
Total impairment provision	**46,525,504.95**			**46,525,504.95**
Including: Software				
Land use rights				
Patent				
Concession	46,525,504.95			46,525,504.95

Item	Opening balance	Increase	Decrease	Closing balance
Copyright				
Total book value	**1,920,622,199.47**			**1,850,634,121.50**
Including: Software	41,593,836.76			42,214,606.57
Land use rights	783,601,583.68			755,523,436.18
Patent	153,320.92			4,481.23
Concession	1,094,557,061.57			1,050,525,965.67
Copyright	716,396.54			2,365,631.85

(2) Intangible assets without the certificate of ownership

Item	Book value	Note
Mianyang City Gaoshui Agricultural and Sideline Products Wholesale Co., Ltd. - Land of old Longmen Market	7,748,800.38	In the process of applying for certificates of ownership
Mianyang City Gaoshui Agricultural and Sideline Products Wholesale Co., Ltd. - Land of Yunv Street	1,234,000.00	The land is involved in historical problems arising from the *Cooperation Agreement on the Actual Debt-bearing Compensatory Transfer of Nine State-owned Land Use Rights of Seven Municipal Grain Enterprises in the Process of Urban Renewal and Relocation from Urban to Suburban Areas* signed between Mianyang Municipal Grain Bureau and Mianyang Investment Holding (Group) Co., Ltd. in 2010.
Mianyang City Gaoshui Agricultural and Sideline Products Wholesale Co., Ltd. - Land of Longmen Grain Management Office	777,324.39	Relating to historical problems of the original property rights unit.
The allocated land of Mianyang Grain Reserve Management Co., Ltd. and its subsidiaries	4,157,400.00	Incomplete information, unable to apply for a certificate.
Total	**13,917,524.77**	

22. Goodwill

Name of investee or events from which goodwill arises	Opening balance	Increase	Decrease	Closing balance
Investment by Mianyang City Water Supply Co., Ltd. in Mianyang High-Tech Zone Water Supply Co., Ltd.	1,952,648.50			1,952,648.50
Investment by Mianyang Jiaofa Industry Co., Ltd. Mianyang Xike Printing Co., Ltd.	235,960.49			235,960.49
Total	**2,188,608.99**			**2,188,608.99**

23. Long-term deferred expenses

Item	Opening balance	Increase	Amortization during the year	Other decreases during the year	Closing balance
Decoration cost	101,929,418.16	20,251,873.33	36,517,305.69	7,603,441.53	78,060,544.27
Others	113,222,092.27	40,044,483.40	47,061,178.61	102,448.61	106,102,948.45
Total	**215,151,510.43**	**60,296,356.73**	**83,578,484.30**	**7,705,890.14**	**184,163,492.72**

24. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities are not presented as net amounts after offsetting

Item	Closing balance		Opening balance	
	Deferred tax assets/Liabilities	Deductible/Taxable temporary difference	Deferred tax assets/Liabilities	Deductible/Taxable temporary difference
I. Deferred tax assets	**191,884,399.97**	**767,537,599.88**	**79,545,478.80**	**363,066,281.92**
Bad debt provision	58,771,400.76	235,085,603.04	53,306,790.01	223,909,141.60
Provision for decline in value of inventories	951,776.41	3,807,105.64		
Recoverable loss	4,793,193.91	19,172,775.64		
Losses on changes in fair value, etc.	127,368,028.89	509,472,115.56	26,238,688.79	139,157,140.32
II. Deferred tax liabilities	**761,922,722.76**	**3,047,690,891.04**	**276,658,094.45**	**1,106,632,377.80**
Gains on changes in fair value, etc.	761,922,722.76	3,047,690,891.04	276,658,094.45	1,106,632,377.80

25. Other non-current assets

(1) Details of projects

Item	Closing balance	Opening balance
Municipal engineering projects entrusted by the government to be settled	22,748,095,299.19	17,567,420,615.97
Post-disaster reconstruction asset package of the Department of Transportation of Mianyang City (Note 1)	2,509,280,836.05	2,509,280,836.05
Escrow assets	1,325,093,100.00	1,430,000,000.00
Assets to be transferred by the Department of Transportation of Mianyang City (Note 2)	470,797,300.00	470,797,300.00
Accumulated investment and operating balance of "private to public" schools	200,909,633.34	200,909,633.34
Assets of D-prefaced trainsets	51,903,377.61	41,636,920.95
Input tax to be deducted	4,811,320.75	17,131,989.41
Housing maintenance fund	2,090,287.47	1,450,951.47
Buildings	643,453.00	643,453.00
Others	238,086,817.63	443,446,163.21
Total	**27,551,711,425.04**	**22,682,717,863.40**

Note 1: According to the *Notice on Establishing Mianyang Communications Development Group Co., Ltd.* (MFF [2013] No. 2) issued by the Mianyang Municipal People's Government and *Notice on Transferring Post-disaster Transportation Reconstruction Assets to Mianyang Communications Development Group for Accounting* (MJH [2017] No. 16) issued by the Department of Transportation of Mianyang City, the Department of Transportation of Mianyang

City transferred the asset packages of the post-disaster transportation reconstruction project (established and accounted for in a special capital construction account by the Mianyang Municipal Key Highway Construction Headquarters Office) implemented by it to Mianyang Communications Development Group, a subsidiary of the Company according to the book cumulative investment of RMB 2,509,280,800 as of December 31st, 2016 (the final amount shall be subject to the approval amount of financial completion and financial settlement). On September 20th, 2017, according to the *Notice on Transferring Post-disaster Transportation Reconstruction Investments to Hengtong Construction Engineering for Accounting* (MJFSF [2017] No. 87), Mianyang Communications Development Group transferred the asset packages to Hengtong Construction Engineering, a subordinate subsidiary. The Group presented other non-current assets and capital reserves based on the cumulative completed investments as of the closing date of the transfer.

Note 2: As of the end of 2024, the Company's subsidiary Mianyang High-grade Highway Development Co., Ltd. has allocated a total of RMB 454.21 million to the Department of Transportation of Mianyang City for the construction of key transportation projects in accordance with the requirements of the Mianyang Municipal People's Government, including the Second Fujiang Bridge, the W-beam guardrail of national and provincial arterial highways, and the Niujiaoji Tunnel Project. According to the statement issued by the Department of Transportation of Mianyang City, the fixed assets formed by the investment of the funds will be transferred to Mianyang High-grade Highway Development Co., Ltd. The relevant assets have not yet been transferred.

According to the guidance and spirit of the *Notice of Mianyang Municipal People's Government Office on Issuing the "Internet plus" Key Work Plan of Mianyang in 2017* (MFBH [2017] No. 50) and the *Reply of Mianyang Municipal Finance Bureau on the Construction of Traffic Operation Monitoring and Emergency Command System* (MCJF [2017] No. 3), the Company's subsidiary Mianyang Transportation Development Group Co., Ltd. has signed a cooperation agreement with the Department of Transportation of Mianyang City regarding the project of traffic operation detection and emergency command system (including taxi information system), and it is agreed that the Company has invested no more than RMB 16.5873 million, and the assets formed by the investment shall be treated as the Company's assets in accordance with the spirit of the *Notice on Establishing Mianyang Transportation Development Group Co., Ltd.* (MFF [2013] No. 20) issued by the Municipal People's Government. The above matters are implemented by Mianyang Jiaofa Shunda Taxi Co., Ltd., a subsidiary of Mianyang Transportation Development Group Co., Ltd. As of the end of 2024, Mianyang Jiaofa Shunda Taxi Co., Ltd. has allocated RMB 16.5873 million to the Department of Transportation of Mianyang City, and the relevant assets have not yet been transferred.

Note 3: Issues about the accumulated investment and operating balance of "private to public" schools

According to the *Announcement on the Autumn Enrollment of Schools in the Compulsory Education Stage of Mianyang City in 2022* issued by the Education and Sports Bureau of Mianyang City (hereinafter referred to as the "Municipal Education and Sports Bureau") on May 17th, 2022, the "Sichuan Mianyang Foreign Language School and Mianyang Foreign Language Experimental School" under the Group's subsidiary Mianyang Talent Development Group Co., Ltd. (hereinafter referred to as "Talent Group") are listed as "private to public compulsory education schools"(hereinafter referred to as "private to public" schools). In addition, according to the *Approval for the Conversion of Four Schools, including Sichuan Mianyang Foreign Language School into Public Schools* issued by the Mianyang Municipal People's Government to the Municipal Education and Sports Bureau on October 11th, 2022 (MFPF [2022] No. 284), the Group and Talent Group will no longer include the two schools mentioned above in the consolidation scope from September 1st,2022 (2022/2023 academic year).

According to Article 5 of the *Law of the People's Republic of China on the Promotion of Private Education*, Article 12 of the *Regulations on the Implementation of the Law of the People's Republic of China on the Promotion of Private Education*, Article 1 (2) of the *Implementation Plan for Standardizing the Development of Private Compulsory Education in Mianyang City* "adhere to legal norms, respect history, strengthen systematic and comprehensive governance, and safeguard the legitimate rights and interests of relevant entities" and Article 3 (10) "all departments in various regions shall strengthen their preparation for the worst-case-scenarios, fully listen to the opinions and suggestions of schools, faculty, parents, organizers, and other relevant parties, pay attention to work methods, and protect the legitimate rights and interests of school teachers, students, and organizers in accordance with laws and regulations", the Talent Group will actively coordinate with the competent departments in accordance with the requirements of the Mianyang State-owned Assets Supervision and Administration Commission regarding the disposal of assets and debts related to the two schools after the "private to public", and regarding the Talent Group's identity as the school organizer, historical investment, and educational returns. The Talent Group will also request the municipal government to pay consideration or compensation for the rights and interests of the organizers of the historical investment and educational accumulation of the two schools before the conversion from private to public. According to the *Statement on the Assets of "Private to Public" Schools Attached to the Talent Group* issued by the Mianyang State-owned Assets Supervision and Administration Commission, the Talent Group has a total of RMB 200,909,633.34 of organizer's equity in the historical investments and accumulation of the operation of the two schools before they were transferred to the public schools. In order to ensure the normal operation of the two schools,

the Group will actively coordinate with the Finance Bureau, Municipal Education and Sports Bureau, and other departments no later than December 31st, 2023, and request approval from the Municipal Government to pay corresponding consideration or compensation for the historical investment and educational accumulation of the two schools enjoyed by the Company before their conversion to public ownership. If there are any deficiencies, the state-owned capital rights and interests will be reduced in accordance with laws and regulations. The relevant matters are still under consideration. The rolling balance as of August 31st, 2022 of the Talent Group's historical investment in the two schools before their conversion to public ownership and the accumulation of the schools' entitlement to the organizer's interest is presented as other non-current assets in the financial statements of the Talent Group and the Group.

(2) Main municipal engineering projects entrusted by the government to be settled

Item	Closing balance	Opening balance
Infrastructure Project for the Science, Education and Innovation Zone	1,756,113,266.53	1,643,670,980.27
East Extension Project of the First Ring Road North Section	1,399,286,975.72	933,000,109.29
East Extension Project of the First Ring Road South Section	1,031,947,900.90	771,566,318.80
Horticultural New District Project	1,031,076,105.98	921,654,407.46
Sanxing Community Resettlement Housing Project	999,951,061.10	955,615,424.10
Eco-park	885,789,984.93	
Jiannan Road Reconstruction Project	850,427,588.51	459,311,667.17
Commissioned highway assets	842,092,433.11	842,092,433.11
Sanglin Dam Project	833,122,698.96	805,918,710.82
Xianhai Avenue Project	762,650,876.54	
Yuewang Tower Construction Project	749,473,537.08	706,935,627.09
First Ring Road South Section Project	699,193,221.37	408,241,411.74
Anzhou to Jushui First Class Highway (S418 Line) Construction Project	644,775,845.29	723,845,937.49
Mianyang Second Ring Road Phase I, II & III Projects	568,193,146.90	322,019,021.92
Xiyuan Public Rental Housing	561,995,919.11	560,753,919.82
Tangxun Public Rental Housing Phase I	521,887,399.35	523,275,969.98
Reconstruction Project of Zitong County to Jiangyou Hekou Section (S209 Line)	418,646,639.13	455,780,013.51
Industrial and Commercial Bureau Office Building	369,091,620.52	287,202,883.78
Municipal Party School Relocation Project	352,404,252.45	351,965,844.46
Public Rental Housing Project for Teachers	330,033,853.88	330,176,864.98
Construction Project of No. 1 and No. 4 Roads in the Education Park	294,902,504.79	294,902,504.79
Yongxing Sewage Treatment Plant Supporting Pipelines	264,424,101.39	291,415,670.45
Tongkou River diversion project to feed the Anchang River	258,352,777.98	258,352,777.98
Vehicle Management Center	250,811,672.46	245,439,213.76

Item	Closing balance	Opening balance
Operational premises of Mianyang Experimental Driving School	217,831,497.04	26,843,830.21
Projects of the Environmental Protection Bureau, Justice Bureau, etc.	208,248,753.16	195,902,183.25
Technical Housing Project of Municipal Public Security Bureau	205,010,574.87	204,903,534.87
Grain logistics center	89,091,191.91	289,708,956.42
Total	**17,396,827,400.96**	**13,810,496,217.52**

26. Short-term loans

(1) Classification of short-term loans

Type of loan	Closing balance	Opening balance
Credit loans	3,166,891,385.02	3,735,369,565.00
Guaranteed loans	5,375,531,108.88	4,721,183,402.52
Mortgage loans	1,779,052,000.00	2,799,464,144.45
Pledged loans	1,595,968,194.44	1,705,174,886.12
Interest payable	8,197,143.63	12,880,330.50
Total	**11,925,639,831.97**	**12,974,072,328.59**

(2) Situation of overdue short-term loans

The mortgage loan included the principal of a financial entrusted loan of RMB 6 million obtained by Mianyang Fuhai Asset Management Co., Ltd. (hereinafter referred to as "Fuhai Asset Management Company") from the Mianyang Xinhua sub-branch of ICBC in 2007, which expired on January 30th, 2008. According to the records of the Enterprise Credit Report, by the end of 2024, the accumulated unpaid interest was approximately RMB 35,228,300 (approximately RMB 30,870,000 at the end of 2023). Fuhai Asset Management Company has applied to the Mianyang State-owned Assets Supervision and Administration Commission to coordinate with the Mianyang Municipal Finance Department to exempt the principal and interest of the Municipal Finance Special Entrusted Loan. The Mianyang Municipal Finance Department has requested instructions from the Mianyang Municipal People's Government regarding this matter, and has not yet obtained approval from the Mianyang Municipal People's Government. Fuhai Asset Management Company has suspended interest calculation since 2021, but has not obtained the written consent of the borrowing bank.

27. Bills payable

Class	Closing balance	Opening balance
Bank acceptance bills	3,681,752,604.32	2,492,937,632.86
Total	**3,681,752,604.32**	**2,492,937,632.86**

28. Accounts payable

(1) Aging of accounts payable

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	2,940,534,067.71	2,343,607,813.49
1-2 years (inclusive)	548,459,280.53	713,150,354.84
2-3 years (inclusive)	497,087,191.50	219,825,385.13
More than 3 years	518,427,989.12	558,903,190.30
Total	**4,504,508,528.86**	**3,835,486,743.76**

(2) Significant accounts payable aged over one year

Name of debtor	Debtor name	Closing balance	Aging	Note
Mianyang Airport (Group) Co., Ltd.	China Construction Fourth Engineering Division Corp. Ltd.	67,059,715.93	2-3 years, more than 3 years	Not yet settled
Mianyang Transportation Development Industrial Co., Ltd.	Sichuan Hongyu Industrial Group Co., Ltd.	32,940,536.44	1-2 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Bohong Construction Service Co., Ltd.	27,713,180.56	1-3 years, more than 3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Sichuan Baotong Logistics Co., Ltd.	20,513,825.84	2-3 years, more than 3 years	Not yet settled
Mianyang Airport (Group) Co., Ltd.	Xiamen Panport Intelligent Technology Co., Ltd.	15,241,972.85	2-3 years, more than 3 years	Not yet settled
Mianyang Investment Holding (Group) Co., Ltd.	MCC Tiangong Group Corporation Limited	17,568,509.82	1-3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Huarui Haozhen Trading Co., Ltd.	16,588,504.71	2-3 years, more than 3 years	Not yet settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Land Acquisition and Demolition Headquarters	15,358,791.65	More than 3 years	Not yet settled
Mianyang Airport (Group) Co., Ltd.	China Construction Eighth Engineering Division Decoration Co., Ltd.	14,056,420.04	1-3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Baolai Construction Service Co., Ltd.	11,431,101.85	1-3 years, more than 3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Baoying Trading Co., Ltd.	10,066,089.34	1-3 years, more than 3 years	Not yet settled
Sichuan Jia Lai Construction Engineering Co., Ltd.	Sichuan Dingheng Construction Engineering Co., Ltd.	9,212,378.83	2-3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Shujian Construction Service Co., Ltd.	9,007,121.50	1-3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Yixing Construction Service Co., Ltd.	8,463,773.79	1-3 years; more than 3 years	Not yet settled
Mianyang Airport (Group) Co., Ltd.	TravelSky Technology Limited	6,879,910.00	1-2 years	Not yet settled

Name of debtor	Debtor name	Closing balance	Aging	Note
Total		**282,101,833.15**		

29. Advances from customers

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	36,329,409.66	64,322,271.58
More than 1 year	40,699,741.58	1,915,131.98
Total	**77,029,151.24**	**66,237,403.56**

30. Contract liabilities

Item	Closing balance	Opening balance
Advance payment for goods (Note)	6,862,154,703.08	4,767,182,605.44
Project funds received in advance	137,423,446.02	263,588,377.35
Student tuition, living expenses, accommodation, etc.	218,858,753.00	226,865,593.89
Service payment received in advance	25,830,276.40	69,054,081.71
Driving training	7,838,793.40	10,970,095.24
Other payments	181,939,414.10	9,034,559.23
Total	**7,434,045,386.00**	**5,346,695,312.86**

Note: At the end of the year, the significant increase in the balance of contract liabilities was mainly due to the continuous pre-sale of the Jiuhuafu real estate project developed by the Group during the year, for which advance receipts of approximately RMB 1,946 million were received.

31. Employee benefits payable

(1) Employee benefits payable by category

Item	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	201,286,667.34	1,415,120,149.51	1,421,550,299.99	194,856,516.86
Post-employment benefits-defined contribution plans	3,918,401.17	183,075,417.70	182,549,118.80	4,444,700.07
Termination benefits	310,683.34	3,499,545.99	2,070,474.02	1,739,755.31
Other benefits due within one year	741,538.46	1,013,394.07	1,754,932.53	
Total	**206,257,290.31**	**1,602,708,507.27**	**1,607,924,825.34**	**201,040,972.24**

(2) Short-term employee benefits

Item	Opening balance	Increase	Decrease	Closing balance
Salary, bonus, allowance and subsidies	176,641,082.70	1,157,988,852.25	1,166,859,712.03	167,770,222.92
Staff welfare	4,007,347.88	42,828,217.24	43,303,792.96	3,531,772.16

Item	Opening balance	Increase	Decrease	Closing balance
Social insurance	4,743,316.46	83,294,622.45	82,948,920.60	5,089,018.31
Including: Medical insurance	4,611,216.12	75,810,259.09	75,493,057.58	4,928,417.63
Work-related injury insurance	33,200.21	4,871,508.56	4,837,796.17	66,912.60
Maternity insurance	98,900.13	2,612,854.80	2,618,066.85	93,688.08
Housing provident fund	268,532.26	80,549,250.06	80,458,511.95	359,270.37
Labor union funds and staff education funds	14,826,242.05	21,060,742.11	19,876,014.44	16,010,969.72
Other short-term employee benefits	800,145.99	29,398,465.40	28,103,348.01	2,095,263.38
Total	**201,286,667.34**	**1,415,120,149.51**	**1,421,550,299.99**	**194,856,516.86**

(3) Defined contribution plans

Item	Opening balance	Increase	Decrease	Closing balance
Basic pension insurance	3,519.20	150,796,455.48	149,698,185.52	1,101,789.16
Unemployment insurance	22,160.23	5,629,669.60	5,598,006.52	53,823.31
Enterprise annuity contributions	3,892,721.74	26,649,292.62	27,252,926.76	3,289,087.60
Total	**3,918,401.17**	**183,075,417.70**	**182,549,118.80**	**4,444,700.07**

32. Taxes payable

Item	Closing balance	Opening balance
Land value-added tax	6,988,012.05	47,312,520.47
Corporate income tax	133,064,604.29	168,170,200.58
Value-added tax (VAT)	310,894,564.53	215,321,367.17
City construction tax	18,744,625.51	19,219,817.39
Property tax and land use tax	3,830,432.18	19,074,602.25
Deed tax		99,159.30
Water resource tax	367.54	2,778,491.77
Individual income tax	2,766,297.01	2,082,265.46
Other taxes	28,862,453.46	68,618,978.61
Total	**505,151,356.57**	**542,677,403.00**

33. Other payables

Item	Closing balance	Opening balance
Interest payable	72,861,178.89	22,174,460.20
Dividends payable / profits payable	58,287,943.70	58,287,943.70
Other payables	5,189,200,136.31	5,669,095,018.27
Total	**5,320,349,258.90**	**5,749,557,422.17**

(1) Interest payable

Item	Closing balance	Opening balance
Interest payable on the financial entrusted loan of ICBC (Note)	21,815,610.85	21,815,610.85
Mianyang Water (Group) Co., Ltd.	46,937,709.74	
Mianyang Mingsheng Real Estate Development Co., Ltd.	3,462,785.50	
Mianyang Grain and Oil Group Co., Ltd.	645,072.80	358,849.35
Total	**72,861,178.89**	**22,174,460.20**

Note: The interest payable is related to the loan (financial entrusted loan) obtained by Fuhai Asset Management Company, a subsidiary of Mianyang Grain and Oil Group Co., Ltd from Mianyang Xinhua branch of ICBC, the principal and interest of the loan are overdue, please refer to the relevant details disclosed in "VIII. 26. Short-term loans" in this note.

(2) Dividends payable

Item	Closing balance	Opening balance
Sichuan Changhong Electronic (Group) Co., Ltd.	42,699,693.43	42,699,693.43
Other sporadic shareholders	15,588,250.27	15,588,250.27
Total	**58,287,943.70**	**58,287,943.70**

(3) Other payables

1) Other payables presented by aging

Item	Closing balance	Opening balance
Within 1 year (inclusive)	1,097,434,829.15	2,355,513,182.32
More than 1 year	4,091,765,307.16	3,313,581,835.95
Total	**5,189,200,136.31**	**5,669,095,018.27**

2) Significant other payables aged over one year

Name of debtor	Debtor name	Closing balance	Note
Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	China Academy of Engineering Physics Institute of Materials Research	877,002,725.00	Purchase sincerity fund
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jurong Equity Investment Fund Management Co., Ltd.	590,000,000.00	Project contribution
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Changhong Electronic (Group) Co., Ltd.	490,000,000.00	Project contribution
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	343,200,975.01	Payment on behalf
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jiuzhou Investment Holding Group Co., Ltd.	300,000,000.00	Project contribution
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Gas Group Co., Ltd.	250,000,000.00	Loans

Name of debtor	Debtor name	Closing balance	Note
Mianyang Talent Development Group Co., Ltd.	Mianyang City Bureau of Finance	168,000,000.00	Special funds for the Jinjialin land consolidation project
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Xinxing Investment Holdings Co., Ltd.	100,000,000.00	Project contribution
Total		**3,118,203,700.01**	

3) Details of other important payables at the end of the period

Name of debtor	Debtor name	Closing balance	Proportion (%)
Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	China Academy of Engineering Physics Institute of Materials Research	877,002,725.00	16.90
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jurong Equity Investment Fund Management Co., Ltd.	590,000,000.00	11.37
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Changhong Electronic (Group) Co., Ltd.	490,000,000.00	9.44
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	343,200,975.01	6.61
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jiuzhou Investment Holding Group Co., Ltd.	300,000,000.00	5.78
Total		**2,600,203,700.01**	**50.10**

34. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term loans due within one year	7,657,214,110.33	5,947,170,288.20
Bonds payable due within one year	10,734,575,911.24	12,290,764,613.37
Long-term payables due within one year	1,375,551,353.92	1,039,666,703.53
Other long-term liabilities due within one year	22,472,962.97	10,225,539.05
Interest payable	28,322,579.37	57,474,833.84
Total	**19,818,136,917.83**	**19,345,301,977.99**

35. Other current liabilities

Item	Closing balance	Opening balance
Output tax to be written off	719,902,978.33	481,370,314.72
Bank acceptance bills endorsed but not expired	7,400,000.00	2,245,314.70
Others	16,457,438.39	12,871,193.22
Total	**743,760,416.72**	**496,486,822.64**

36. Long-term loans

Type of loan	Closing balance	Opening balance
Pledged and credit guaranteed loans	1,675,398,800.00	1,376,884,380.64
Pledged loans	3,455,770,831.14	2,057,144,416.91

Type of loan	Closing balance	Opening balance
Mortgage loans	3,898,714,730.65	2,584,435,038.62
Credit guaranteed	14,113,575,781.71	10,452,084,860.00
Credit loans	3,453,471,689.00	4,508,326,432.42
Subtotal	26,596,931,832.50	20,978,875,128.59
Less: Long-term loans due within one year	7,657,214,110.33	5,947,170,288.20
Total	**18,939,717,722.17**	**15,031,704,840.39**

37. Bonds payable

(1) Bonds payable by category

Item	Closing balance	Opening balance
19 Mianyang Holding 01 Bond		2,095,954,204.68
19 Mianyang Holding 02 Bond		1,040,734,504.16
19 Mianyang Holding 03 Bond		519,707,842.49
19 Mianyang Investment 01		1,516,072,715.28
19 Sichuan Mianyang Investment PPN001		180,357,697.26
20 Sichuan Mianyang Investment MTN001	114,676,154.20	138,080,680.58
20 Sichuan Mianyang Investment PPN001	93,565,595.53	142,192,622.95
20 Sichuan Mianyang Investment MTN002	827,972,134.28	824,944,100.06
21 Mianyang Investment 02	604,937,541.33	611,259,368.64
21 Sichuan Mianyang Investment PPN001		523,408,954.04
21 Sichuan Mianyang Investment ZR001		21,136,936.25
21 Sichuan Mianyang Investment ZR002		399,280,645.61
21 Mianyang Holding 03	10,064,647.54	1,094,227,965.64
21 Sichuan Mianyang Investment ZR003 Bond Financing		1,016,361,863.95
21 Mianyang Holding 04	64,193,309.96	63,515,266.63
21 Mianyang Holding Y1	270,165,214.44	270,035,622.04
21 Medium-term Note		1,031,304,109.59
22 Medium-term Note MTN001	938,018,219.18	937,884,821.92
22 Medium-term Note MTN002	103,956,712.33	103,464,109.59
22 Mianyang Holding 01		852,817,923.80
22 Mianyang Holding 02	511,807,633.79	505,807,815.62
22 Mianyang Investment 01	524,455,705.80	523,809,959.91
22 Sichuan Mianyang Investment PPN001		1,029,588,993.31
22 Mianyang Investment 02	613,192,690.96	612,497,273.24
22 Mianyang Investment 03 Bond	813,714,715.64	812,787,063.08
22 Sichuan Mianyang Investment PPN002	1,013,810,622.15	1,012,998,043.58

Item	Closing balance	Opening balance
22 Sichuan Mianyang Investment MTN001	1,013,515,608.83	1,012,731,192.99
22 Sichuan Mianyang Investment PPN003	499,971,973.28	499,195,493.07
22 Mianyang Investment Renewable Corporate Bonds	360,618,132.24	359,868,579.11
23 Mianyang Holding 01 Private Placement of Corporate Bonds	1,049,931,985.03	1,049,217,583.31
23 Sichuan Mianyang Investment PPN001	1,394,898,165.27	1,392,166,682.22
23 Sichuan Mianyang Investment PPN002	592,068,265.79	593,370,607.92
23 Mianyang Holding 02 Private Placement of Corporate Bonds	1,037,619,526.17	1,001,469,360.09
23 Mianyang Holding 03 Bond	401,944,382.74	401,730,184.67
23 Mianyang Holding 04 Bond	308,224,624.17	308,001,994.45
23 Mianyang Holding 05 Bond	605,641,696.13	605,308,463.79
23 Mianyang Holding 06 Bond	1,716,555,426.40	1,715,200,464.98
23 Mianyang transportation 01	1,247,736,986.30	1,247,539,726.03
23 Mianyang transportation 02	813,913,424.66	813,812,602.74
US dollar Bond 02	2,209,820,624.20	2,174,696,410.80
2019 income bond of Mianyang Urban Parking lot construction project (phase I)	404,421,963.18	453,154,083.28
24 Mianyang Holding 02 Bond	1,443,486,899.30	
24 Sichuan Mianyang Investment MTN001A	714,418,019.40	
24 Sichuan Mianyang Investment MTN001B	409,541,780.08	
24 Mianyang Holding 01	1,073,999,120.24	
24 Sichuan Mianyang Investment MTN002	160,939,896.26	
24 Transportation Development PPN	326,575,342.47	
Subtotal	**24,290,374,739.27**	**31,507,694,533.35**
Less: Bonds payable due within one year	10,734,575,911.24	12,290,764,613.37
Total	**13,555,798,828.03**	**19,216,929,919.98**

(2) Changes in the amount of bonds payable (excluding financial instruments such as preferred stocks and perpetual bonds classified as equity instruments)

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Opening balance	Issuance during the year	Interest accrued at face value	Amortisation of premium and discount	Repayment during the year	Closing balance
21 Mianyang Investment 02	600,000,000.00	2021-8-5	3+2	596,603,773.58	611,259,368.64	170,000,000.00	25,725,735.45	1,904,874.48	203,952,437.24	604,937,541.33
19 Mianyang Holding 01 Bond	2,000,000,000.00	2019-3-13	3+2	1,988,679,245.27	2,095,954,204.68		23,631,780.83	428,028.98	2,120,014,014.49	
19 Mianyang Holding 02 Bond	1,000,000,000.00	2019-4-2	3+2	994,339,622.64	1,040,734,504.16		10,291,657.54	731,676.60	1,051,757,838.30	
19 Mianyang Holding 03 Bond	500,000,000.00	2019-5-6	3+2	497,169,811.32	519,707,842.49		6,085,157.51		525,793,000.00	
19 Mianyang Investment 01	1,500,000,000.00	2019-9-26	5.00	1,490,801,886.80	1,516,072,715.28		49,197,173.12	2,960,223.20	1,568,230,111.60	
19 Sichuan Mianyang Investment PPN001	1,500,000,000.00	2019-10-29	3+2	1,500,000,000.00	180,357,697.26		-14,757,697.26		165,600,000.00	
20 Sichuan Mianyang Investment MTN001	1,000,000,000.00	2020-3-10	3+2	994,339,622.62	138,080,680.58		-18,559,699.46	2,410,346.16	7,255,173.08	114,676,154.20
20 Sichuan Mianyang Investment PPN001	1,500,000,000.00	2020-3-23-	3+2	1,491,509,433.96	142,192,622.95		-43,081,967.21	-830,120.42	4,714,939.79	93,565,595.53
20 Sichuan Mianyang Investment MTN002	1,000,000,000.00	2020-3-10	5	994,000,000.00	824,944,100.06		41,801,092.90	2,453,882.64	41,226,941.32	827,972,134.28

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Opening balance	Issuance during the year	Interest accrued at face value	Amortisation of premium and discount	Repayment during the year	Closing balance
21 Sichuan Mianyang Investment PPN001	500,000,000.00	2021-2-8	3+2	497,169,811.32	523,408,954.04		2,938,356.18	2,305,379.56	528,652,689.78	
21 Sichuan Mianyang Investment ZR001	25,000,000.00	2021-3-23	3	24,433,962.26	21,136,936.25		-101,712.34	89,552.18	21,124,776.09	
21 Sichuan Mianyang Investment ZR002	475,000,000.00	2021-4-21	3	464,245,283.02	399,280,645.61		6,240,328.77	3,207,894.56	408,728,868.94	
21 Mianyang Holding 03	1,080,000,000.00	2021-9-23	3+2	1,074,396,226.42	1,094,227,965.64		47,288,757.13	6,695,849.54	1,138,147,924.77	10,064,647.54
21 Sichuan Mianyang Investment ZR003 Bond Financing	1,000,000,000.00	2021-9-29	3	1,000,000,000.00	1,016,361,863.95		50,673,972.60	1,815,119.35	1,068,850,955.90	
21 Mianyang Holding 04	650,000,000.00	2021-11-3	3+2	646,627,358.49	63,515,266.63		2,548,494.35	1,693,097.96	3,563,548.98	64,193,309.96
21 Mianyang Holding Y1	270,000,000.00	2021-12-13	3+2	268,599,056.60	270,035,622.04		15,230,219.17	578,746.46	15,679,373.23	270,165,214.44
22 Mianyang Holding 01	820,000,000.00	2022-1-20	2+2+1	815,745,283.02	852,817,923.80			23,497,029.10	876,314,952.90	
22 Mianyang Holding 02	500,000,000.00	2022-1-26	3+2	464,858,490.57	505,807,815.62		30,087,805.97	11,824,024.40	35,912,012.20	511,807,633.79
22 Mianyang Investment 01	500,000,000.00	2022-2-11	3+2	497,169,811.32	523,809,959.91		29,088,352.44	1,114,786.90	29,557,393.45	524,455,705.80
22 Sichuan Mianyang Investment PPN001	1,000,000,000.00	2022-4-28	2+2+1	994,339,622.64	1,029,588,993.31		16,190,684.92	8,153,623.64	1,053,933,301.87	

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Opening balance	Issuance during the year	Interest accrued at face value	Amortisation of premium and discount	Repayment during the year	Closing balance
22 Mianyang Investment 02	600,000,000.00	2022-6-7	3+2	596,603,773.58	612,497,273.24		26,311,081.97	1,328,671.50	26,944,335.75	613,192,690.96
22 Mianyang Investment 03 Bond	800,000,000.00	2022-7-1	3+2	795,471,698.11	812,787,063.08		32,043,596.09	1,768,112.94	32,884,056.47	813,714,715.64
22 Sichuan Mianyang Investment PPN002	1,000,000,000.00	2022-8-26	3+2	996,603,773.58	1,012,998,043.58		44,979,992.52	1,465,172.10	45,632,586.05	1,013,810,622.15
22 Sichuan Mianyang Investment MTN001	1,000,000,000.00	2022-8-9	3+2	997,169,811.32	1,012,731,192.99		38,062,863.99	1,443,103.70	38,721,551.85	1,013,515,608.83
22 Sichuan Mianyang Investment PPN003	500,000,000.00	2022-12-0	3+2	497,169,811.32	499,195,493.07		27,570,607.83	1,241,933.44	28,036,061.06	499,971,973.28
22 Mianyang Investment Renewable Corporate Bonds	360,000,000.00	2022-12-7	3	358,132,075.47	359,868,579.11		18,045,946.55	1,407,213.16	18,703,606.58	360,618,132.24
23 Mianyang Holding 01 Private Placement of Corporate Bonds	1,000,000,000.00	2023-2-20	5	997,169,811.32	1,049,217,583.31		60,186,840.33	1,055,122.78	60,527,561.39	1,049,931,985.03
23 Sichuan Mianyang Investment PPN001	1,330,000,000.00	2023-2-14	3+2	1,295,483,018.87	1,392,166,682.22		78,902,229.19	1,938,507.72	78,109,253.86	1,394,898,165.27

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Opening balance	Issuance during the year	Interest accrued at face value	Amortisation of premium and discount	Repayment during the year	Closing balance
23 Sichuan Mianyang Investment PPN002	570,000,000.00	2023-3-29	3+2	568,064,150.94	593,370,607.92		29,069,974.39	815,366.96	31,187,683.48	592,068,265.79
23 Mianyang Holding 02 Private Placement of Corporate Bonds	1,000,000,000.00	2023-4-21	5	97,169,811.32	1,001,469,360.09		92,337,606.10	1,225,119.96	57,412,559.98	1,037,619,526.17
23 Mianyang Holding 03 Bond	392,000,000.00	2023-6-19	5	391,260,377.36	401,730,184.67		19,585,692.10	378,611.94	19,750,105.97	401,944,382.74
23 Mianyang Holding 04 Bond	300,000,000.00	2023-6-19	5	299,150,943.40	308,001,994.45		16,520,997.07	403,265.30	16,701,632.65	308,224,624.17
23 Mianyang Holding 05 Bond	600,000,000.00	2023-9-28	5	598,867,924.53	605,308,463.79		25,130,877.18	564,710.32	25,362,355.16	605,641,696.13
23 Mianyang Holding 06 Bond	1,700,000,000.00	2023-9-28	5	1,695,188,679.25	1,715,200,464.98		78,188,291.26	2,393,340.32	79,226,670.16	1,716,555,426.40
24 Mianyang Holding 02 Bond	1,410,000,000.00	2024-3-28	5	1,443,486,899.30		1,410,000,000.00	39,198,000.00	-4,771,258.00	939,842.70	1,443,486,899.30
24 Sichuan Mianyang Investment MTN001A	700,000,000.00	2024-4-3	3+2	714,418,019.40		700,000,000.00	14,919,013.71	-341,611.26	159,383.05	714,418,019.40
24 Sichuan Mianyang Investment MTN001B	400,000,000.00	2024-4-3	5	409,541,780.08		400,000,000.00	9,866,520.55	-272,122.45	52,618.02	409,541,780.08
24 Mianyang Holding 01	1,070,000,000.00	2024-9-13	5	1,073,999,120.24		1,070,000,000.00	8,285,191.25	-4,029,689.19	256,381.82	1,073,999,120.24
24 Sichuan Mianyang	160,000,000.00	2024-10-23	5	160,939,896.26		160,000,000.00	998,136.99	-56,104.10	2,136.63	160,939,896.26

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Opening balance	Issuance during the year	Interest accrued at face value	Amortisation of premium and discount	Repayment during the year	Closing balance
Investment MTN002										
US dollar Bond 02	2,027,520,000.00	2022-8-8	3	2,142,581,137.87	2,174,696,410.80	71,460,000.00	145,168,279.27	6,756,408.24	188,260,474.11	2,209,820,624.20
21 Medium-term Note	1,000,000,000.00	2021-6-16	3	1,000,000,000.00	1,031,304,109.59		21,176,142.41		1,052,480,252.00	
22 Medium-term Note MTN001	900,000,000.00	2022-3-23	3	900,000,000.00	937,884,821.92		48,823,397.26		48,690,000.00	938,018,219.18
22 Medium-term Note MTN002	100,000,000.00	2022-4-28	3	100,000,000.00	103,464,109.59		6,292,602.74		5,800,000.00	103,956,712.33
23 Mianyang transportation 01	1,200,000,000.00	2023-5-5	3	1,200,000,000.00	1,247,539,726.03		72,197,260.27		72,000,000.00	1,247,736,986.30
23 Mianyang transportation 02	800,000,000.00	2023-8-17	3	800,000,000.00	813,812,602.74		36,900,821.92		36,800,000.00	813,913,424.66
24 Transportation Development PPN	320,000,000.00	2024-4-25	3	320,000,000.00		320,000,000.00	6,575,342.47			326,575,342.47
2019 Mianyang Urban Parking	500,000,000.00	2019-11-13	10	500,000,000.00	453,154,083.28		29,867,879.90		78,600,000.00	404,421,963.18
Total	**39,159,520,000.00**			**38,243,500,815.37**	**31,507,694,533.35**	**4,301,460,000.00**	**1,307,723,677.92**	**85,747,890.67**	**12,912,251,362.67**	**24,290,374,739.27**

38. Lease liabilities

Item	Closing balance	Opening balance
Lease payable	80,818,601.54	59,164,546.60
Less: unrecognized financing expenses	7,993,736.91	7,947,025.00
Lease liabilities reclassified to maturity within one year	22,472,962.97	10,225,539.05
Total	**50,351,901.66**	**40,991,982.55**

39. Long-term payables

Item	Closing balance	Opening balance
Long-term payables	7,841,108,536.58	9,059,161,565.97
Special payables	7,120,746,809.94	2,996,800,817.35
Subtotal	**14,961,855,346.52**	**12,055,962,383.32**
Less: long term payables due within one year	1,375,551,353.92	1,039,666,703.53
Total	**13,586,303,992.60**	**11,016,295,679.79**

(1) Large balance of long-term payables at the end of the year

Item	Closing balance	Opening balance
Mianyang City Bureau of Finance	2,383,052,287.57	2,278,401,127.85
Sichuan Xingshu Railway Investment Co., Ltd.	453,624,400.00	462,620,000.00
Far Eastern International Financial Leasing Co., Ltd.	371,552,384.93	446,213,007.93
Shandong Huitong Financial Leasing Co., Ltd.	368,410,040.30	241,177,100.00
China Universal Leasing Co., Ltd.	307,776,022.01	
Genertec Universal International Financial Leasing (Tianjin) Co., Ltd.		334,950,000.00
Total	**3,884,415,134.81**	**3,763,361,235.78**

(2) Large balance of special payables at the end of the year

Item	Opening balance	Increase	Decrease	Closing balance
Special funds for the construction of water facilities	1,991,000,000.00	140,000,000.00		2,131,000,000.00
Special funds for the Mianshuinai railway		2,000,000,000.00		2,000,000,000.00
National Highway 108 Mianyang Urban Transit section project	400,000,000.00	37,297,600.00	40,000,000.00	397,297,600.00
Public Rental Housing Project for Teachers	310,187,532.31			310,187,532.31
Special funds for the upgrading of the Mianjiang Miansan Highway	270,000,000.00			270,000,000.00
Total	**2,971,187,532.31**	**2,177,297,600.00**	**40,000,000.00**	**5,108,485,132.31**

40. Provisions

Item	Closing balance	Opening balance
Estimated expenditure for overhaul and equipment renewal of sewage treatment	249,110,289.98	232,256,747.40
Mianyang High-grade Highway Development Co.Ltd's loan interest of China Construction Bank (Note)	75,060,000.00	144,858,800.00
Product quality assurance	299,700.00	105,000.00
Pending litigation	285,000.00	
Total	**324,754,989.98**	**377,220,547.40**

Note: For details on Mianyang High-grade Highway Development Co.Ltd's loan interest of China Construction Bank, please refer to Note Ⅸ. Contingencies.

41. Deferred income

Item	Opening balance	Increase	Decrease	Closing balance
Government grant	218,631,119.24	67,989,085.30	59,603,238.48	227,016,966.06
Total	**218,631,119.24**	**67,989,085.30**	**59,603,238.48**	**227,016,966.06**

(1) Items relating to government grant:

Item	Opening balance	New subsidy amount for the year	Amounts recognised in non - operating income during the year	Amount charged to other income during the year	Other changes	Closing balance
Equipment upgrading and reconstruction of grain and oil companies	53,734,599.13	24,285,624.83		12,260,104.57	7,727,564.95	58,032,554.44
Grain logistics center	33,063,822.24	4,913,800.00		3,639,806.75	2,148,700.00	32,189,115.49
Pipe network reconstruction project	33,834,730.55	3,669,155.18		1,664,029.07	-13,552.49	35,853,409.15
Subsidy for agricultural modernization	19,325,400.00	3,810,000.00				23,135,400.00
Subsidy for No.4 and No.5 roads in the Zone	10,979,616.88			1,532,038.80		9,447,578.08
Special subsidy for infrastructure development funds	10,400,000.00	4,420,000.00		262,188.00		14,557,812.00
Maintenance station construction and equipment maintenance and update of Road and Bridge Construction Company	11,423,712.71			634,594.84	-34,270.50	10,823,388.37
Subsidies for corporate relief	8,429,911.53			513,497.16		7,916,414.37
Airport construction project	7,959,869.33			294,308.89		7,665,560.44

Automobile passenger transport upgrading and reconstruction project	5,442,780.99			818,531.87	221,741.62	4,402,507.50
Intelligent upgrading of grain depot	6,076,476.73			740,075.84	-603,681.51	5,940,082.40
Subsidies for water supply, power supply, heat supply and property management	1,752,658.45	1,000,000.00		1,804,046.44	-311,938.02	1,260,550.03
Subsidy fund for quality inspection equipment	1,350,000.00			600,000.00		750,000.00
Military grain price difference subsidy and special maintenance subsidy	86,273.55	1,267,859.20		1,229,619.88	38,239.32	86,273.55
Subsidy for purchasing replacement power stations	1,132,499.91			185,537.36	-221,741.62	1,168,704.17
Others	13,638,767.24	24,622,646.09		13,809,650.76	10,664,146.50	13,787,616.07
Total	**218,631,119.24**	**67,989,085.30**		**39,988,030.23**	**19,615,208.25**	**227,016,966.06**

42. Paid-in capital

Investor name	Opening balance		Increase	Decrease	Closing balance	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
Mianyang State-owned Assets Supervision and Administration Commission	765,000,000.00	90.00			765,000,000.00	90.00
Department of finance of Sichuan Province	85,000,000.00	10.00			85,000,000.00	10.00
Total	**850,000,000.00**	**100.00**			**850,000,000.00**	**100.00**

43. Capital reserve

Item	Opening balance	Increase	Decrease	Closing balance
I. Capital (share capital) premium				
Other capital reserve	18,038,396,214.54	62,189,822.88		18,100,586,037.42
Total	**18,038,396,214.54**	**62,189,822.88**		**18,100,586,037.42**

Note: The increase in capital reserve for the year was mainly attributable to the Group's receipt of capital investment funds totalling RMB 56.32 million from the financial institutions, which were credited to capital reserve in accordance with the provisions of the relevant appropriation documents.

44. Other comprehensive income

Item	Opening balance	Amount incurred in current year					Closing balance
		Incurred before income tax for the year	Less: Transfer to profit or loss for the period from prior period to other comprehensive income	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount attributable to minority shareholders after tax	
(I) Other comprehensive income that cannot be reclassified into profit or loss	-66,115,586.81	1,620,480,102.90		480,112,925.42	1,232,299,127.58	-91,931,950.10	1,166,183,540.77
Including: Other comprehensive income not converted into profit or loss under equity method	-45,286,211.81	12,963,694.33			12,902,206.50	61,487.83	-32,384,005.31
Changes in fair value of investments in other equity instruments	-20,829,375.00	1,607,516,408.57		480,112,925.42	1,219,396,921.08	-91,993,437.93	1,198,567,546.08
(II) Other comprehensive income reclassified into profit and loss	478,149,391.09	213,616.49		53,404.12	160,212.37		478,309,603.46
Profit and loss from changes in fair value of investment property	478,149,391.09	213,616.49		53,404.12	160,212.37		478,309,603.46
Total	**412,033,804.28**	**1,620,693,719.39**		**480,166,329.54**	**1,232,459,339.95**	**-91,931,950.10**	**1,644,493,144.23**

45. Special reserve

Item	Opening balance	Current year accrual	Decrease	Closing balance
Safety production fund	16,491,145.84	4,966,452.01	5,822,453.62	15,635,144.23
Special fund for supporting the aged of teaching staff in three experimental schools (Note)	1,399,387.56	166,523.16		1,565,910.72
Total	**17,890,533.40**	**5,132,975.17**	**5,822,453.62**	**17,201,054.95**

Note: The three experimental schools (Mianyang Nanshan middle school experimental school, Mianyang middle school experimental school and Mianyang foreign language experimental school(It has been transferred from private to public within 2022 and is no longer included in the consolidation scope of the Group at the end of the year)) established by the subsidiary Mianyang Education Investment Development (Group) Co., Ltd. withdraws the basic guarantee fund of retirement endowment insurance for teaching staffs according to the *Reply on Agreeing to the Request for Instructions on Establishing the Basic Guarantee Mechanism of Retirement Endowment Insurance for Teaching Staffs in the Three Experimental Schools issued by Mianyang SASAC and Mianyang Education and Sports Bureau* (MJTH [2021] No. 6). And refers to the *Notice on Printing and Distributing the Administrative Measures for the Withdrawal and Use of Work Safety Expenses of Enterprises* (Cai Zi[2022] No. 136) issued by Ministry of Finance, former State Administration of Work Safety and *Notice on Printing and Distributing the Interpretation of Accounting Standards for Business Enterprises No. 3* (Cai Kuai [2009] No. 8) issued by Ministry of Finance, the Company shall recognise the cost of relevant products (or services) or current profits and losses when withdrawing, and recognise them into special reserves at the same time.

46. Surplus reserve

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	280,645,102.92			280,645,102.92
Total	**280,645,102.92**			**280,645,102.92**

47. Undistributed profits

Item	Current year amount	Prior year amount
Balance at the end of prior year	1,164,097,460.66	1,387,567,968.93
Opening adjustment amount	-85,537,651.10	-78,349,083.83
Opening balance of the current period	1,078,559,809.56	1,309,218,885.10
Increase	153,436,915.44	34,556,822.94
Including: Transfer in of net profit attributable to owners of parent company (Deducting the part attributable to other equity instruments) in current period	153,436,915.44	34,556,822.94

Item	Current year amount	Prior year amount
Other adjustment factors		
Decrease	327,924,298.71	179,678,247.38
Including: Appropriation to surplus reserves for the year		
Withdrawal of general risk reserve in the current year	110,000.27	
Cash dividends distributed in the current year	224,726,100.00	179,678,247.38
Others (derecognition of investments in other equity instruments, etc.)	103,088,198.44	
Closing balance of the current year	904,072,426.29	1,164,097,460.66

48. Operating income and operating costs

Item	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
Principal activities	9,196,675,303.35	8,527,339,495.65	8,470,780,289.79	7,717,219,741.98
Other operating activities	663,182,698.78	326,925,826.01	821,471,218.12	399,454,099.43
Total	**9,859,858,002.13**	**8,854,265,321.66**	**9,292,251,507.91**	**8,116,673,841.41**

Operating income/costs details:

(1) Principal activities

Item	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
1. Commodity sales income	4,161,919,520.61	4,045,563,992.15	3,471,929,706.98	3,386,090,253.99
2. Municipal infrastructure construction	157,396,121.52	110,793,810.78	129,448,264.83	86,483,929.52
3. Income from grain and oil	1,690,507,457.87	1,661,226,203.26	1,547,578,062.12	1,524,239,838.47
4. Project income	527,698,952.25	366,646,054.20	556,625,514.60	455,433,905.80
5. School income	725,199,187.61	575,931,699.42	710,688,600.96	538,954,713.99
6. Land Consolidation income	266,455,037.97	282,821,137.13	29,676,838.09	63,178,380.15
7. Public transport income	545,430,838.90	630,866,139.80	487,520,536.49	682,250,249.02
8. Water income	483,104,998.67	308,732,286.81	427,759,118.66	289,204,578.87
9. House sales income	360,503,025.87	331,172,173.65	740,565,285.49	527,614,107.60
10. Hotel income	138,928,736.05	84,809,250.32	172,734,278.81	93,614,423.75

Item	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
(11) Others	139,531,426.03	128,776,748.13	196,254,082.76	70,155,360.82
Subtotal	**9,196,675,303.35**	**8,527,339,495.65**	**8,470,780,289.79**	**7,717,219,741.98**

(2) Other operating activities

Item	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
1. Service income	382,160,409.50	220,895,736.93	522,562,505.56	342,399,564.10
2. Rental income	205,431,942.66	35,172,745.17	254,286,066.41	37,903,874.06
(3) Others	75,590,346.62	70,857,343.91	44,622,646.15	19,150,661.27
Subtotal	**663,182,698.78**	**326,925,826.01**	**821,471,218.12**	**399,454,099.43**

(3) △Interest income/Interest expense

Item	Current year	Prior year
Interest income	2,695,984.40	9,998,243.48
Including: Loans and advances	2,695,984.40	9,998,243.48
Interest expense		
Net interest income	**2,695,984.40**	**9,998,243.48**

49. Taxes and surcharges

Item	Current year amount	Prior year amount
Land value-added tax	6,641,668.62	46,420,787.04
Urban maintenance and construction tax	14,801,640.50	11,599,204.40
Education surcharge (local education surcharge)	10,773,203.70	8,449,604.75
Property tax	32,527,295.17	23,021,792.93
Land use tax	15,351,226.90	13,577,481.39
Stamp duty	19,365,637.47	13,569,438.21
Vehicle and vessel usage tax	398,473.06	382,164.02
Water resource tax	12,483,046.15	10,800,732.25
Others	1,394,842.85	774,448.17
Total	**113,737,034.42**	**128,595,653.16**

50. Selling expenses

Item	Current year amount	Prior year amount
Employee benefits	76,053,574.88	75,225,177.41
Depreciation and amortization expenses	16,113,582.29	12,703,253.76

Item	Current year amount	Prior year amount
Airline subsidy	55,942,205.30	25,129,593.77
Utilities and gas bills	6,029,134.92	7,191,975.76
Engineering materials and maintenance	5,499,816.63	13,110,690.73
Rental and property management fees	1,861,809.84	3,118,029.96
Advertising expenses	6,863,994.01	9,234,195.27
Sales commission and agency fee	19,511,509.15	34,144,244.74
Vehicle cost and fuel	603,874.54	1,336,760.79
Office expenses	1,651,333.20	2,403,853.58
Business hospitality expenses	1,718,144.80	1,958,007.13
Business travel expenses	1,012,840.64	836,411.21
Warehousing, transportation, handling charges	7,939,531.73	15,844,257.90
Others	24,129,997.54	21,977,538.63
Total	**224,931,349.47**	**224,213,990.64**

51. Administrative expenses

Item	Current year amount	Prior year amount
Employee benefits	528,391,884.61	492,751,775.86
Depreciation and amortization expenses	113,288,319.01	112,132,158.19
Intermediary consultation	32,169,160.62	20,444,115.08
Rental and property management fees	15,497,252.35	11,865,453.28
Maintenance fees	11,730,638.41	12,522,864.92
Office and communication expenses	12,245,131.30	16,664,493.08
Energy cost	9,483,913.77	6,755,481.90
Advertising expenses	9,847,729.85	4,857,709.31
Business travel expenses	3,151,485.13	3,146,913.80
Business hospitality expenses	4,306,792.69	5,172,372.55
Car expenses	3,130,033.58	3,275,545.12
Labor protection fee	4,144,737.35	2,260,074.48
Litigation expenses	2,213,227.90	1,324,180.76
Others	23,005,564.00	46,514,979.54
Total	**772,605,870.57**	**739,688,117.87**

52. Research and development (R&D) expenses

Item	Current year amount	Prior year amount
Current R&D expenditure	4,722,551.15	5,611,420.31
Amortization of intangible assets formed by internal R&D		
Total	**4,722,551.15**	**5,611,420.31**

53. Financial expenses

Financial expenses	Current year amount	Prior year amount
Interest expense	3,041,440,653.64	3,277,696,394.37
Less: Interest income	1,068,110,797.68	1,254,952,762.74
Exchange gains or losses	28,635,406.05	35,438,967.56
Add: Other expenses	180,701,146.08	273,914,053.53
Total	**2,182,666,408.09**	**2,332,096,652.72**

54. Other income

Item	Current year amount	Prior year amount
Government grants (details attached)	1,728,730,886.01	1,363,669,668.93
Tax reduction and refund	6,284,616.62	10,669,345.41
Refund of individual income tax withholding service charge	304,867.31	453,319.40
Total	**1,735,320,369.94**	**1,374,792,333.74**

(1) Items relating to government grant:

Item	Current year amount	Prior year amount
Mianyang Municipal Government operating subsidy funds	1,239,290,000.00	850,000,000.00
Mianyang Public Traffic Group operating loss subsidy	237,546,700.00	253,530,000.00
Jiangyou Municipal Government operating subsidy funds	113,460,000.00	102,730,000.00
Mianyang Civil Aviation Bureau allocates subsidies for Mianyang Airport routes	59,601,373.80	36,092,194.05
Provincial/municipal/district reserve grain and oil subsidies	26,302,057.82	32,073,700.42
Public administration appropriations	635,874.32	25,115,472.91
Transportation special grants	263,669.06	15,355,100.00
Motor car rental subsidy	8,580,000.00	8,800,000.00
Talent security housing subsidy funds	3,840,000.00	7,370,000.00
Financial allocation	4,392,689.64	4,524,912.15
Unemployment Insurance to Enterprises for Stabilizing Employment	1,929,644.31	1,836,832.77
Special financial appropriation for water supply, power supply, heat supply and property management	1,721,146.44	1,041,073.71
Other government grants	31,167,730.62	25,200,382.92
Total	**1,728,730,886.01**	**1,363,669,668.93**

55. Investment income

Source of investment income	Current year amount	Prior year amount
Long term equity investment income measured at cost method		520,971.42
Long term equity investment income measured at equity method	272,898,417.30	342,267,409.82

Source of investment income	Current year amount	Prior year amount
Investment income from disposal of long-term equity	541,792,748.99	631,491,223.20
Investment income obtained during the holding period of other equity instrument investment	11,449,753.05	14,122,789.83
Other investment income	-6,698,851.68	-277,020.84
Total	**819,442,067.66**	**988,125,373.43**

56. Gains from changes of fair value

Sources of gains from changes of fair value	Current year amount	Prior year amount
Gain on fair value changes arising from derivative financial instruments	3,013,200.00	
Investment property measured at fair value	-19,679,101.69	-19,572,792.15
Total	**-16,665,901.69**	**-19,572,792.15**

57. Credit losses

Item	Current year amount	Prior year amount
Bad debt loss	-58,824,847.81	-31,254,089.56
Loan loss	-840,000.00	20,916,854.75
Total	**-59,664,847.81**	**-10,337,234.81**

58. Impairment losses

Item	Current year amount	Prior year amount
Inventory depreciation loss	-1,586,510.29	4,627,065.59
Impairment loss on contract assets	1,836,726.10	-916,861.92
Impairment loss on other non-current assets	-204,906,900.00	
Total	**-204,656,684.19**	**3,710,203.67**

59. Gains from asset disposals

Item	Current year amount	Prior year amount
Disposal of fixed assets	1,591,141.81	-1,147,471.96
Disposals of other non-current assets	75,576,025.47	180,909,741.40
Total	**77,167,167.28**	**179,762,269.44**

60. Non-operating income

(1) Non-operating income by items is as follows:

Item	Current year amount	Prior year amount
Government grant	2,517,190.29	4,340,992.52
Compensation for land occupation		84,333,333.33
Gains from accepting donations	870.00	214,374.00

Item	Current year amount	Prior year amount
Income from fines and overdue fines	2,016,460.39	2,719,317.69
Proceeds from government demolition and rehousing returns	207,876,576.52	
Non-current assets damage and retirement gains	281,781.32	267,794.04
Others	87,029,512.97	6,261,969.51
Total	**299,722,391.49**	**98,137,781.09**

(2) Details of government grants:

Item	Current year amount	Prior year amount
Financial subsidy funds	1,060,490.63	834,583.29
Subsidy for enterprise transformation		1,203,093.00
Supplementary fund for financial interactive financing award	500,000.00	500,000.00
Tax Contribution Progress Award bonus		500,000.00
Others	956,699.66	1,303,316.23
Total	**2,517,190.29**	**4,340,992.52**

61. Non-operating expenses

Item	Current year amount	Prior year amount
Non-current assets damage loss	3,125,831.34	2,991,277.19
External donation	466,480.40	714,593.83
Confiscation and overdue fine expenditure	44,998,753.21	51,437,915.46
Allocation of subsidies for personnel converted to enterprises		3,056,900.67
Others	17,257,632.51	2,535,569.16
Total	**65,848,697.46**	**60,736,256.31**

62. Income tax expenses

Item	Current year amount	Prior year amount
Current income tax expense	133,345,519.05	103,362,926.54
Deferred income tax adjustment	12,498,668.11	-19,891,933.13
Total	**145,844,187.16**	**83,470,993.41**

63. Other comprehensive income attributable to the owner's equity of the parent company

Item	Current year amount			Prior year amount		
	Pre-tax amount	Income tax	Net after tax	Pre-tax amount	Income tax	Net after tax
(I) Other comprehensive income that will not be reclassified into profit or loss	**1,609,323,854.56**	**480,112,925.42**	**1,129,210,929.14**	**-58,196,235.78**	**-9,918,750.00**	**-48,277,485.78**
1.Gains or losses due to remeasurement of net liabilities or net assets under defined benefit plans						
2.Share of gain other comprehensive income of associates under equity method	12,902,206.50		12,902,206.50	-27,448,110.78		-27,448,110.78
3.Changes in fair value changes of investments in equity instruments	1,596,421,648.06	480,112,925.42	1,116,308,722.64	-30,748,125.00	-9,918,750.00	-20,829,375.00
4.Changes in fair value of enterprise's own credit risk						
(5) Others						
(II) Other comprehensive income may be reclassified into profit and loss	**213,616.49**	**53,404.12**	**160,212.37**	**-26,513,875.21**	**-6,608,338.51**	**-19,905,536.70**
1. The excess of the fair value at the date of conversion of real estate for self-use or real estate held as inventory over the original book value of the investment property measured using the fair value model.	213,616.49	53,404.12	160,212.37	-26,513,875.21	-6,608,338.51	-19,905,536.70
2. Changes in fair value of other debt investments						
Less: Transfer to profit or loss for the period from prior period to other comprehensive income						
(III) Total other comprehensive income	**1,609,537,471.05**	**480,166,329.54**	**1,129,371,141.51**	**-84,710,110.99**	**-16,527,088.51**	**-68,183,022.48**

64. Consolidated cash flow

(1) Supplementary information of consolidated cash flow

Item	Current year amount	Prior year amount
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	148,597,129.23	225,780,759.97
Add: Asset impairment provision	204,656,684.19	-3,710,203.67
Credit impairment provision	59,664,847.81	10,337,234.81
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	404,329,221.69	408,516,002.22
Depreciation of right-of-use assets	16,060,949.94	10,876,847.14
Amortization of intangible assets	70,921,999.49	67,143,943.29
Amortization of long-term deferred expenses	83,578,484.30	81,260,889.91
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with"-")	-77,167,167.28	-179,762,269.44
Losses on write-off of fixed assets (gains marked with"-")	3,125,831.34	2,723,483.15
Losses on changes in fair value (gains marked with"-")	16,665,901.69	19,572,792.15
Financial expenses (gains marked with"-")	3,041,440,653.64	3,277,696,394.37
Losses on investment (gains marked with"-")	-819,442,067.66	-988,125,373.43
Decreases of deferred income tax assets (increases marked with "-")	-9,865,876.01	-18,573,063.35
Increases of deferred income tax liabilities (decreases marked with "-")	5,098,298.77	-10,521,447.00
Decreases of inventory (increases marked with "-")	-4,094,533,961.94	-2,337,175,326.23
Decreases of operating receivables (increases marked with "-")	4,021,251,890.56	3,920,446,302.46
Increases of operating payables (decreases marked with "-")	-3,415,242,202.21	-3,528,358,738.69
Others		
Net cash flow from operating activities	-340,859,382.45	958,128,227.66
2. Significant investment and financing activities not related to cash deposit and withdrawal		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Finance leased fixed assets		
3. Net change in cash and cash equivalents		
Closing balance of cash	8,954,252,109.97	12,392,073,758.35
Less: Opening balance of cash	12,392,073,758.35	7,258,653,102.22
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-3,437,821,648.38	5,133,420,656.13

(2) Cash and cash equivalents

Item	Current year amount	Prior year amount
Cash	8,954,252,109.97	12,392,073,758.35
Including: Cash on hand	302,220.72	615,689.25
Bank deposits available on demand	4,037,777,796.03	11,979,476,237.69
Other monetary funds available on demand	4,916,172,093.22	411,981,831.41
Cash equivalents		
Including: Bond investments with a maturity of three months or less		
Closing balance of cash and cash equivalents	8,954,252,109.97	12,392,073,758.35

65. Foreign currency monetary items

Item	Closing balance in foreign currency	Exchange rate	Closing balance in Renminbi
Cash and cash equivalents			
Including: USD	23,414.15	7.1884	168,343.83
Long-term loans			
Including: KRW	4,974,264,000.00	0.0049	24,554,566.10
Bonds payable			
Including: USD	307,802,691.60	7.1884	2,212,608,868.27

66. Assets with restrictive ownership title or use rights

Item	Closing book value	Reasons for restriction
Cash and cash equivalents	7,684,589,044.58	Provide guarantee for financing etc.
Fixed assets	411,559,332.07	Provide guarantee for financing etc.
Investment properties	1,071,177,696.11	Provide guarantee for financing etc.
Inventories	2,935,338,250.98	Provide guarantee for financing etc.
Long-term equity investments	3,498,086,471.44	Provide guarantee for financing etc.
Intangible assets	31,915,109.04	Provide guarantee for financing etc.
Other non-current assets	2,090,287.47	Provide guarantee for financing etc.
Prepayments	27,560,953.60	Provide guarantee for financing etc.
Construction in progress	1,232,598,518.29	Provide guarantee for financing etc.
Debt investments	850,000,000.00	Provide guarantee for financing etc.

IX. Contingencies

1. As of December 31st, 2024, the Group's guarantee situation

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
	Total			**4,012,102.05**
	I. Within the Group			**3,141,420.63**
1	Mianyang Communications Development Group Co., Ltd.	Mianyang City Gaoshui Agricultural and Sideline Products Wholesale Co., Ltd.	Joint liability guarantee	16,820.74
2	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Joint liability guarantee	58,000.00
3	Mianyang Communications Development Group Co., Ltd.	Mianyang Lutongyuan Construction Co., Ltd.	Joint liability guarantee	40,907.98
4	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Shunda Taxi Co., Ltd.	Joint liability guarantee	700.00
5	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Shunda Taxi Co., Ltd.	Joint liability guarantee	941.01
7	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Shunda Taxi Co., Ltd.	Joint liability guarantee	238.07
8	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Joint liability guarantee	2,900.00
9	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Joint liability guarantee	2,000.00
10	Mianyang Communications Development Group Co., Ltd.	Mianyang Road and Bridge Construction Co., Ltd.	Joint liability guarantee	2,973.00
11	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Joint liability guarantee	3,762.00
12	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Joint liability guarantee	25,000.00
13	Mianyang Communications Development Group Co., Ltd.	Sichuan Dadao Zhiyuan Supply Chain Management Co., Ltd.	Joint liability guarantee	1,000.00
14	Mianyang Communications Development Group Co., Ltd.	Sichuan Dadao Zhiyuan Supply Chain Management Co., Ltd.	Joint liability guarantee	900.00
15	Mianyang Communications Development Group Co., Ltd.	Sichuan Dadao Zhiyuan Supply Chain Management Co., Ltd.	Joint liability guarantee	5,000.00
16	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Joint liability guarantee	5,000.00
17	Mianyang Communications Development Group Co., Ltd.	Sichuan Dadao Zhiyuan Supply Chain Management Co., Ltd.	Joint liability guarantee	1,000.00
18	Mianyang Communications Development Group Co., Ltd.	Mianyang Road and Bridge Construction Co., Ltd.	Joint liability guarantee	240.21
19	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Construction Project Management Co., Ltd.	Joint liability guarantee	700.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
20	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Shunda Taxi Co., Ltd.	Joint liability guarantee	2,000.00
21	Mianyang Communications Development Group Co., Ltd.	Mianyang Road and Bridge Construction Co., Ltd.	Joint liability guarantee	189.61
22	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Communications Development Group Co., Ltd.	Joint liability guarantee	20,000.00
23	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Commercial Operation Management Co., Ltd.	Joint liability guarantee	500.00
24	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Joint liability guarantee	500.00
25	Mianyang Communications Development Group Co., Ltd.	Mianyang Jiaofa Commercial Operation Management Co., Ltd.	Joint liability guarantee	500.00
26	Mianyang Communications Development Group Co., Ltd.	Sichuan Dadao Zhiyuan Supply Chain Management Co., Ltd.	Joint liability guarantee	950.00
27	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Jinkong Microfinance Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Pledge	17,144.40
28	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	9,800.00
29	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Certificate of deposit pledge	10,450.00
30	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Certificate of deposit pledge	7,650.00
31	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Certificate of deposit pledge	19,000.00
32	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Guarantee, pledge	10,000.00
33	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	4,900.00
34	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Mingsheng Real Estate Development Co., Ltd., Mianyang Mingyue Real Estate Development Co., Ltd.	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Collateral, pledge, joint liability guarantee	30,000.00
35	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Certificate of deposit pledge	13,920.00
36	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Collateral, joint liability guarantee	20,000.00
37	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Collateral, joint liability guarantee	20,000.00
38	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	10,000.00
39	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Mingsheng Real Estate Development Co., Ltd., Mianyang Mingyue Real	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Collateral, pledge, joint liability guarantee	25,000.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
	Estate Development Co., Ltd., Sichuan Xijin Logistics Co., Ltd.			
40	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Mingsheng Real Estate Development Co., Ltd., Mianyang Mingyue Real Estate Development Co., Ltd., Sichuan Xijin Logistics Co., Ltd.	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Collateral, pledge, joint liability guarantee	20,000.00
41	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Certificate of deposit pledge	33,250.00
42	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	23,330.00
43	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	10,000.00
44	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Certificate of deposit pledge	25,000.00
45	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	5,800.00
46	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	24,000.00
47	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	15,000.00
48	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	1,860.00
49	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	2,313.86
50	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	3,400.36
51	Mianyang Investment Holding （ Group) Co., Ltd., Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Xinjiarui Road and Bridge Engineering Co., Ltd.	Joint liability guarantee	37,824.87
52	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	18,747.61
53	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	5,356.25
54	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Jiuhong Real Estate Development Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Collateral, joint liability guarantee	3,516.77
55	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Collateral, joint liability guarantee	7,033.28
56	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	12,165.14
57	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Engineering Project Management Co., Ltd.	Joint liability guarantee	2,313.86
58	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Talent Development Group Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	25,500.00
59	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	2,000.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
60	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Pledge, joint liability guarantee	4,860.00
61	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	8,700.32
62	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Engineering Project Management Co., Ltd.	Joint liability guarantee	12,267.39
63	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Collateral, joint liability guarantee	45,000.00
64	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	3,000.00
65	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	70,000.00
66	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Pledge, joint liability guarantee	7,190.00
67	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	19,700.00
68	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Engineering Project Management Co., Ltd.	Pledge, joint liability guarantee	1,495.00
69	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	30,000.00
70	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	6,771.78
71	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	8,437.11
72	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	5,000.00
73	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Engineering Project Management Co., Ltd.	Joint liability guarantee	8,094.99
74	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	30,000.00
75	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Engineering Project Management Co., Ltd.	Pledge, joint liability guarantee	500.00
76	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Fuda Asset Operation Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	61,920.00
77	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Jianyuan Real Estate Development Co., Ltd., Sichuan Xijin Logistics Co., Ltd., Mianyang Financial Holding Investment Management Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Collateral, pledge, joint liability guarantee	30,000.00
78	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Fuda Asset Operation Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	19,975.00
79	Mianyang Investment Holding (Group) Co., Ltd., MMianyang Jianyuan Real Estate Development Co., Ltd., Sichuan Xijin Logistics Co., Ltd., Mianyang Financial Holding Investment Management Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Collateral, pledge, joint liability guarantee	5,000.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
80	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	37,000.00
81	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	4,120.00
82	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Fuda Asset Operation Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	45,000.00
83	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Fuda Asset Operation Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Pledge, joint liability guarantee	58,900.00
84	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Pledge, joint liability guarantee	40,000.00
85	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Pledge, joint liability guarantee	19,000.00
86	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Joint liability guarantee	2,296.41
87	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Joint liability guarantee	8,867.79
88	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Joint liability guarantee	15,000.00
89	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd., Mianyang Mianzhou Hotel Co., Ltd.	Collateral, joint liability guarantee	15,000.00
90	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Pledge	28,485.00
91	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Pledge	1,995.00
92	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd.	Pledge, joint liability guarantee	4,960.00
93	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuleshan Kaiyuan Hotel Co., Ltd.	Joint liability guarantee	495.00
94	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuleshan Kaiyuan Hotel Co., Ltd.	Pledge, joint liability guarantee	1,495.00
95	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Hotel Co., Ltd.	Joint liability guarantee	4,870.00
96	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Hotel Co., Ltd.	Pledge, joint liability guarantee	1,995.00
97	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Parking Management Co., Ltd.	Joint liability guarantee	45,693.60
98	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Parking Management Co., Ltd.	Joint liability guarantee	20,000.00
99	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Parking Management Co., Ltd.	Pledge, joint liability guarantee	1,000.00
100	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Youyue Culture Media Co., Ltd.	Joint liability guarantee	1,000.00
101	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Youyue Culture Media Co., Ltd.	Joint liability guarantee	1,000.00
102	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Kanglai Property Management Co., Ltd.	Joint liability guarantee	1,000.00
103	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Kanglai Property Management Co., Ltd.	Joint liability guarantee	1,000.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
104	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Kanglai Property Management Co., Ltd.	Joint liability guarantee	1,000.00
105	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Joint liability guarantee	32,000.00
106	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Joint liability guarantee	9,000.00
107	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Joint liability guarantee	5,000.00
108	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Joint liability guarantee	5,000.00
109	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Joint liability guarantee	3,000.00
110	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Collateral, joint liability guarantee	21,000.00
111	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Pledge	39,000.00
112	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	9,060.54
113	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	6,049.24
114	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	7,052.08
115	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	2,950.00
116	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	9,278.81
117	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	7,977.55
118	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	14,387.20
119	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	Joint liability guarantee	47,500.00
120	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	Joint liability guarantee	29,000.00
121	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	Joint liability guarantee	35,000.00
122	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	Joint liability guarantee	72,000.00
123	Mianyang Investment Holding (Group) Co., Ltd.	SINOTRUK Mianyang SPECIAL VEHICLE Co., Ltd.	Joint liability guarantee	1,000.00
124	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	Joint liability guarantee	2,940.00
125	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	Pledge, joint liability guarantee	1,495.00
126	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	Joint liability guarantee	495.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
127	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	Joint liability guarantee	500.00
128	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	Joint liability guarantee	1,000.00
129	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Sanjiang Hospital	Joint liability guarantee	102,256.00
130	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Miantou Land Co., Ltd.	Mianyang Miantou Land Co., Ltd.	Collateral, joint liability guarantee	29,793.13
131	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mingsheng Real Estate Development Co., Ltd.	Joint liability guarantee	1,237.82
132	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mingsheng Real Estate Development Co., Ltd.	Joint liability guarantee	6,660.84
133	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mingsheng Real Estate Development Co., Ltd.	Collateral, joint liability guarantee	43,750.00
134	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Yuewanglou Culture Communication Co., Ltd.	Pledge, joint liability guarantee	995.00
135	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Yuewanglou Culture Communication Co., Ltd.	Joint liability guarantee	1,000.00
136	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Yuewanglou Culture Communication Co., Ltd.	Pledge, joint liability guarantee	1,000.00
137	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Commercial Operation Management Co., Ltd.	Pledge, joint liability guarantee	995.00
138	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Commercial Operation Management Co., Ltd.	Joint liability guarantee	30,560.00
139	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Commercial Operation Management Co., Ltd.	Pledge	9,938.00
140	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Commercial Operation Management Co., Ltd.	Joint liability guarantee	1,000.00
141	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Commercial Operation Management Co., Ltd.	Joint liability guarantee	925.00
142	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Kangju Real Estate Management Co., Ltd.	Joint liability guarantee	8,452.08
143	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	9,000.00
144	Mianyang Water (Group) Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	4,550.00
145	Mianyang Water (Group) Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	5,982.00
146	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	39,600.00
147	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	4,760.00
148	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	14,700.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
149	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	8,960.00
150	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	9,600.00
151	Mianyang Mianzhou Hotel Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	4,860.00
152	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	78,500.00
153	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding（ Group) Co., Ltd., Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	6,135.00
154	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	10,000.00
155	Mianyang Talent Development Group Co., Ltd., Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Collateral, joint liability guarantee	33,100.00
156	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	30,000.00
157	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	14,000.00
158	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	20,000.00
159	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Collateral, joint liability guarantee	53,200.00
160	Mianyang Cultural & Tourism Group Co., Ltd., Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	14,000.00
161	Mianyang Fuda Asset Operation Co., Ltd., Mianyang Cultural & Tourism Group Co., Ltd., Sichuan Jia Lai Construction Engineering Co., Ltd., Mianyang Financial Holding Investment Management Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Collateral, joint liability guarantee	215,944.95
162	Mianyang Fuda Asset Operation Co., Ltd., Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	30,000.00
163	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	40,000.00
164	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	1,747.00
165	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	2,080.99
166	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	2,100.00
167	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	50.00
168	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	17,500.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
169	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	30,000.00
170	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	13,000.00
171	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	10,000.00
172	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	11,500.00
173	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Talent Development Group Co., Ltd.	Joint liability guarantee	23,500.00
174	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Foreign Language Experimental School	Joint liability guarantee	4,080.00
175	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Nanshan Experimental High School	Joint liability guarantee	4,800.00
176	Mianyang Investment Holding (Group) Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	4,800.00
177	Mianyang Investment Holding (Group) Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	10,980.00
178	Mianyang Investment Holding (Group) Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	6,300.00
179	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Nanshan Experimental High School	Joint liability guarantee	3,500.00
180	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Talent Development Group Co., Ltd.	Joint liability guarantee	1,115.00
181	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Talent Development Group Co., Ltd.	Joint liability guarantee	17,000.00
182	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Communications Development Group Co., Ltd.	Joint liability guarantee	120,000.00
183	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Grain and Oil Group Co., Ltd.	Joint liability guarantee	1,943.99
184	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	2,000.00
185	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	13,000.00
186	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	6,000.00
187	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	6,000.00
188	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	8,000.00
189	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	12,980.00
190	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	6,000.00
191	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	2,500.00
192	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	4,100.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
193	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	490.00
194	Mianyang Talent Development Group Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	8,000.00
195	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	10,000.00
196	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	5,000.00
197	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	4,900.00
198	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	5,000.00
199	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	6,000.00
200	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	6,000.00
201	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	3,500.00
202	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	4,000.00
203	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	10,000.00
204	Mianyang Talent Development Group Co., Ltd.	Nanshan Experimental High School	Joint liability guarantee	490.00
205	Mianyang Talent Development Group Co., Ltd.	Mianyang Chunhui Education Management Co., Ltd.	Joint liability guarantee	490.00
206	Mianyang Talent Development Group Co., Ltd.	Mianyang Chunhui Education Management Co., Ltd.	Joint liability guarantee	2,000.00
207	Mianyang Talent Development Group Co., Ltd.	Sichuan Chunhui Technology Co., Ltd.	Joint liability guarantee	460.00
208	Mianyang Talent Development Group Co., Ltd.	Sichuan Chunhui Technology Co., Ltd.	Joint liability guarantee	500.00
209	Mianyang Talent Development Group Co., Ltd.	Sichuan Chunhui Technology Co., Ltd.	Joint liability guarantee	2,000.00
210	Mianyang Talent Development Group Co., Ltd.	Mianyang Chunhui Printing Co., Ltd.	Joint liability guarantee	500.00
211	Mianyang Talent Development Group Co., Ltd.	Mianyang Chunhui Printing Co., Ltd.	Joint liability guarantee	490.00
212	Mianyang Talent Development Group Co., Ltd.	Mianyang Chunhui Printing Co., Ltd.	Joint liability guarantee	1,000.00
213	Mianyang Talent Development Group Co., Ltd.	Mianyang Chunhui Printing Co., Ltd.	Joint liability guarantee	2,000.00
214	Mianyang Talent Development Group Co., Ltd.	Mianyang Jiaxin Talent Service Co., Ltd.	Joint liability guarantee	500.00
215	Mianyang Talent Development Group Co., Ltd.	Mianyang Jiaxin Talent Service Co., Ltd.	Joint liability guarantee	490.00
216	Mianyang Talent Development Group Co., Ltd.	Mianyang Jiaxin Talent Service Co., Ltd.	Joint liability guarantee	2,000.00
217	Mianyang Talent Development Group Co., Ltd.	Mianyang Keda Talent Housing Co., Ltd.	Joint liability guarantee	2,000.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
218	Mianyang Talent Development Group Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	34,100.00
219	Mianyang Grain and Oil Group Co., Ltd.	Sichuan Dangui Grain and Oil Co., Ltd.	Joint liability guarantee	500.00
220	Mianyang Grain and Oil Group Co., Ltd.	Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd.	Joint liability guarantee	1,000.00
221	Mianyang Grain and Oil Group Co., Ltd.	Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd.	Joint liability guarantee	990.00
222	Mianyang Grain and Oil Group Co., Ltd.	Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd.	Joint liability guarantee	1,000.00
223	Mianyang Grain and Oil Group Co., Ltd.	Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd.	Joint liability guarantee	1,000.00
224	Mianyang Grain and Oil Group Co., Ltd.	Sichuan Dangui Grain and Oil Co., Ltd.	Joint liability guarantee	1,000.00
225	Mianyang Grain and Oil Group Co., Ltd.	Mianliang International Trade (Mianyang) Co., Ltd.	Joint liability guarantee	800.00
226	Mianyang Grain and Oil Group Co., Ltd.	Mianyang Military Grain Supply Co., Ltd.	Joint liability guarantee	900.00
227	Mianyang Grain and Oil Group Co., Ltd.	Mianyang Military Grain Supply Co., Ltd.	Joint liability guarantee	500.00
228	Mianyang Grain and Oil Group Co., Ltd.， Mianyang Zhongyi Cereals and Oils Co., Ltd.	Mianyang Grain and Oil Group Co., Ltd.	Joint liability guarantee	1,600.00
229	Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd.	Mianyang Grain and Oil Group Co., Ltd.	Joint liability guarantee	5,100.00
230	Mianyang Zhongyi Cereals and Oils Co., Ltd.， Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd.	Mianyang Grain and Oil Group Co., Ltd.	Joint liability guarantee	1,520.00
231	Mianyang Grain and Oil Group Co., Ltd.， Mianyang Fuhai Asset Management Co., Ltd.， Mianyang Zhongyi Cereals and Oils Co., Ltd.， Mianyang Grain Reserve Management Co., Ltd.	Mianyang Grain and Oil Group Co., Ltd.	Joint liability guarantee	11,800.00
	II. Outside of the Group			**870,681.42**
1	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan AI-CHANCE TEC Co., Ltd.	Joint liability guarantee	21,358.39
2	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Investment Group Co., Ltd.	Joint liability guarantee	85,000.00
3	Mianyang Fuda Asset Operation Co., Ltd.	Sichuan Xingshu Railway Investment Co., Ltd.	Collateral	45,362.00
4	Mianyang Investment Holding (Group) Co., Ltd.	Tianfu Credit Promotion Co., Ltd.	Counter-guarantee of joint liability guarantee	80,000.00
5	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Industrial Co., Ltd.	Joint liability guarantee	3,880.00
6	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Industrial Co., Ltd.	Joint liability guarantee	3,880.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
7	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Joint liability guarantee	50,000.00
8	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Joint liability guarantee	49,700.00
9	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Joint liability guarantee	19,800.00
10	Mianyang Investment Holding (Group) Co., Ltd.	Tianjin Bank Chengdu Branch	Counter-guarantee guarantee	75,000.00
11	Mianyang Investment Holding (Group) Co., Ltd.	China Bohai Bank Co., Ltd., Chengdu Branch	Joint liability guarantee	79,481.97
12	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Joint liability guarantee	54,900.00
13	Mianyang Investment Holding (Group) Co., Ltd.	Bank of Shanghai Co., Ltd., Chengdu Branch	Counter-guarantee of joint liability guarantee	50,000.00
14	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Investment Group Co., Ltd.	Joint liability guarantee	10,000.00
15	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Asset Operation Management Co., Ltd.	Joint liability guarantee	1,000.00
16	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miangao Equity Investment Fund (Limited Partnership)	Pledge	91,234.06
17	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Yisheng Education Investment Co., Ltd.	Joint liability guarantee	985.00
18	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Changhong Electronic (Group) Co., Ltd.	Joint liability guarantee	19,000.00
19	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Asset Operation Management Co., Ltd.	Pledge, joint liability guarantee	1,000.00
20	Mianyang Investment Holding (Group) Co., Ltd.	Jiangyou Chuangyuan Development and Construction Investment Co., Ltd.	Joint liability guarantee	15,000.00
21	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Joint liability guarantee	22,000.00
22	Mianyang Investment Holding (Group) Co., Ltd.	Jiangyou Hongfei Investment (Group) Co., Ltd.	Joint liability guarantee	67,700.00
23	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development	Counter-guarantee of joint liability guarantee	6,000.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
		& Investment (Group) Co., Ltd.		
24	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Investment Group Co., Ltd.	Joint liability guarantee	17,000.00
25	Mianyang Communications Development Group Co., Ltd.	Mianyang Hongda Asset Investment Management (Group) Co., Ltd.	Joint liability guarantee	1,400.00

2. Contingent liabilities formed by other events of the Group as of December 31st, 2024

Mianyang High-grade Highway Development Co., Ltd. (hereinafter referred to as "High-grade Development Company"), a subsidiary of the Company, obtained three loans totaling RMB 423 million from China Construction Bank Corporation Mianyang Branch (hereinafter referred to as "CCB") in December 1998, December 1999 and February 2004, respectively. The agreed maturity dates are February 8th, 2014, November 4th, 2019, and November 28th, 2025. Since 2008, High-grade Development Company has not repaid the loan in full and on time as agreed. As of September 30th, 2024, the outstanding principal balance of the above loans of High-grade Development Company was RMB 6.7 million, and the unpaid interest was RMB 152,888,100. According to the *Loan Interest Reduction Agreement* signed on December 27th, 2024 by China Construction Bank Corporation Mianyang Branch (Party A), Mianyang High-grade Highway Development Co., Ltd. (Party B), Mianyang Communications Development Group Co., Ltd. (Party C), and Mianyang Investment Holding (Group) Co., Ltd. (Party D): "the repayment plan is as follows: By December 31st, 2024: Party C repays RMB 10 million and Party D repays RMB 5 million; by December 31st, 2025: Party C repays RMB 15 million and Party D repays RMB 30 million; by December 31st, 2026: Party C repays RMB 20 million and Party D repays RMB 35 million; by June 30th, 2027: Party C repays RMB 22 million and Party D repays RMB 10.06 million." Reduction amount: After Party B, Party C and Party D have fully performed the obligations agreed in Article 4 above, Party A agrees to reduce or waive all the loan interest owed by Party B under the original loan, i.e., Party A waives the debtor's outstanding interest of RMB 72,828,119.15 out of the RMB 152,888,119.15 owed by the debtor up to September 20th, 2024, as well as all the newly generated interest from September 21st, 2024 until the date of the full settlement of the loan of this account. The waiver of such debts shall take effect from the date of the full performance of the obligations of Party B, Party C, and Party D as agreed above". Party C/Jiaofa Group and Party D/the Company repaid the principal amount of the first installment of the loan of RMB 10 million and the interest of the loan of RMB 5 million by December 31st, 2024, respectively, in accordance with the repayment arrangement under the aforesaid *Loan Interest Reduction Agreement*, and have fulfilled the relevant covenants thereunder as agreed, and it is expected that in the subsequent years, Jiaofa Group and the Company will strictly perform in executing the

repayment arrangement under the aforesaid *Loan Interest Reduction Agreement*. As of December 31st, 2024, the principal balance of this loan was RMB 57 million.

X. Subsequent events

As at the date of this financial report, the Group has no material subsequent events to be disclosed.

XI. Related party relationships and transactions

1. Related party relationships

(1) Controlling shareholders and the actual controller

Controlling shareholder and ultimate controller	Place of registration	Business Nature	Registered capital	Proportion of contribution (%)	Proportion of voting rights (%)
Mianyang State-owned Assets Supervision and Administration Commission	Mianyang, Sichuan	State-owned assets supervision and administration	——	90.00	90.00

The actual controller of the Company and the Group is Mianyang State-owned Assets Supervision and Administration Commission.

(2) Subsidiaries

For details of the subsidiaries, please refer to the "Note VII. 1 Basic information of subsidiaries included in the scope of consolidated financial statements" in this note to the financial statements.

(3) Joint ventures and associates

For relevant details of the Company's joint ventures and associates, please refer to the relevant information disclosed in "Note VIII.14 Long-term equity investments".

(4) Other related parties

Name of other related party	Relationship with the Company
Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	THE investee of the Company with a shareholding ratio of 8.3691%, and its actual controller is Mianyang State-Owned Assets Supervision And Administration Commission
Mianyang Kefa Changtai Industrial Co., Ltd.	Subsidiary of Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.

2. Related party transactions

(1) Purchase and sale of goods (labor, services)

1) Related party transactions of purchasing goods and accepting services

Related party	Content of related party transaction	Amount incurred in current year	Amount incurred in the prior year
Sichuan Menglin Bus Gas Co., Ltd.	Procurement of natural gas	3,697,745.24	2,702,617.38
Mianyang Ganghua Puxiang Compressed Natural Gas Co., Ltd.	Procurement of natural gas	17,087,361.64	16,034,221.07
Mianyang Jianxin Motor Vehicle Inspection Co., Ltd.	Repair and testing services	301,717.82	22,940.00
Mianyang Xiante Rice Co., Ltd	Procurement of food ingredients for cafeteria	1,553,046.00	1,634,042.00
Total		**22,639,870.70**	**20,393,820.45**

2) Sales of goods and rendering of services

Related party	Content of related party transaction	Amount incurred in current year	Amount incurred in the prior year
Mianyang Jianxin Motor Vehicle Inspection Co., Ltd.	Testing services	49,000.00	115,500.00
Mianyang Shandian Aviation Food Co., Ltd.	Sales of gasoline	96,054.65	78,189.70
Mianyang Jinjian Investment Engineering Project Management Co., Ltd.	Engineering construction	31,034,486.57	46,271,740.48
Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Film-making	156,378.32	495,080.05
Mianyang Zhongke Miantou Environmental Service Co., Ltd.	Greening maintenance	142,096.70	166,528.58
Total		**31,478,016.24**	**47,127,038.81**

(2) Related party guarantees

Please refer to the disclosures in "Note IX. Contingencies 1. As of December 31st, 2024, the Group's guarantee situation".

3. Related party current accounts

(1) Details of related party accounts receivable

Item	Related party	Closing amount		Opening amount	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	2,713,369.24		2,979,797.33	57,901.00
Accounts receivable	Mianyang Jianxin Motor Vehicle Inspection Co., Ltd.	518,069.20	33,749.84	566,129.20	
Accounts receivable	Sichuan Menglin Bus Gas Co., Ltd.	72,000.00	720.00	101,340.96	1,013.41
Accounts receivable	Mianyang Furun Water Service Co., Ltd.			14,590.50	
Accounts receivable	Mianyang HKC Optoelectronics Technology Co., Ltd.			4,860.50	24.3
Accounts receivable	Mianyang Shandian Aviation Food Co., Ltd.	5,786.41		4,716.06	47.16
Accounts receivable	Mianyang Jinjian Investment Engineering Project Management Co., Ltd.	6,624,058.19			
Accounts receivable	Mianyang Zhongke Miantou Environmental Service Co., Ltd.	30,540.00		1,143,585.33	

Item	Related party	Closing amount		Opening amount	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Prepayments	Mianyang Xiante Rice Co., Ltd			1,206,514.66	
Other receivables	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	469,682,186.06		448,545,289.46	
Other receivables	Sichuan Xingshu Railway Investment Co., Ltd.	638,241.60		638,241.60	
Other receivables	Mianyang Furun Water Service Co., Ltd.	1,166,801.77		51,233.34	256.17
Other receivables	Mianyang Shandian Aviation Food Co., Ltd.	4,162.50	41.63	39,123.30	
Other receivables	Mianyang Zhongke Miantou Environmental Service Co., Ltd.	11,674.00	1,674.00	11,674.00	1,339.20
Other receivables	Mianyang Xinyong Water Supply Co., Ltd.	13,773.46		5,344.80	26.72
Other receivables	Mianyang Jianxin Motor Vehicle Inspection Co., Ltd.	0.01		0.01	
Total		**481,480,662.44**	**36,185.47**	**455,312,441.05**	**60,607.96**

(2) Details of related party accounts payable

Item	Related party	Closing balance	Opening balance
Accounts payable	Mianyang Ganghua Puxiang Compressed Natural Gas Co., Ltd.	1,840,432.64	1,772,846.06
Accounts payable	Mianyang Xiante Rice Co., Ltd.	2,855,754.65	1,562,556.10
Accounts payable	Sichuan Menglin Bus Gas Co., Ltd.	385,323.95	381,857.05
Accounts payable	Sichuan Haodong Food Technology Co., Ltd.	215,032.28	271,024.53
Accounts payable	Mianyang Jianxin Motor Vehicle Inspection Co., Ltd.	31,810.00	176,130.00
Accounts payable	Mianyang Xinyong Water Supply Co., Ltd.	800.00	500.00
Contract liabilities	Mianyang Jinjian Investment Engineering Project Management Co., Ltd.	1,271,192.15	2,696,348.94
Contract liabilities	Sichuan Natural Gas Mianyang Gas Co., Ltd.	14,797.17	21,667.92
Contract liabilities	Mianyang Shandian Aviation Food Co., Ltd.	211.00	647.50
Contract liabilities	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	3,724,429.26	103.77
Other payables	Mianyang HKC Optoelectronics Technology Co., Ltd.	78,758,719.51	78,758,719.51
Other payables	Jiangyou Hongfei Investment (Group) Co., Ltd.	14,300,000.00	4,300,000.00
Other payables	Mianyang Xiante Rice Co., Ltd.	1,922,750.00	250,000.00
Other payables	Sichuan Haodong Food Technology Co., Ltd.	200,500.00	200,500.00
Other payables	Mianyang Shandian Aviation Food Co., Ltd.	5,379.72	5,379.72
Other payables	Mianyang Zhongke Miantou Environmental Service Co., Ltd.	0.75	0.75

Item	Related party	Closing balance	Opening balance
Other payables	Jiangyou Chuangyuan Development and Construction Investment Co., Ltd.	150,000,000.00	
Other payables	Jiangyou Xingyi Agricultural Investment Co., Ltd.	122,000,000.00	
Long-term payables	Sichuan Xingshu Railway Investment Co., Ltd.	453,624,400.00	462,620,000.00
Long-term payables	Sichuan Bashu Grain Warehouse Technology Co., Ltd.	1,817,700.00	1,817,700.00
Total		**832,969,233.08**	**554,835,981.85**

XII. Notes on major items to the parent company's financial statement

1. Accounts receivable

(1) Accounts receivable listed by the provision method for bad debt

Class	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Accounts receivable for which bad debt provision is made on an individual basis	2,063,193,724.61	99.78		
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	4,568,973.91	0.22	3,954,134.94	86.54
Total	**2,067,762,698.52**	**100.00**	**3,954,134.94**	**—**

(Continued)

Class	Opening balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Accounts receivable for which bad debt provision is made on an individual basis	1,993,079,805.60	99.76	2,157.18	
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	4,710,028.97	0.24	3,892,517.30	82.64
Total	**1,997,789,834.57**	**100.00**	**3,894,674.48**	**—**

1) Accounts receivable for which bad debt provision is made on an individual basis

Name of debtor	Closing balance				
	Book balance	Bad debt provision	Aging	Expected credit loss rate (%)	Accrual reason
Mianyang City Bureau of Finance	1,027,742,372.77		Within 1 year, 1-3 years, more than 5 years		Expected to be recoverable
Mianyang Housing and Urban-Rural Development Commission	736,832,765.26		1-3 years, more than 5 years		Expected to be recoverable

Name of debtor	Closing balance				
	Book balance	Bad debt provision	Aging	Expected credit loss rate (%)	Accrual reason
Finance Bureau of Mianyang Economic and Technological Development Zone Management Committee	160,551,759.00		Within 1 year, 1-2 years		Expected to be recoverable
Department of Transportation of Mianyang City	115,247,697.88		1-2 years		Expected to be recoverable
Sichuan Jia Lai Construction Engineering Co., Ltd.	16,436,449.70		Within 1 year, more than 5 years		Expected to be recoverable
Mianyang Kangju Real Estate Management Co., Ltd.	3,671,850.00		Within 1 year, more than 5 years		Expected to be recoverable
Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	2,710,830.00		1-2 years		Expected to be recoverable
Total	**2,063,193,724.61**		—		—

2) Provision for bad debts of accounts receivable by portfolio

a. Aging portfolio

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year	40,360.38	0.88	201.80
1-2 years	636,406.75	13.94	63,640.68
2-3 years			
3-4 years	1,000.00	0.02	500.01
4-5 years	2,828.67	0.06	1,414.34
More than 5 years	3,888,378.11	85.10	3,888,378.11
Total	**4,568,973.91**	**100.00**	**3,954,134.94**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year	821,492.19	17.44	4,107.46
1-2 years			
2-3 years	158.67		31.73
3-4 years			
4-5 years			
More than 5 years	3,888,378.11	82.56	3,888,378.11
Total	**4,710,028.97**	**100.00**	**3,892,517.30**

2. Other receivables

Item	Closing balance	Opening balance
Interest receivable	976,689,465.13	702,232,844.12
Dividends receivable	15,117,782.81	15,117,782.81
Other receivables	15,376,948,566.16	16,014,792,778.54
Total	**16,368,755,814.10**	**16,732,143,405.47**

(1) Interest receivable

Item	Closing balance	Opening balance
People's Government of Fucheng District, Mianyang City	976,689,465.13	702,232,844.12
Total	**976,689,465.13**	**702,232,844.12**

(2) Dividends receivable

Company name	Closing balance	Opening balance
Mianyang Fuda Asset Operation Co., Ltd.	11,120,069.39	11,120,069.39
Sichuan Jia Lai Construction Engineering Co., Ltd.	3,997,713.42	3,997,713.42
Total	**15,117,782.81**	**15,117,782.81**

(3) Other receivables

Class	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Other receivables for which bad debt provision is made on an individual basis	15,479,524,917.22	99.94	108,044,538.37	0.70
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	9,451,113.24	0.06	3,982,925.93	42.14
Total	**15,488,976,030.46**	**100.00**	**112,027,464.30**	**—**

(Continued)

Class	Opening balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Other receivables for which bad debt provision is made on an individual basis	16,105,421,020.18	99.96	94,526,514.76	0.59
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	6,650,830.85	0.04	2,752,557.73	41.39
Total	**16,112,071,851.03**	**100.00**	**97,279,072.49**	**—**

1) Other receivables for which bad debt provision is made on an individual basis at the end of the year

Name of debtor	Closing balance			
	Book balance	Bad debt provision	Expected credit loss rate (%)	Note
Mianyang Housing and Urban-Rural Development Commission	4,875,340,872.84			Expected to be recoverable
Mianyang Fuda Asset Operation Co., Ltd.	2,491,810,798.04			Expected to be recoverable
Department of Transportation of Mianyang City	1,738,273,705.68			Expected to be recoverable
Sichuan Jialai Real Estate Co., Ltd.	1,175,395,408.91			Expected to be recoverable
Mianyang City Bureau of Finance	498,567,820.41			Expected to be recoverable
Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	469,682,186.06			Expected to be recoverable
Jiangyou Finance Bureau (Jiangyou State-owned Assets Supervision and Administration Office)	461,979,225.44			Expected to be recoverable
People's Government of Fucheng District	432,055,563.79			Expected to be recoverable
Mianyang Jiuhong Real Estate Development Co., Ltd.	421,607,248.23			Expected to be recoverable
Mianyang Construction Engineering Technology Service Center (Municipal Key Engineering Construction Command)	409,054,804.08			Expected to be recoverable
Mianyang Transportation Service Center (Mianyang Key Highway Construction Headquarters Office)	356,089,089.63			Expected to be recoverable
Mianyang Jianwen Real Estate Development Co., Ltd.	273,145,538.97			Expected to be recoverable
Mianyang Jianan Tourism Development Co., Ltd.	213,067,828.49			Expected to be recoverable
Mianyang Fucheng Investment Group Co., Ltd.	211,336,166.69			Expected to be recoverable
Finance Bureau of Mianyang Economic and Technological Development Zone	181,561,874.97			Expected to be recoverable
Mianyang Construction Engineering Technology Service Center (Mianyang Urban Key Engineering Construction Office)	173,572,365.00			Expected to be recoverable
Mianyang Mingyue Real Estate Development Co., Ltd.	137,592,452.03			Expected to be recoverable
Chengdu Yechang Enterprise Management Consulting Co., Ltd.	127,332,745.51			Expected to be recoverable
Mianyang Miantou Land Co., Ltd.	117,129,959.28			Expected to be recoverable
Beijing Fuleshan Hotel Co., Ltd.	108,044,538.37	108,044,538.37	100.00	Not expected to be recovered
Mianyang Jianlin Real Estate Development Co., Ltd.	81,028,395.00			Expected to be recoverable
Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd.	77,441,808.93			Expected to be recoverable

Name of debtor	Closing balance			
	Book balance	Bad debt provision	Expected credit loss rate (%)	Note
Mianyang Zhonglei Investment Development Group Co., Ltd	67,346,666.49			Expected to be recoverable
Mianyang Water (Group) Co., Ltd.	105,320,000.00			Expected to be recoverable
Horticultural Administration Center Construction Headquarters	50,990,385.36			Expected to be recoverable
People's Government of Chengjiao Town, Fucheng District, Mianyang City	39,955,000.00			Expected to be recoverable
Mianyang Science and Technology City Modern Agricultural Science and Technology Demonstration Zone	20,000,000.00			Expected to be recoverable
Mianyang Urban and Rural Planning Bureau	13,390,100.00			Expected to be recoverable
Genertec Universal International Financial Leasing (Tianjin) Co., Ltd.	12,500,000.00			Expected to be recoverable
Others	138,912,369.02			Expected to be recoverable
Total	**15,479,524,917.22**	**108,044,538.37**	**0.70**	

2) Provision for bad debts of other receivables by portfolio

a. Aging portfolio

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year	3,519,047.01	37.24	18,667.38
1-2 years	2,181,149.76	23.08	218,743.00
2-3 years			
3-4 years			
4-5 years	10,801.85	0.11	5,400.93
More than 5 years	3,740,114.62	39.57	3,740,114.62
Total	**9,451,113.24**	**100.00**	**3,982,925.93**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year	3,909,327.16	58.78	19,546.64
1-2 years			
2-3 years	1,497.00	0.02	299.40
3-4 years			
4-5 years	14,590.00	0.22	7,295.00
More than 5 years	2,725,416.69	40.98	2,725,416.69
Total	**6,650,830.85**	**100.00**	**2,752,557.73**

3. Long-term equity investments

(1) Classification of long-term equity investments

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	23,977,036,658.64		23,977,036,658.64	22,458,738,364.21		22,458,738,364.21
Investment in joint ventures						
Investment in associates	1,000,000.00		1,000,000.00	4,202,763,675.13		4,202,763,675.13
Subtotal	**23,978,036,658.64**		**23,978,036,658.64**	**26,661,502,039.34**		**26,661,502,039.34**
Less: Long-term equity investment impairment provision						
Total	**23,978,036,658.64**		**23,978,036,658.64**	**26,661,502,039.34**		**26,661,502,039.34**

(2) Investment in subsidiaries

Investee	Opening balance (Book value)	Opening balance of impairment provision	Increase or decrease in the current year				Closing balance (Book value)	Closing balance of impairment provision
			Increase in capital	Decrease in capital	Provision for impairment	Others		
Sichuan Yuewanglou Culture Communication Co., Ltd.	42,651,519.78		1,000,000.00				43,651,519.78	
Sichuan Youyue Culture Media Co., Ltd.	10,940,000.00		3,260,000.00				14,200,000.00	
Mianyang Fuda Asset Operation Co., Ltd.	1,574,221,150.46						1,574,221,150.46	
Mianyang City Parking Management Co., Ltd.	10,000,000.00		34,216,163.29				44,216,163.29	
Mianyang Cultural & Tourism Group Co., Ltd.	1,391,266,294.33		62,878,627.99	150,000.00			1,453,994,922.32	
Mianyang Kangju Real Estate Management Co., Ltd.	1,353,264,681.05		88,321,100.00				1,441,585,781.05	
Sichuan Jia Lai Construction Engineering Co., Ltd.	1,822,890,855.84						1,822,890,855.84	
Mianyang Talent Development Group Co., Ltd.	1,727,296,697.29						1,727,296,697.29	

Investee	Opening balance (Book value)	Opening balance of impairment provision	Increase or decrease in the current year				Closing balance (Book value)	Closing balance of impairment provision
			Increase in capital	Decrease in capital	Provision for impairment	Others		
Mianyang Mianzhou Jialai Conference Service Co., Ltd.	192,245,968.83		51,768,557.72				244,014,526.55	
Sichuan Xijin Logistics Co., Ltd.	423,300,803.80						423,300,803.80	
Mianyang Jianan Tourism Development Co., Ltd.	10,000,000.00						10,000,000.00	
Mianyang Miantou Land Co., Ltd.			307,327,200.00				307,327,200.00	
Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	3,400,000,000.00						3,400,000,000.00	
Mianyang Mingyue Real Estate Development Co., Ltd.	4,200,000.00						4,200,000.00	
Mianyang Jiuhong Real Estate Development Co., Ltd.	8,000,000.00						8,000,000.00	
Mianyang Mingsheng Real Estate Development Co., Ltd.	8,000,000.00		952,526,645.43				960,526,645.43	
Mianyang Communications Development Group Co., Ltd.	8,093,843,564.45						8,093,843,564.45	
Sichuan Longwei Security Service Co., Ltd.	158,460,390.69						158,460,390.69	
Mianyang Grain and Oil Group Co., Ltd.	377,206,385.07						377,206,385.07	
Mianyang Water Conservancy Planning and Design Institute Co., Ltd.	61,695,271.12						61,695,271.12	
Mianyang Jinkong Microfinance Co., Ltd.	292,731,000.00						292,731,000.00	
Mianyang Jiachuang Incubator Management Co., Ltd.	566,026,500.00						566,026,500.00	
Mianyang Automobile Experimental Driving Technology School Co., Ltd.	2,257,011.74						2,257,011.74	
Mianyang Water (Group) Co., Ltd.	214,732,290.88						214,732,290.88	
Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd.	65,566,778.88		6,500,000.00				72,066,778.88	
Mianyang Sanjiang Medical Investment Co., Ltd.	315,000,000.00						315,000,000.00	
Mianyang Miantai Industrial Co., Ltd.	70,000,000.00						70,000,000.00	

Investee	Opening balance (Book value)	Opening balance of impairment provision	Increase or decrease in the current year				Closing balance (Book value)	Closing balance of impairment provision
			Increase in capital	Decrease in capital	Provision for impairment	Others		
Mianyang Science and Technology City Kexin Medical Development Co., Ltd.	53,295,000.00						53,295,000.00	
SINOTRUK Mianyang SPECIAL VEHICLE Co., Ltd.	124,646,200.00						124,646,200.00	
Mianyang Miantou Commercial Operation Management Co., Ltd.	35,000,000.00		10,000,000.00				45,000,000.00	
Mianyang Miantou Jiangfa Industrial Co., Ltd.	50,000,000.00						50,000,000.00	
Mianyang Miantou Industrial Investment Co., Ltd.			150,000.00				150,000.00	
Mianyang Miantou Yuqiang Energy Development Co., Ltd.			500,000.00				500,000.00	
Total	**22,458,738,364.21**		**1,518,448,294.43**	**150,000.00**			**23,977,036,658.64**	

(3) Investment in joint ventures and associates

Investee	Opening balance	Increase or decrease in the current year								Closing balance
		Increase in capital	Decrease in capital	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other equity changes	Declared distribution of cash dividends or profit	Provision for impairment	Others	
I. Joint ventures										
II. Associates										
Mianyang Science and Technology City Major Industry Equity Investment Fund Partnership (Limited Partnership)	1,000,000.00									1,000,000.00
Mianyang HKC Optoelectronics Technology Co., Ltd.	4,201,763,675.13		4,309,459,691.31	107,696,016.18						
Total	**4,202,763,675.13**		4,309,459,691.31	107,696,016.18						**1,000,000.00**

4. Operating income and operating costs

(1) Details of operating income and operating costs

Item	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
Income from principal activities	283,261,824.99	296,917,565.46	195,354,358.12	200,745,764.64
Income from other operating activities	22,819,557.92	7,647,324.15	20,722,759.02	6,557,259.33
Total	**306,081,382.91**	**304,564,889.61**	**216,077,117.14**	**207,303,023.97**

(2) Details of income from principal activities

Detail	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
Municipal infrastructure construction				3,929,334.22
Land Consolidation income	266,455,037.97	282,821,137.13	29,182,638.09	61,226,136.00
House sales income and others	16,806,787.02	14,096,428.33	166,171,720.03	135,590,294.42
Total	**283,261,824.99**	**296,917,565.46**	**195,354,358.12**	**200,745,764.64**

(3) Details of income from other operating activities

Detail	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
Service income	1,573,113.20	422,641.51	1,161,242.13	-12,679.25
Rental income	15,362,915.54	1,603,813.26	11,242,474.67	2,466,259.66
Other income	5,883,529.18	5,620,869.38	8,319,042.22	4,103,678.92
Total	**22,819,557.92**	**7,647,324.15**	**20,722,759.02**	**6,557,259.33**

5. Investment income

Item	Current year amount	Prior year amount
Long-term equity investment income measured at cost method	9,107,600.00	11,650,309.06
Long-term equity investment income measured at equity method	107,696,016.18	138,660,563.50
Investment income from disposal of long-term equity	541,905,238.00	545,278,005.16
Investment income obtained during the holding period of other equity instrument investment	10,626,162.15	
Total	**669,335,016.33**	**695,588,877.72**

XIII. Approval of financial statements

The financial statements were approved by the board of directors of the Company.

Mianyang Investment Holding (Group) Co., Ltd.

April 27th, 2025

统一社会信用代码

91110101592354581W

营业执照

(副 本) (3-1)

扫描市场主体身份码了解更多登记、备案、许可、监管信息，体验更多应用服务。

名　　称　信永中和会计师事务所（特殊普通合伙）

类　　型　特殊普通合伙企业

执行事务合伙人　李晓英、宋朝学、谭小青

经营范围　审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。（市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。）

出资额　6000 万元

成立日期　2012 年 03 月 02 日

主要经营场所　北京市东城区朝阳门北大街 8 号富华大厦 A 座 8 层

登记机关　北京市东城区市场监督管理局

2025 年 01 月 21 日

仅限于出具报告使用

证书序号：0014624

会计师事务所

执业证书

名　　称：信永中和会计师事务所（特殊普通合伙）

首席合伙人：谭小青

主任会计师：

经营场所：北京市东城区朝阳门北大街8号富华大厦A座8层

组织形式：特殊普通合伙

执业证书编号：11010136

批准执业文号：京财会许可[2011]0056号

批准执业日期：2011年07月07日

说　明

1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：北京市财政局

二〇一五年十月五日

中华人民共和国财政部制

仅供上海出具报告使用

Mianyang Investment Holding (Group) Co., Ltd.

FY 2023

Auditor's Report

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ENGLISH TRANSLATION OF AUDITOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR 1 JANUARY 2023 TO 31 DECEMBER 2023, IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

信永中和 ShineWing
信永中和会计师事务所 ShineWing certified public accountants
北京市东城区朝阳门北大街8号富华大厦A座9层
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telephone: +86 (010) 6554 2288
传真: +86 (010) 6554 7190
facsimile: +86 (010) 6554 7190

Auditor's Report

XYZH/2024CDAA7B0270

Mianyang Investment Holding (Group) Co., Ltd.

To all shareholders of Mianyang Investment Holding (Group) Co., Ltd.:

I. Opinion

We have audited the financial statements of Mianyang Investment Holding (Group) Co., Ltd. (hereinafter referred to as "the Company"), which comprise the consolidated and the parent company's balance sheet as at December 31st, 2023, the consolidated and the parent company's income statement, the consolidated and the parent company's cash flow statement and the consolidated and the parent company's statement of changes in owners' equity for the year 2023, and the notes to the financial statements.

In our opinion, the accompanying financial statements were prepared in accordance with the *Accounting Standards for Business Enterprises* in all material respects, and presented fairly the consolidated and the parent company's financial position of the Company as of December 31st, 2023, and the consolidated and the parent company's results of operations and cash flows for the year 2023.

II. Basis for Opinion

We conducted our audit in accordance with the China Standards on Auditing for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities of the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for expressing our audit opinion.

III. Other Information

The management of the Company (hereinafter referred to as "the Management") is responsible for the other information. The other information includes the information covered in the 2023 Annual Report of the Company, but excludes the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

IV. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve a fair presentation, and designing, implementing and maintaining the necessary internal controls so that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

V. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion. Although reasonable assurance is a high level of assurance, it is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users of the financial statements make on the basis of the financial statements.

During the course of the audit in accordance with auditing standards, we exercise

professional judgement and maintain professional skepticism. We also carry out the following works:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for expressing audit opinions. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or overriding internal controls.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw the attention of users of the financial statements to the relevant disclosures in the financial statements in our auditor's report or, if such disclosures are inadequate, we shall modify our opinion. Our conclusions are based on information available as of the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for directing, supervising and performing the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with those relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and related safeguards, where applicable.

ShineWing Certified Public Accountants (LLP)

Beijing, China

April 28th,2024

ENGLISH TRANSLATION OF AUDITOR'S REPORT FOR THE YEAR 1 JANUARY 2023 TO 31 DECEMBER 2023, IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL.

Consolidated Balance Sheet

December 31st, 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Closing balance	Opening balance
Current assets:			
Cash and cash equivalents	VIII.1	18,857,142,832.41	11,508,158,026.75
Settlement reserves			
Lending to banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Bills receivable	VIII.2	589,756,247.51	498,850,620.89
Accounts receivable	VIII.3	3,282,148,830.46	6,409,598,417.43
Receivables financing	VIII.4	6,000,000.00	4,700,000.00
Prepayments	VIII.5	6,127,829,660.53	5,398,665,853.49
Premiums receivable			
Reinsurance accounts receivable			
Receivable reserves for reinsurance contracts			
Other receivables	VIII.6	16,740,209,977.19	18,875,120,718.64
Including: Interest receivable			
Dividends receivable			
Buying back the sale of financial assets			
Inventories	VIII.7	9,808,909,691.10	7,467,107,299.28
Contract assets	VIII.8	98,230,692.77	116,427,443.85
Assets held for sale			
Non-current assets due within one year	VIII.9	1,330,760,716.05	490,802,357.47
Other current assets	VIII.10	880,792,839.40	589,873,679.02
Total current assets:		**57,721,781,487.42**	**51,359,304,416.82**
Non-current assets:			
Loans and advances			
Debt investments	VIII.11	2,421,973,624.11	3,360,173,111.04
Other debt investments			
Long-term receivables	VIII.12	1,777,430,147.22	1,623,513,441.26
Long-term equity investments	VIII.13	20,055,290,360.34	18,115,526,988.86
Investments in other equity instruments	VIII.14	4,501,703,354.60	4,614,251,155.91
Other non-current financial assets	VIII.15	12,001,365.92	
Investment properties	VIII.16	5,947,087,236.57	5,953,806,401.25
Fixed assets	VIII.17	9,788,626,407.09	9,715,105,308.08
Construction in progress	VIII.18	6,367,578,912.88	5,219,248,760.15
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VIII.19	65,578,762.92	67,412,707.82
Intangible assets	VIII.20	1,920,622,199.47	1,927,207,072.41
Development expenses			
Goodwill	VIII.21	2,188,608.99	2,188,608.99
Long-term deferred expenses	VIII.22	215,151,510.43	209,070,106.79
Deferred tax assets	VIII.23	79,545,478.80	60,972,415.45
Other non-current assets	VIII.24	22,682,717,863.40	21,734,464,618.26
Total non-current assets		**75,837,495,832.74**	**72,602,940,696.27**
Total assets		**133,559,277,320.16**	**123,962,245,113.09**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Balance Sheet (Continued)

December 31st, 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Closing balance	Opening balance
Current liabilities:			
Short-term loans	VIII.25	12,974,072,328.59	8,361,474,205.38
Borrowings from the Central Bank			
Borrowings from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payabable	VIII.26	2,492,937,632.86	1,971,700,000.00
Accounts payable	VIII.27	3,835,486,743.76	2,436,119,996.08
Advances from customers	VIII.28	66,237,403.56	66,996,796.10
Contract liabilities	VIII.29	5,346,695,312.86	1,222,636,371.57
Financial assets sold for repurchase			
Accept money deposits and interbank placement			
Acting trading securities			
Acting underwriting securities			
Employee benefits payable	VIII.30	206,257,290.31	182,069,205.63
Taxes payable	VIII.31	464,076,419.18	531,452,163.99
Other payables	VIII.32	5,737,214,257.51	5,040,365,120.55
Including: Interest payable			
Dividends payable			
Fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	VIII.33	19,345,301,977.99	17,270,423,275.42
Other current liabilities	VIII.34	496,486,822.64	306,481,401.31
Total current liabilities		**50,964,766,189.26**	**37,389,718,536.03**
Non-current liabilities:			
Provision for insurance contracts			
Long-term loans	VIII.35	15,031,704,840.39	16,434,673,655.16
Bonds payable	VIII.36	19,216,929,919.98	24,049,102,406.01
Including: Preference shares			
Perpetual bonds			
Lease liabilities	VIII.37	40,991,982.55	43,604,958.95
Long-term payables	VIII.38	11,016,295,679.79	10,776,492,902.87
Long-term employee benefits payable			
Provisions	VIII.39	377,220,547.40	316,275,791.89
Deferred income	VIII.40	218,631,119.24	212,433,041.04
Deferred tax Liabilities	VIII.23	276,658,094.45	287,179,541.45
Other non-current liabilities		1,406,378.52	
Total non-current liabilities		**46,179,838,562.32**	**52,119,762,297.37**
Total liabilities		**97,144,604,751.58**	**89,509,480,833.40**
Owners' equity			
Share capital	VIII.41	850,000,000.00	850,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	VIII.42	18,038,396,214.54	17,648,120,867.04
Less: Treasury share			
Other comprehensive income	VIII.43	412,033,804.28	480,216,826.76
Special reserve	VIII.44	17,890,533.40	14,488,866.96
Surplus reserve	VIII.45	280,645,102.92	280,645,102.92
General risk reserve		2,612,935.61	2,612,935.61
Undistributed profits	VIII.46	1,169,503,958.04	1,306,349,785.04
Total equity attributable to the owners of parent company		20,771,082,548.79	20,582,434,384.33
Non-controlling interests		15,643,590,019.79	13,870,329,895.36
Total owners' equity		**36,414,672,568.58**	**34,452,764,279.69**
Total liabilities and owners' equity		**133,559,277,320.16**	**123,962,245,113.09**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Balance Sheet of the Parent Company

December 31st, 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Closing balance	Opening balance
Current assets:			
Cash and cash equivalents		8,497,820,906.53	4,103,691,030.97
Financial assets held for trading			
Derivative financial assets			
Bills receivable			
Accounts receivable	XII.1	1,993,895,160.09	5,268,596,901.22
Receivables financing			
Prepayments		4,310,632,275.53	4,323,282,529.50
Other receivables	XII.2	16,732,143,405.47	19,424,470,797.17
Including: Interest receivable			
Dividends receivable			
Inventories		1,673,741,545.14	1,634,017,530.85
Contract assets			
Assets held for sale			
Non-current assets due within one year		975,000,000.00	
Other current assets		327,945,860.31	299,930,328.43
Total current assets:		**34,511,179,153.07**	**35,053,989,118.14**
Non-current assets:			
Debt investments		1,975,000,000.00	3,140,000,000.00
Other debt investments			
Long-term receivables			
Long-term equity investments	XII.3	26,661,502,039.34	24,721,450,650.90
Investments in other equity instruments		2,673,100,000.00	2,727,000,000.00
Other non-current financial assets			
Investment properties		1,188,546,402.98	1,191,248,014.74
Fixed assets		5,879,975.30	6,303,878.40
Construction in progress		1,238,906,873.55	1,241,275,123.83
Productive biological assets			
Oil and gas assets			
Right-of-use assets		956,512.30	1,913,024.62
Intangible assets		2,014,211.57	943,277.00
Development expenses			
Goodwill			
Long-term deferred expenses		4,032,477.03	4,292,169.29
Deferred tax assets		26,192,700.51	19,966,347.85
Other non-current assets		11,488,907,417.22	11,224,579,326.69
Total non-current assets		**45,265,038,609.80**	**44,278,971,813.32**
Total assets		**79,776,217,762.87**	**79,332,960,931.46**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Balance Sheet of the Parent Company (Continued)

December 31st, 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Closing balance	Opening balance
Current liabilities:			
Short-term loans		3,397,939,709.10	3,835,376,136.32
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable			
Accounts payable		1,511,845,294.89	1,544,644,010.23
Advances from customers		1,896,663.24	2,629,738.24
Contract liabilities		239,061,664.19	249,271,621.09
Employee benefits payable		20,901,616.38	20,142,421.18
Taxes payable		241,589,126.37	291,550,658.75
Other payables		16,350,606,479.38	10,780,827,158.54
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		13,259,811,668.54	13,530,869,356.11
Other current liabilities			28,200,779.30
Total current liabilities		**35,023,652,222.09**	**30,283,511,879.76**
Non-current liabilities:			
Long-term loans		6,188,855,039.00	5,033,690,039.00
Bonds payable		15,686,074,576.42	21,523,519,130.87
Including: Preference shares			
Perpetual bonds			
Lease liabilities			1,079,262.37
Long-term payables		3,555,969,402.77	3,090,253,861.82
Long-term employee benefits payable			
Provisions		144,858,800.00	80,060,000.00
Deferred income			
Deferred tax Liabilities		19,290,944.91	19,966,347.85
Other non-current liabilities			
Total non-current liabilities		**25,595,048,763.10**	**29,748,568,641.91**
Total liabilities		**60,618,700,985.19**	**60,032,080,521.67**
Owners' equity			
Share capital		850,000,000.00	850,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		17,739,302,763.60	17,728,302,763.60
Less: Treasury share			
Other comprehensive income		95,770,234.45	95,770,234.45
Special reserve			
Surplus reserve		280,645,102.92	280,645,102.92
Undistributed profits		191,798,676.71	346,162,308.82
Total owners' equity		**19,157,516,777.68**	**19,300,880,409.79**
Total liabilities and owners' equity		**79,776,217,762.87**	**79,332,960,931.46**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Income Statement

FY 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Current year amount	Prior year amount
I. Total operating income		**9,302,249,751.39**	**11,992,262,795.55**
Including: Operating income	VIII.47	9,292,251,507.91	11,987,540,417.46
Interest income	VIII.48	9,998,243.48	4,722,378.09
Earned premiums			
Fees and commissions income			
II. Total operating costs		**11,546,757,805.86**	**13,870,946,480.59**
Including: Operating costs	VIII.47	8,116,673,841.41	10,573,410,784.29
Interest expense	VIII.48		
Fees and commissions expenses			
Surrenders			
Net claims expenses			
Net appropriation of deposit for duty			
Policy dividend expenses			
Reinsurance expenses			
Taxes and surcharges	VIII.49	128,473,782.91	164,418,017.57
Selling expenses	VIII.50	224,213,990.64	199,929,558.57
Administrative expenses	VIII.51	739,688,117.87	741,783,036.08
Research and development (R&D) expenses	VIII.52	5,611,420.31	4,981,600.97
Financial expenses	VIII.53	2,332,096,652.72	2,186,423,483.11
Including: Interest expense		3,277,696,394.37	3,034,157,095.28
Interest income		1,254,952,762.74	1,154,255,188.29
Add: Other income	VIII.54	1,374,792,333.74	1,216,455,646.94
Investment income ("-" for losses)	VIII.55	988,125,373.43	202,442,485.97
Including: Income from investments in associates and joint ventures		342,267,409.82	188,557,871.84
Gains on derecognition of financial assets measured at amortized cost			
Exchange gains ("-" for losses)			
Net exposure hedging gains ("-" for losses)			
Gains from changes of fair value ("-" for losses)	VIII.56	-19,572,792.15	-8,316,584.78
Credit losses ("-" for losses)	VIII.57	-10,337,234.81	364,452.77
Impairment losses ("-" for losses)	VIII.58	3,710,203.67	-2,161,649.26
Gains from asset disposals ("-" for losses)	VIII.59	179,762,269.44	514,802.23
III. Operating profit ("-" for losses)		**271,972,098.85**	**-469,384,531.17**
Add: Non-operating income	VIII.60	98,137,781.09	482,023,396.88
Less: Non-operating expenses	VIII.61	60,107,265.71	148,660,131.36
IV. Profit before income tax ("-" for total losses)		**310,002,614.23**	**-136,021,265.65**
Less: Income tax expenses	VIII.62	75,946,256.82	90,246,720.67
V. Net profit ("-" for net losses)		**234,056,357.41**	**-226,267,986.32**
(I) Classified by continuity of operations		**234,056,357.41**	**-226,267,986.32**
Net profit from continuing operations ("-" for net losses)		234,056,357.41	-226,267,986.32
Net profit from discontinued operations ("-" for net losses)			
(II) Classified by the attribution of ownership		**234,056,357.41**	**-226,267,986.32**
Net profit attributable to owners of the parent company ("-" for net losses)		42,832,420.38	-425,743,628.10
Gains or losses on non-controlling interests ("-" for net losses)		191,223,937.03	199,475,641.78
VI. Other comprehensive income, net of tax		**-77,109,897.48**	**155,478,854.94**
The net after-tax value of other comprehensive income attributable to owners of the parent company	VIII.63	-68,183,022.48	155,478,854.94
(I) Other comprehensive income that cannot be reclassified into profit or loss		-48,277,485.78	
1. Gains or losses due to remeasurement of defined benefit plans			
2. Other comprehensive income not converted into profit or loss under equity method		-27,448,110.78	
3. Changes in fair value of investments in other equity instruments		-20,829,375.00	
4. Changes in fair value of enterprise's own credit risk			
5. Others			
(II) Other comprehensive income reclassified into profit and loss		-19,905,536.70	155,478,854.94
1. Other comprehensive income converted into profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Amount reclassified from financial assets to other comprehensive income			
4. Credit impairment provision for other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Foreign currency statement translation difference			
7. Others		-19,905,536.70	155,478,854.94
Other comprehensive income (net of tax) attributable to non-controlling interests		-8,926,875.00	
VII. Total comprehensive income		**156,946,459.93**	**-70,789,131.38**
Total comprehensive income attributable to owners of the parent company		-25,350,602.10	-270,264,773.16
Total comprehensive income attributable to non-controlling interests		182,297,062.03	199,475,641.78

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Income Statement of the Parent Company

FY 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Current year amount	Prior year amount
I. Operating income	XII.4	**216,077,117.14**	**2,754,764,877.40**
Less: Operating costs	XII.4	207,303,023.97	2,415,481,766.71
Taxes and surcharges		12,180,746.12	78,796,911.36
Selling expenses		9,453,839.73	40,186.66
Administrative expenses		49,024,002.02	56,239,623.68
Research and development (R&D) expenses			
Financial expenses		1,571,725,529.55	1,669,361,981.08
Including: Interest expense			
Interest income			
Add: Other income		680,090,973.25	646,212,297.23
Investment income ("-" for losses)	XII.5	695,588,877.72	6,054,141.19
Including: Income from investments in associates and joint ventures		138,660,563.50	-4,164,663.69
Gains on derecognition of financial assets measured at amortized cost			
Net exposure hedging gains ("-" for losses)			
Gains from changes of fair value ("-" for losses)		-2,701,611.76	-5,446,790.56
Credit losses ("-" for losses)		-5,562,113.45	5,324,582.89
Impairment losses ("-" for losses)			
Gains from asset disposals ("-" for losses)		177,216,014.72	
II. Operating profit ("-" for losses)		**-88,977,883.77**	**-813,011,361.34**
Add: Non-operating income		1,135,728.80	435,073,254.87
Less: Non-operating expenses		19,304,132.74	108,892,526.90
III. Profit before income tax ("-" for total losses)		**-107,146,287.71**	**-486,830,633.37**
Less: Income tax expenses		-6,901,755.60	7,056,756.39
IV. Net profit ("-" for net losses)		**-100,244,532.11**	**-493,887,389.76**
(I) Net profit from continuing operations ("-" for net losses)		-100,244,532.11	-493,887,389.76
(II) Net profit from discontinued operations ("-" for net losses)			
V. Other comprehensive income, net of tax			
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Gains or losses due to remeasurement of defined benefit plans			
2. Other comprehensive income not converted into profit or loss under equity method			
3. Changes in fair value of investments in other equity instruments			
4. Changes in fair value of enterprise's own credit risk			
5. Others			
(II) Other comprehensive income reclassified into profit and loss			
1. Other comprehensive income converted into profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Amount reclassified from financial assets to other comprehensive income			
4. Credit impairment provision for other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Foreign currency statement translation difference			
7. Others			
VI. Total comprehensive income		**-100,244,532.11**	**-493,887,389.76**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Cash Flow Statement

FY 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Current year amount	Prior year amount
I. Cash flow from operating activities:			
Proceeds from sale of goods and rendering of services		15,661,532,713.99	9,973,426,790.39
Net increase of clients' deposits and interbank deposits		43,896,882.30	
Net increase in borrowings from the Central Bank			
Net increase in borrowings from other financial institutions			
Cash received for premiums of original insurance contracts			
Net cash received from reinsurance operations			
Net increase in policyholders' savings and investment funds			
Cash received from interest, fees and commissions		6,913,887.36	7,759,230.74
Net increase in borrowings from banks and other financial institutions			
Net increase in funds of repurchase operations			
Net cash received from acting trading securities			
Refund of taxes		13,156,857.47	118,806,186.25
Other proceeds from operating activities		8,441,104,612.88	2,007,499,898.08
Subtotal of cash inflow from operating activities		**24,166,604,954.00**	**12,107,492,105.46**
Payment for goods and services		15,044,786,678.45	9,559,312,744.61
Net increase in loans and advances to customers			14,843,205.37
Net increase in deposits with the Central Bank and interbank			
Cash payment of compensation for original insurance contracts			
Net increase in lending to banks and other financial institutions			
Cash paid for interest, fees and commissions			
Cash paid as policy dividends			
Payment to and for employees		1,556,101,526.74	1,644,539,975.00
Payment of various taxes		776,643,160.96	485,047,145.75
Other payments for operating activities		5,830,945,360.19	1,755,710,286.49
Subtotal of cash outflow from operating activities		**23,208,476,726.34**	**13,459,453,357.22**
Net cash flow from operating activities		**958,128,227.66**	**-1,351,961,251.76**
II. Cash flow from investing activities:			
Proceeds from disposal of investments		1,125,884,776.35	3,303,434,513.68
Investment income received		37,219,989.31	11,830,837.94
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		211,859,719.81	5,838,270.25
Net proceeds from disposal of subsidiaries and other business units		160,284,316.43	
Other proceeds from investing activities		5,331,430,908.51	5,438,397,302.87
Subtotal of cash inflow from investing activities		**6,866,679,710.41**	**8,759,500,924.74**
Payment for acquisition of fixed assets, intangible assets and other long-term assets		1,815,949,260.89	1,563,630,094.21
Payment for acquisition of investments		1,455,642,788.96	1,888,277,068.73
Net increase in pledge loans			
Net payment for acquisition of subsidiaries and other business units			1,271,023.47
Other payments for investing activities		117,222,964.46	2,955,014,320.96
Subtotal of cash outflow from investing activities		**3,388,815,014.31**	**6,408,192,507.37**
Net cash flow from investing activities		**3,477,864,696.10**	**2,351,308,417.37**
III. Cash flow from financing activities:			
Proceeds from investors		107,882,353.00	73,665,000.00
Including: Cash received by subsidiaries from minority shareholders' investments			
Proceeds from borrowings		31,136,935,005.87	33,887,784,481.04
Other proceeds from financing activities		5,934,102,192.47	1,525,371,846.02
Subtotal of cash inflow from financing activities		**37,178,919,551.34**	**35,486,821,327.06**
Repayments of debts		31,182,978,182.90	29,639,105,750.18
Payment for dividends, profit distributions or interest		4,054,390,784.80	3,466,383,904.58
Including: Dividends and profits paid to minority shareholders by subsidiaries		1,069,467.30	
Other payments for financing activities		1,244,036,764.02	3,565,652,330.58
Subtotal of cash outflow from financing activities		**36,481,405,731.72**	**36,671,141,985.34**
Net cash flow from financing activities		**697,513,819.62**	**-1,184,320,658.28**
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-86,087.25	119,054,102.38
V. Net increase in cash and cash equivalents		**5,133,420,656.13**	**-65,919,390.29**
Add: Opening balance of cash and cash equivalents		7,258,653,102.22	7,324,572,492.51
VI. Closing balance of cash and cash equivalents		**12,392,073,758.35**	**7,258,653,102.22**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Cash Flow Statement of the Parent Company

FY 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Note	Current year amount	Prior year amount
I. Cash flow from operating activities:			
Proceeds from sale of goods and rendering of services		388,941,972.34	816,456,221.29
Refund of taxes		2,943,435.75	
Other proceeds from operating activities		1,986,426,720.32	834,241,834.61
Subtotal of cash inflow from operating activities		**2,378,312,128.41**	**1,650,698,055.90**
Payment for goods and services		473,584,640.85	795,544,874.13
Payment to and for employees		41,053,253.81	41,148,405.07
Payment of various taxes		131,977,022.29	152,235,575.80
Other payments for operating activities		1,010,990,356.02	1,306,300,826.27
Subtotal of cash outflow from operating activities		**1,657,605,272.97**	**2,295,229,681.27**
Net cash flow from operating activities		**720,706,855.44**	**-644,531,625.37**
II. Cash flow from investing activities:			
Proceeds from disposal of investments		1,031,757,695.48	3,354,763,243.49
Investment returns received		11,650,309.06	10,184,842.60
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		202,617,300.00	
Net proceeds from disposal of subsidiaries and other business units			
Other proceeds from investing activities		5,046,294,472.40	4,088,326,896.35
Subtotal of cash inflow from investing activities		**6,292,319,776.94**	**7,453,274,982.44**
Payment for acquisition of fixed assets, intangible assets and other long-term assets		1,761,617.45	26,089,075.89
Payment for acquisition of investments		2,593,000,000.00	624,141,200.00
Net payment for acquisition of subsidiaries and other business units			
Other payments for investing activities		1,507,169,308.63	1,472,040,052.99
Subtotal of cash outflow from investing activities		**4,101,930,926.08**	**2,122,270,328.88**
Net cash flow from investing activities		**2,190,388,850.86**	**5,331,004,653.56**
III. Cash flow from financing activities:			
Proceeds from investors			
Proceeds from borrowings		16,353,916,000.00	18,581,552,595.87
Other proceeds from financing activities		8,854,665,863.45	4,176,495,509.96
Subtotal of cash inflow from financing activities		**25,208,581,863.45**	**22,758,048,105.83**
Repayments of debts		21,076,076,904.33	22,703,453,699.32
Payment for dividends, profit distributions or interest		2,382,872,390.71	2,609,116,196.82
Other payments for financing activities		897,528,528.69	1,858,945,372.16
Subtotal of cash outflow from financing activities		**24,356,477,823.73**	**27,171,515,268.30**
Net cash flow from financing activities		**852,104,039.72**	**-4,413,467,162.47**
IV. Effect of foreign exchange rate changes on cash and cash equivalents		2,762.72	119,054,102.38
V. Net increase in cash and cash equivalents		**3,763,202,508.74**	**392,059,968.10**
Add: Opening balance of cash and cash equivalents		2,192,000,003.90	1,799,940,035.80
VI. Closing balance of cash and cash equivalents		**5,955,202,512.64**	**2,192,000,003.90**

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Statement of Changes in Owners' Equity

FY 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Line	Current year amount													
		Equity attributable to the owners of parent company												Non-controlling interests	Total owners' equity
		Share capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	△General risk reserve	Undistributed profits	Subtotal		
			Preference shares	Perpetual bonds	Others										
Column	—	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance in the prior year	1	850,000,000.00				17,648,120,867.04		498,054,927.79	14,488,866.96	280,645,102.92	2,612,935.61	1,387,567,968.93	20,681,490,669.25	13,864,944,059.93	34,546,434,729.18
Add: Changes in accounting policies	2														
Correction of prior-period errors	3							-17,838,101.03				-81,218,183.89	-99,056,284.92	5,385,835.43	-93,670,449.49
Others	4														
II. Opening balance in the current year	5	850,000,000.00		-		17,648,120,867.04		480,216,826.76	14,488,866.96	280,645,102.92	2,612,935.61	1,306,349,785.04	20,582,434,384.33	13,870,329,895.36	34,452,764,279.69
III. Increase or decrease in the current year (Decrease marked with "-")	6					390,275,347.50		-68,183,022.48	3,401,666.44			-136,845,827.00	188,648,164.46	1,773,260,124.43	1,961,908,288.89
1. Total comprehensive income	7							-68,183,022.48				42,832,420.38	-25,350,602.10	182,297,062.03	156,946,459.93
2. Owners' inputs and decreases in capital	8													1,677,907,019.67	1,677,907,019.67
(1) Ordinary shares invested by owners	9													102,632,353.00	102,632,353.00
(2) Other equity instrument holder's investment	10														
(3) Amount of share-based payments included in owner's equity	11														
(4) Others	12													1,575,274,666.67	1,575,274,666.67
3. Withdrawal and use of special reserve	13								3,401,666.44				3,401,666.44		3,401,666.44
(1) Withdrawal of special reserve	14								6,078,506.13				6,078,506.13		6,078,506.13
(2) Use of special reserve	15								-2,676,839.69				-2,676,839.69		-2,676,839.69
4. Profit distribution	16											-179,678,247.38	-179,678,247.38	-1,343,916.03	-181,022,163.41
(1) Withdrawal of surplus reserve	17														
Including: Statutory surplus reserve	18														
Discretionary surplus reserve	19														
#Reserve funds	20														
#Enterprise development funds	21														
#Profits returned to investment	22														
(2) Withdrawal of general risk reserve	23														
(3) Distribution to owners	24											-179,678,247.38	-179,678,247.38	-1,343,916.03	-181,022,163.41
(4) Others	25														
5. Internal carry forward of owners' equity	26					390,275,347.50							390,275,347.50	-85,600,041.24	304,675,306.26
(1) Transfer of capital reserve to capital	27														
(2) Transfer of surplus reserve to capital	28														
(3) Recover of loss by surplus reserve	29														
(4) Changes in defined benefit plans carried forward to retained earnings	30														
(5) Other comprehensive income carried forward to retained earnings	31														
(6) Others	32					390,275,347.50							390,275,347.50	-85,600,041.24	304,675,306.26
IV. Closing balance in the current year	33	850,000,000.00				18,038,396,214.54		412,033,804.28	17,890,533.40	280,645,102.92	2,612,935.61	1,169,503,958.04	20,771,082,548.79	15,643,590,019.79	36,414,672,568.58

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Statement of Changes in Owners' Equity (Continued)

FY 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Line	Prior year amount													
		Equity attributable to the owners of parent company												Non-controlling interests	Total owners' equity
		Share capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	△General risk reserve	Undistributed profits	Subtotal		
			Preference shares	Perpetual bonds	Others										
Column	—	15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance in the prior year	1	850,000,000.00		993,891,509.43		18,389,831,432.60		342,576,072.85	11,637,619.35	280,645,102.92	2,612,935.61	1,987,446,202.44	22,858,640,875.20	10,629,879,631.40	33,488,520,506.60
Add: Changes in accounting policies	2														
Correction of prior-period errors	3											-18,090,479.53	-18,090,479.53	-3,953,903.34	-22,044,382.87
Others	4														
II. Opening balance in the current year	5	850,000,000.00		993,891,509.43		18,389,831,432.60		342,576,072.85	11,637,619.35	280,645,102.92	2,612,935.61	1,969,355,722.91	22,840,550,395.67	10,625,925,728.06	33,466,476,123.73
III. Increase or decrease in the current year (Decrease marked with "-")	6			-993,891,509.43		-741,710,565.56		155,478,854.94	2,851,247.61			-581,787,753.98	-2,159,059,726.42	3,239,018,331.87	1,079,958,605.45
1. Total comprehensive income	7			68,000,000.00				155,478,854.94				-493,743,628.10	-270,264,773.16	199,475,641.78	-70,789,131.38
2. Owners' inputs and decreases in capital	8			-993,891,509.43		-741,710,565.56							-1,735,602,074.99	3,031,651,498.27	1,296,049,423.28
(1) Ordinary shares invested by owners	9													9,060,000.00	9,060,000.00
(2) Other equity instrument holder's investment	10			-993,891,509.43									-993,891,509.43		-993,891,509.43
(3) Amount of share-based payments included in owner's equity	11														
(4) Others	12					-741,710,565.56							-741,710,565.56	3,022,591,498.27	2,280,880,932.71
3. Withdrawal and use of special reserve	13								2,851,247.61				2,851,247.61		2,851,247.61
(1) Withdrawal of special reserve	14								3,929,741.51				3,929,741.51		3,929,741.51
(2) Use of special reserve	15								-1,078,493.90				-1,078,493.90		-1,078,493.90
4. Profit distribution	16			-68,000,000.00								-88,044,125.88	-156,044,125.88	7,891,191.82	-148,152,934.06
(1) Withdrawal of surplus reserve	17														
Including: Statutory surplus reserve	18														
Discretionary surplus reserve	19														
#Reserve funds	20														
#Enterprise development funds	21														
#Profits returned to investment	22														
(2) Withdrawal of general risk reserve	23														
(3) Distribution to owners	24			-68,000,000.00								-83,366,957.21	-151,366,957.21	2,081,780.47	-149,285,176.74
(4) Others	25											-4,677,168.67	-4,677,168.67	5,809,411.35	1,132,242.68
5. Internal carry forward of owners' equity	26														
(1) Transfer of capital reserve to capital	27														
(2) Transfer of surplus reserve to capital	28														
(3) Recover of loss by surplus reserve	29														
(4) Changes in defined benefit plans carried forward to retained earnings	30														
(5) Other comprehensive income carried forward to retained earnings	31														
(6) Others	32														
IV. Closing balance in the current year	33	850,000,000.00				17,648,120,867.04		498,054,927.79	14,488,866.96	280,645,102.92	2,612,935.61	1,387,567,968.93	20,681,490,669.25	13,864,944,059.93	34,546,434,729.18

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Parent Company's Statement of Changes in Owners' Equity

FY 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd.

Currency: RMB Yuan

Item	Line	Current year amount										
		Share capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
			Preference shares	Perpetual bonds	Others							
Column	—	1	2	3	4	5	6	7	8	9	10	11
I. Closing balance in the prior year	1	850,000,000.00				17,728,302,763.60		95,770,234.45		280,645,102.92	346,162,308.82	19,300,880,409.79
Add: Changes in accounting policies	2											
Correction of prior-period errors	3											
Others	4											
II. Opening balance in the current year	5	850,000,000.00				17,728,302,763.60		95,770,234.45		280,645,102.92	346,162,308.82	19,300,880,409.79
III. Increase or decrease in the current year (Decrease marked with "-")	6					11,000,000.00					-154,363,632.11	-143,363,632.11
1. Total comprehensive income	7										-100,244,532.11	-100,244,532.11
2. Owners' inputs and decreases in capital	8					11,000,000.00						11,000,000.00
(1) Ordinary shares invested by owners	9											
(2) Other equity instrument holder's investment	10											
(3) Amount of share-based payments included in owner's equity	11											
(4) Others	12					11,000,000.00						11,000,000.00
3. Withdrawal and use of special reserve	13											
(1) Withdrawal of special reserve	14											
(2) Use of special reserve	15											
4. Profit distribution	16										-54,119,100.00	-54,119,100.00
(1) Withdrawal of surplus reserve	17											
Including: Statutory surplus reserve	18											
Discretionary surplus reserve	19											
#Reserve funds	20											
#Enterprise development funds	21											
#Profits returned to investment	22											
(2) Distribution to owners	23										-54,119,100.00	-54,119,100.00
(3) Others	24											
5. Internal carry forward of owners' equity	25											
(1) Transfer of capital reserve to capital	26											
(2) Transfer of surplus reserve to capital	27											
(3) Recover of loss by surplus reserve	28											
(4) Changes in defined benefit plans carried forward to retained earnings	29											
(5) Other comprehensive income carried forward to retained earnings	30											
(6) Others	31											
IV. Closing balance in the current year	32	850,000,000.00				17,739,302,763.60		95,770,234.45		280,645,102.92	191,798,676.71	19,157,516,777.68

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Parent Company's Statement of Changes in Owners' Equity (Continued)

FY 2023

Prepared by: Mianyang Investment Holding (Group) Co., Ltd. Currency: RMB Yuan

Item	Line	Prior year amount										
		Share capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
			Preference shares	Perpetual bonds	Others							
Column	—	12	13	14	15	16	17	18	19	20	21	22
I. Closing balance in the prior year	1	850,000,000.00		993,891,509.43		18,679,193,985.23		95,770,234.45		280,645,102.92	934,751,648.01	21,834,252,480.04
Add: Changes in accounting policies	2											
Correction of prior-period errors	3											
Others	4											
II. Opening balance in the current year	5	850,000,000.00		993,891,509.43		18,679,193,985.23		95,770,234.45		280,645,102.92	934,751,648.01	21,834,252,480.04
III. Increase or decrease in the current year (Decrease marked with "-")	6			-993,891,509.43		-950,891,221.63					-588,589,339.19	-2,533,372,070.25
1. Total comprehensive income	7			68,000,000.00							-561,887,389.76	-493,887,389.76
2. Owners' inputs and decreases in capital	8			-993,891,509.43		-950,891,221.63						-1,944,782,731.06
(1) Ordinary shares invested by owners	9											
(2) Other equity instrument holder's investment	10			-993,891,509.43								-993,891,509.43
(3) Amount of share-based payments included in owner's equity	11											
(4) Others	12					-950,891,221.63						-950,891,221.63
3. Withdrawal and use of special reserve	13											
(1) Withdrawal of special reserve	14											
(2) Use of special reserve	15											
4. Profit distribution	16			-68,000,000.00							-26,701,949.43	-94,701,949.43
(1)Withdrawal of surplus reserve	17											
Including: Statutory surplus reserve	18											
Discretionary surplus reserve	19											
#Reserve funds	20											
#Enterprise development funds	21											
#Profits returned to investment	22											
(2) Distribution to owners	23			-68,000,000.00							-26,701,949.43	-94,701,949.43
(3) Others	24											
5. Internal carry forward of owners' equity	25											
(1) Transfer of capital reserve to capital	26											
(2) Transfer of surplus reserve to capital	27											
(3) Recover of loss by surplus reserve	28											
(4) Changes in defined benefit plans carried forward to retained earnings	29											
(5) Other comprehensive income carried forward to retained earnings	30											
(6) Others	31											
IV. Closing balance in the current year	32	850,000,000.00				17,728,302,763.60		95,770,234.45		280,645,102.92	346,162,308.82	19,300,880,409.79

Legal Representative: Chief Financial Officer: Head of Accounting Department:

I. The Company's profile

1. Corporate history, registration place, organizational form and headquarters address

Mianyang Investment Holding (Group) Co., Ltd. (hereinafter referred to as “Mianyang Investment Group” or “the Company”, collectively referred to as “the Group” when including subsidiaries) is a state-owned holding limited liability company, formerly known as Mianyang Xindali Assets Management Co., Ltd., established in 1999. The Company's unified social credit code is 91510700709196960H with the registered capital of RMB 850 million. The legal representative is Xiao Lin and the registered address is Construction Building, No. 76 of Fucheng Road, Fucheng District, Mianyang City, Sichuan Province.

Approved by the Mianyang Municipal People's Government on May 17th, 1999 (Mianyang Municipal People's Government Letter (1999) No. 35), State-owned Assets Supervision and Administration Commission of Mianyang Municipal Government (hereinafter referred to as “Mianyang SASAC”) has the net state-owned assets of four units as of December 31st, 1998, including the Mianyang Nanjiao Airport Administration, Mianyang City Water Supply Corporation No. 3 Water Plant, Mianyang Fuleshan International Hotel, and Mianyang Mianzhou Hotel Co., Ltd., invested and established Sichuan Province Mianyang Xindali Assets Management Co. Ltd. with the registered capital of RMB 200 million. The capital contribution was verified by Sichuan Zhongping Certified Public Accountants Co., Ltd. in the Capital Verification Report No. 19 of Zhongping Inspection (99).

In August 2000, the Company’s name was changed to Mianyang Investment Holding (Group) Co., Ltd.

In July 2006, according to the Mianyang Municipal Committee of the CPC’s Opinions of the Mianyang Municipal Committee of the CPC and the Mianyang Municipal People's Government on Innovating the Government’s Investment and Financing System (Mianweifa [2006] No. 11), and the Reply of the Mianyang Municipal People's Government on the Approval of Mianyang City Investment Holding (Group) Co., Ltd. to Hold the State-owned Shares of Mianyang Fuda Asset Management Co., Ltd. and Mianyang High-grade Highway Development Co., Ltd. (Mianfu Letter [2006] No. 127) issued by the Mianyang Municipal People's Government, the Mianyang SASAC increased the registered capital by RMB 650 million from the equity held in Mianyang Fuda Asset Management Co., Ltd. and Mianyang High-grade Highway Development Co., Ltd. After this capital increase, the Company’s registered capital was increased to RMB 850 million. The capital increase was verified by

Sichuan Zhongxin Certified Public Accountants Co., Ltd. which issued Chuan Zhongxin Verification [2006] No. 1224 Capital Verification Report.

In December 2008, in accordance with the Approval of the Mianyang Municipal People's Government on the Spin-off of Mianyang High-grade Highway Development Co., Ltd. (Mianfu Letter [2008] No. 289), the Company transferred out the RMB 600 million equity investment held in Mianyang High-grade Highway Development Co., Ltd., and transferred the capital reserve of RMB 600 million formed by the land use rights of the Chengnan New District allocated by the Mianyang Municipal People's Government in 2007 to the share capital. After this change, the Company's registered capital is still RMB 850 million.

In June 2014, according to the Mianyang SASAC's Approval of the Transfer of State-owned Equity of Mianyang Education Investment Development Co., Ltd. to Mianyang Investment Holding (Group) Co., Ltd. at Nil Consideration (Mianguo Assets [2014] No. 31), Mianyang SASAC transferred its 100% equity of Mianyang Education Investment Development Co., Ltd. (now known as "Mianyang Talent Development Group Co., Ltd") to the Company at nil consideration.

In November 2019, according to the requirements of the Notice on Optimizing and Reorganizing State-owned Assets to Promote the Reform and Development of Municipal State-owned Enterprises (Mianwei Office [2019] No. 138) issued by the Office of Mianyang Municipal Committee of the CPC and the Office of Mianyang Municipal People's Government, the 100% equity of Mianyang Communications Development Group Co., Ltd. held by the Mianyang SASAC was transferred to the Company at nil consideration.

In June 2030, according to the requirements of the Notice on Optimizing and Reorganizing State-owned Assets to Promote the Reform and Development of Municipal State-owned Enterprises (Mianwei Office [2019] No. 138) issued by the Office of Mianyang Municipal Committee of the CPC and the Office of Mianyang Municipal People's Government, Mianyang SASAC transferred 100% of the equity held in Mianyang Grain and Oil Group Co., Ltd. to the Company at nil consideration.

In December 2020, according to the Notice on Printing and Distributing the Implementation Plan for the Transfer of Part of the State-owned Capital in Sichuan Province to Enrich the Social Security Fund (Chuan Fu Fa [2019] No. 9) issued by the People's Government of Sichuan Province, the Notice on Transference of Partial State-owned Capital of State-owned Enterprises in Cities and Counties to Enlarge Social Security Fund (the First Batch) (Chuan Cai Zi [2020] No. 95) issued by the Sichuan Provincial Finance Department, Department of Human Resources and Social Security of Sichuan Province, and Sichuan

SASAC, and the Notice on Transference of Partial State-owned Capital of State-owned Enterprises to Enlarge Social Security Fund (the First Batch) issued by Mianyang Municipal Finance Department, Bureau of Human Resources and Social Security of Mianyang City, and Mianyang SASAC, Mianyang SASAC transferred its 10% equity of the Company to Sichuan Provincial Finance Department at nil consideration. After the share transfer, the registered capital of the Company is still RMB 850 million, of which the Mianyang SASAC contributes RMB 765 million (accounting for 90% of the registered capital), and the Sichuan Provincial Finance Department contributes RMB 85 million (accounting for 10% of the registered capital).

2. The business nature and main business activities of the enterprise

The Company's business scope: Investment in projects within the scope permitted by the national industrial policy; investment and construction of urban infrastructure, real estate development, commercial housing sales, rental properties, real estate information consultation, estate management, land consolidation, tourism and cultural creative project development, hotel management service and related supporting business, rental of mechanical equipment, new energy development, pension services, general freight and warehousing services, import and export of goods, providing investment management services to the medical industry, E-commerce platform development and use of the Internet to engage in goods sales (for projects subject to approval according to law, business activities can be carried out only with the approval of relevant departments).

The main business segments of the Group are infrastructure construction, commodity sales, land consolidation, education investment, transportation, real estate development, water supply and drainage, grain and oil reserves, hotel operation and other businesses.

3. The parent company (controlling shareholder) and actual controller

The controlling shareholder of the Company: Mianyang State-owned Assets Supervision and Administration Commission.

The actual controller of the Company and the Group: Mianyang State-owned Assets Supervision and Administration Commission.

4. Business term

The business term of the Company is from May 17th, 1999 to permanent.

II. Basis for preparation of financial statements

The Group’s financial statements have been prepared on a going concern basis and based on actual transactions and events, in accordance with Accounting Standards for Business Enterprises and other related regulations issued by the Ministry of Finance, and the

accounting policies and estimates as stated in "Note IV. Significant accounting policies and accounting estimates".

III. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of Accounting Standards for Business Enterprises, and present truly and completely the financial position, operating results, cash flows and other relevant information of the Company and the Group.

IV. Significant accounting policies and accounting estimates

1. Accounting period

The accounting period of the Group is from January 1st to December 31st of each calendar year.

2. Functional currency

The financial statements are presented in Renminbi("RMB") which is also the functional currency of the Group.

3. Accounting basis and pricing principle

The accounting of the Group is on an accrual basis. The Group generally adopts historical cost when measuring accounting elements. When the determined amount of accounting elements meets the requirements of Accounting Standards for Business Enterprises and can be obtained and reliably measured, it can be measured by replacement cost, net realizable value, present value and fair value.

4. Business combination

The Group as a merger, its assets and liabilities acquired in a business combination under the common control are measured at their book values on the consolidated financial statements of the ultimate controlling shareholder at the combination date. The difference between the book value of the net assets acquired and the book value of the consideration paid is adjusted against capital reserves. Any excess over capital reserves is adjusted against retained earnings.

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in a business combination not under common control is measured at fair value on the acquisition date. The combination cost is the fair value of the cash or non-cash assets, the issued or assumed liabilities, the issued equity securities etc., which are paid by the Group on the acquisition date to obtain control of the acquiree, and the sum of the direct related expenses in the business combination (the business combination achieved through multiple

transactions in a step-by-step manner, the combination cost is the sum of the cost of each individual transaction). As for the difference between the combination cost and the fair value of the identifiable net assets obtained in the combination, if the combination cost is greater than the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; if the combination cost is less than the fair value of the acquiree's identifiable net assets acquired in the combination, the fair value of the identifiable assets, liabilities or contingent liabilities, and the non-cash assets or the issued equity securities, etc., shall be reviewed first. After the review, if the combination cost is still less than the acquiree's identifiable net assets, the difference shall be included in non-operating income for the period of the combination.

5. Preparation of consolidated financial statements

(1) Principles for determining the scope of consolidated financial statements

The Group incorporates all controlled subsidiaries and structured entities into the scope of the consolidated financial statements.

(2) Principles, procedures and methods for the preparation of consolidated financial statements

In the preparation of the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiaries and the Company are inconsistent, the necessary adjustments shall be made to the financial statements of the subsidiaries in accordance with the accounting policies or accounting periods of the Company.

All major internal transactions, current balances and unrealized profits within the scope of consolidation are eliminated in the preparation of the consolidated statements. The share of a subsidiary's owner's equity that is not attributable to the parent company and the portion of the current net profit or loss, other comprehensive incomes and total comprehensive incomes attributable to non-controlling interests were respectively disclosed in the consolidated financial statements under the headings "non-controlling interests, gains or losses on non-controlling interests, other comprehensive income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests".

For subsidiaries acquired under common control, the operating results and cash flows are included in the consolidated financial statements from the beginning of the period of the combination. When compiling the comparative consolidated financial statements, the relevant items of the financial statements of the previous year are adjusted as if the reporting entity formed after the merger had existed since the time when the ultimate controlling party began to control.

Where the equity of the investee under the common control is acquired step by step through multiple transactions and the business combination is finally formed, it shall, in the reporting period of the acquisition of the control, make supplementary disclosure of the treatment method in the consolidated financial statements. For example, the equity of the investee under common control is acquired through multiple transactions in stages, which eventually forms a business combination. When preparing the consolidated financial statements, the equity is adjusted as if it existed in its present state at the time when the ultimate controlling party commenced control, and in preparing the comparative statements, the relevant assets and liabilities of the merged party are consolidated in the comparative statements of the Group's consolidated financial statements to the extent that it is no earlier than the point at which the Group and the merged party are both under the control of the ultimate controlling party, and the related items under owners' equity are adjusted in the comparative statements for the increase in net assets resulting from the combination. In order to avoid double counting of the value of the merged party's net assets, the Group's long-term equity investments held prior to reaching consolidation and the recognized gains and losses, other comprehensive income and other changes in net assets between the combination date and the later of the date of acquisition of the original equity and the date when the Group and the merged party are under the ultimate control of the same party shall be offset against opening retained earnings and profit or loss, respectively, in the comparative statements' period.

For subsidiaries acquired through business combinations not under common control, the operating results and cash flows are included in the consolidated financial statements from the date when the Group obtains control. In preparing the consolidated financial statements, the financial statements of the subsidiaries are adjusted based on the fair values of the identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

Where the equity of the investee not under the common control is acquired step by step through multiple transactions and the business combination is finally formed, it shall, in the reporting period of the acquisition of the control, make supplementary disclosure of the treatment method in the consolidated financial statements. For example, the Group acquires the equity of the investee not under the common control step by step through multiple transactions, which finally forms a business combination. When preparing the consolidated statements, the acquiree's equity held before the purchase date shall be re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and the book value shall be recorded in the current investment income. If the acquiree's equity held before the relevant purchase date involves other

comprehensive income under the equity method and changes in the owner's equity other than net profit and loss, other comprehensive income and profit distribution, they shall be transferred to investment profit and loss in the current period to which the purchase date belongs. However, other comprehensive income arising from changes in net liabilities or net assets of the defined benefit plan re-measured by the investee shall be excluded.

The Group partially disposes of long-term equity investments in subsidiaries without losing control. In the consolidated financial statements, the difference between the disposal price and the share of net assets continuously calculated by the subsidiaries since the purchase date or the combination date corresponding to the long-term equity investments disposed of shall be adjusted to the capital premium or share capital premium. If the capital reserve is insufficient to be written down, the retained earnings shall be adjusted.

If the Group loses control of the investee due to the disposal of part of the equity investment and other reasons, when preparing the consolidated financial statements, the remaining equity shall be re-measured according to its fair value on the day of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the share of the original subsidiary's net assets which should be continuously calculated since the purchase date or the combination date according to the original shareholding ratio, shall be included in the investment profit and loss for the period of loss of control, and the goodwill shall be written off at the same time. Other comprehensive income related to the equity investment of the original subsidiary shall be converted into the current investment profit and loss when control is lost.

When the Group loses control of a subsidiary by disposing of its long-term equity investment in the subsidiary through multiple transactions in stages, if each of the transactions that dispose of the equity investment in the subsidiary until loss of control belongs to a package deal, each transaction is accounted for as a single transaction that disposes of the subsidiary until loss of control. However, in the consolidated financial statements, the difference between the disposal price and the share of the subsidiary’s net assets corresponding to the investment disposed of in each disposal prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss for the period when the control is lost.

6. Classification of joint arrangements and accounting treatment of joint operations

Joint arrangements include joint operations and joint ventures. For joint operating projects, the Group recognizes the assets held separately and the liabilities assumed as joint operators in the joint operation, recognizes the assets held and the liabilities assumed on a share basis and recognizes the relevant income and expenses on its own or a shared basis

according to the relevant agreements. In the case of transactions in which the joint operation occurs in the purchase or sale of assets that do not constitute a business, only the portion of the profit or loss arising from the transaction that is attributable to other parties to the joint operation is recognized.

7. Criteria for determining cash and cash equivalents

Cash in the cash flow statement represents cash on hand and deposits that could be readily withdrawn on demand. Cash equivalents in the cash flow statement represent investments held for no more than 3 months, highly liquid, easily converted into known amounts of cash and with insignificant risk of change in value.

8. Foreign currency operations and translation of foreign currency financial statements

(1) Foreign currency transactions

The foreign currency transactions of the Group are translated into RMB amounts at the spot exchange rate on the transaction date. On the balance sheet date, foreign currency monetary items are translated into RMB at the spot exchange rate on that day and the resulting exchange difference is included in the current profit and loss, except for the exchange difference arising from the foreign currency special borrowings borrowed for the acquisition, construction or production of assets eligible for capitalization, which shall be treated in accordance with the principle of capitalization.

(2) Translation of foreign currency financial statements

The assets and liabilities on the foreign currency balance sheet are translated at the spot exchange rate on the balance sheet date; the owner's equity items are translated at the spot exchange rate at the time of business occurrence, except for “undistributed profits”; income and expense items in the income statement are converted at the spot exchange rate on the transaction date. The foreign currency statement translation difference arising from the above conversion is listed as “other comprehensive income” items under owners’ equity. Foreign currency cash flows are translated at the spot exchange rate on the date the cash flows occur. The amount of impact of exchange rate changes on cash is presented separately in the cash flow statement.

9. Financial assets and financial liabilities

(1) Financial assets

1) Classification, recognition and measurement of financial assets

The classification of financial assets is generally based on the business model in which financial assets are managed and the contractual cash flow characteristics. On initial recognition, a financial asset of the Group is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

The Group classifies financial assets that meet the following criteria as financial assets measured at amortized cost: ① The business model for managing such financial assets is to collect the contractual cash flows. ② The contractual terms of the financial assets provide that the cash flows arising on a specified date are solely payments of principal and interest on the principal amount outstanding. Such financial assets are initially measured at fair value, with the associated transaction costs included in the initial recognition amounts. They are subsequently measured at amortized costs. Except for those designated as hedged items, the difference between the initial amount and the amount due under the effective interest method, and amortization, impairment, exchange gains and losses, and gains or losses arising from derecognition shall be included in the profit or loss of the current period.

The Group classifies financial assets that meet the following criteria as financial assets measured at fair value through other comprehensive income: ① The business model for managing such financial assets is both to collect the contractual cash flows and selling the financial assets. ② The contractual terms of the financial assets provide that the cash flows arising on a specified date are solely payments of principal and interest on the principal amount outstanding. Such financial assets are initially measured at fair value, with the associated transaction costs included in the initial recognition amounts. Except for those designated as hedged items, other gains or losses arising from such financial assets, except for credit impairment losses or gains, exchange gains and losses and the interest of such financial assets calculated according to the effective interest method, shall be included in other comprehensive income; when a financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in the current profits and losses.

The Group recognizes interest income in accordance with the effective interest method. Interest income is calculated and determined by multiplying the book balance of financial assets by the effective interest rate, except for the following circumstances: ① For the financial assets purchased or generated with credit impairment, the interest income shall be

calculated and determined according to the amortized cost of the financial assets and the effective interest rate adjusted by credit from the initial recognition. ② For the financial assets purchased or generated without credit impairment but with credit impairment in the subsequent period, the interest income shall be calculated and determined according to the amortized cost and effective interest rate of the financial assets in the subsequent period.

The Group designates investments in non-trading equity instruments as financial assets measured at fair value through other comprehensive income. Once the designation is made, it cannot be revoked. Investments in non-trading equity instruments that are designated as at fair value through other comprehensive income are initially recognised at fair value, with the related transaction costs included in the initial recognition amounts. Except that dividends (except those belonging to the recovery part of investment costs) are included in the current profits and losses, other relevant gains and losses (including exchange gains and losses) are included in other comprehensive income, and shall not be transferred into the current profits and losses in the subsequent period. When they are derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

For financial assets other than the above categories: financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the Group classifies them as financial assets at fair value through profit or loss. Such financial assets are initially recognised at fair value, and the related transaction costs are charged to profit or loss. The gains or losses of such financial assets shall be included in the current profits and losses.

A financial asset resulting from contingent consideration recognized by the Group in the business combination not under common control is classified as a financial asset at fair value through profit or loss.

2) Recognition basis and measurement method of financial asset transfer

The Group derecognizes a financial asset if it meets one of the following conditions: ① The contractual right to receive the cash flow of the financial asset shall terminate; ② When the financial asset is transferred, the Group transfers almost all the risks and rewards of the ownership of the financial asset; ③ When the financial asset has been transferred, the Group has neither transferred nor retained almost all the risks and rewards of the ownership of the financial asset and has given up its control over the financial asset.

If the overall transfer of financial assets satisfies the conditions for derecognition, the difference between the book value of the transferred financial assets and the sum of the consideration received for transfer and the amount corresponding to the derecognized part

in the cumulative amount of changes in fair value previously included in other comprehensive income directly (the contractual terms of the financial assets involved in the transfer stipulate that the cash flow generated on a specific date is solely payment of principal and interest on the principal amount outstanding) are included in the profit or loss for the current period.

If a partial transfer of a financial asset satisfies the conditions for derecognition, the whole book value of the transferred financial asset is apportioned between the derecognized portion and the non-derecognized portion according to their respective relative fair values. The difference between the sum of the consideration received for the transfer and the cumulative amount of changes in fair value previously recognized in other comprehensive income corresponding to the derecognized portion that shall be apportioned to the derecognized portion (the contractual terms of the financial asset involved in the transfer provided that the cash flows arising on a specific date are only payments of principal and interest on the principal amount outstanding), and the above apportioned book value of the financial asset is recognized in profit or loss.

3) Expected credit loss

a. Scope of application

The Group accounts for impairment and recognises loss allowances based on expected credit loss (ECL) on: ① debt investments; ② lease receivables; ③ contract assets; ④ accounts receivable; ⑤ financial guarantee contracts, etc.

b. Determination method and accounting treatment of expected credit loss

Expected credit loss refers to the weighted average of credit loss of financial instruments with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. The present value of all cash shortfalls), discounted at the original effective interest rate.

For the following items, the Group always measures its loss allowances according to the amount equivalent to the expected credit loss over the whole duration: ① The transactions regulated by Accounting Standards for Business Enterprises No. 14—Revenue form a provision for the loss of receivables or contract assets; ② Lease receivables.

Except for the above items, the Group measures the loss allowances for other items according to the following circumstances: ① For financial assets with no significant increase in credit risk since initial recognition, the Group measures the loss allowance

according to 12-month expected credit losses. ② For financial assets with significant increase in credit risk since the initial recognition, the Group measures the loss allowance according to the amount equivalent to the expected credit loss of the financial instruments over the whole duration. ③ For the financial assets purchased or generated with credit impairment, the Group measures the loss allowance according to the amount equivalent to the expected credit loss over the whole duration.

Judgment on whether the credit risk has increased significantly since initial recognition. The Group determines whether the credit risk of financial instruments has increased significantly by comparing the default probability within the expected duration determined for the financial instruments at the initial recognition with the default probability within the expected duration determined for the instruments at the balance sheet date. However, if the Group determines that the financial instruments have only low credit risk on the balance sheet date, it can be assumed that the credit risk of the financial instruments has not increased significantly since initial recognition.

Portfolio-based assessment. For accounts receivable, the Group cannot obtain sufficient evidence of significant increase in credit risk at a reasonable cost at the level of single instrument. But it is feasible to evaluate whether the credit risk increases significantly on the portfolio-based assessment. Therefore, the Group grouped the financial instruments according to the common risk characteristics such as the type of financial instruments/credit risk rating / collateral type / initial recognition date / remaining contract term/industry of the borrower / geographical location of the borrower/loan mortgage rate, and considered whether the credit risk increased significantly based on the combination.

Measurement of expected credit loss. ① For debt investments, the credit loss is the present value of the difference between the contractual cash flow to be received by the Group and the expected cash flows to be received. ② For lease receivables, the credit loss is the present value of the difference between the contractual cash flow to be received by the Group and the expected cash flow to be received. Among them, the cash flow used to determine the expected credit loss is consistent with the cash flow used by the Group to measure lease receivables in accordance with the Lease Standards.

(2) Financial liabilities

1) Classification, recognition and measurement of financial liabilities

Except for the following items, the Group classifies financial liabilities as financial liabilities measured at amortized cost: ① Financial liabilities at fair value through profit or loss, including financial liabilities held for trading (including derivatives belonging to financial liabilities) and financial liabilities designated as at fair value through profit or loss. ②

Financial liabilities resulting from transfer of financial assets that do not meet the conditions for derecognition or from the continuing involvement in the transferred financial assets. ③ Financial guarantee contracts that do not fall under the circumstances of ① or ② above, and loan commitments to lend at a rate lower than the market interest rate that does not fall under the circumstances of ① above.

If the Group forms financial liabilities from the contingent consideration recognized as the purchaser in the business combination not under the common control, it shall be measured at fair value and the changes shall be included in the current profit and loss for accounting treatment.

2) Criteria for derecognition of financial liabilities

The financial liability or part of it can be terminated if all or part of the current obligation of the financial liability has been discharged. If the Group and the creditor sign an agreement to replace the existing financial liabilities with new financial liabilities and the contractual terms of new financial liabilities and existing financial liabilities are substantially different, the existing financial liabilities are derecognized, and the new financial liabilities are recognized. If the Group makes material modifications to all or part of the contractual terms of the existing financial liabilities, it shall derecognize the existing financial liabilities or part thereof, and at the same time, the financial liabilities after the modification of contractual terms shall be recognized as a new financial liability. The difference between the book value of the part of derecognition and the consideration paid shall be recorded in the current profit or loss.

(3) Method for determining the fair value of financial assets and financial liabilities

The Group measures the fair value of financial assets and financial liabilities at the principal market price. If there is no principal market, the fair value of financial assets and financial liabilities is measured at the price of the most advantageous market. The valuation techniques applicable at that time and supported by sufficient available data and other information are adopted. The input values used in fair value measurement are categorized into three levels: The Level 1 inputs are the quoted prices (unadjusted) in active markets for identical assets or liabilities available at the measurement date; The Level 2 inputs are inputs that are observable for the related asset or liability, either directly or indirectly, other than the Level 1 inputs; The Level 3 inputs are unobservable inputs for the related asset or liability. The Group gives priority to the Level 1 inputs, and finally uses the Level 3 inputs.

The Group's investment in equity instruments is measured at fair value. However, in limited circumstances, if the recent information used to determine the fair value is

insufficient, or the possible estimated amount of the fair value is widely distributed, and the cost represents the best estimate of the fair value within this range, the cost can represent its appropriate estimate of the fair value within this distribution range.

(4) Offset of financial assets and financial liabilities

The financial assets and financial liabilities of the Group are shown separately on the balance sheet and do not offset each other. However, when the following conditions are met at the same time, the net amount after offsetting shall be shown on the balance sheet: 1) The Group has the legal right to offset the recognized amount and such legal right is currently enforceable; 2) The Group plans to settle on a net basis or realize the financial assets and liquidate the financial liabilities at the same time.

(5) Distinction between financial liabilities and equity instruments and relevant treatment method

The Group distinguishes between financial liabilities and equity instruments in accordance with the following principles: 1) If the Group cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, the contractual obligation meets the definition of a financial liability. Although some financial instruments do not explicitly contain terms and conditions for the obligation to deliver cash or other financial assets, they may indirectly form contractual obligations through other terms and conditions. 2) If a financial instrument must or may be settled with the Group's own equity instrument, it is necessary to consider whether the Group's own equity instrument used to settle the instrument is to be used as a substitute for cash or other financial assets or to give the holder of the instrument a residual interest in the assets of the issuer after deducting all liabilities. If the former, the instrument is the financial liability of the issuer; if the latter, the instrument is an equity instrument of the issuer. In some cases, a financial instrument contract requires the Group must or may settle the financial instrument with its own equity instrument, where the amount of contractual rights or obligations is equal to the number of its equity instrument available or to be delivered multiplied by its fair value at the time of settlement, whether the amount of the rights or obligations under the contract is fixed, or changes in all or part with variables other than the market price of the Group's own equity instrument (such as interest rate, the price of a good or the price of a financial instrument), the contract is classified as a financial liability.

When the Group classifies financial instruments (or its constituent parts) in the consolidated statements, all terms and conditions agreed between group members and holders of financial instruments are considered. The instrument shall be classified as a financial liability if the Group as a whole undertakes, as a result of the instrument, to deliver

cash, and other financial assets or to settle accounts in other ways that cause the instrument to become a financial liability.

A financial instrument or part thereof is a financial liability, relevant interest, dividends, gain or loss, and gain or loss from redemption or refinancing etc. are recognized by the Group in the current profit or loss.

A financial instrument or part thereof is an equity instrument, its issues (including refinancing), buy-back, sales or write-off are treated by the Group as a change in equity, and the change in the fair value of equity instruments is not recognized.

10. Bad debt provision for receivables

For receivables without major financing components (including contract assets), the Group measures the loss allowance according to the amount equivalent to the expected credit loss over the whole duration; For receivables (including contract assets) and lease receivables with significant financing components, the Group chooses to always measure the loss allowance according to the amount equivalent to the expected credit loss over the duration.

For other receivables, the Group adopts the amount equivalent to the expected credit loss in the next 12 months or the whole duration to measure the impairment loss, based on whether the credit risk has increased significantly since the initial recognition. The Group measures the loss allowance of other receivables according to the following circumstances: ① For financial assets with no significant increase in credit risk since initial recognition, the Group measures the loss allowance according to 12-month expected credit losses. ② For financial assets with a significant increase in credit risk since the initial recognition, the Group measures the loss allowance according to the amount equivalent to the expected credit loss of the financial instrument over the whole duration. ③ For the financial assets purchased or generated with credit impairment, the Group measures the loss allowance according to the amount equivalent to the expected credit loss over the whole duration.

In addition to the receivables that are individually assessed for credit risk, the Group divides them into different combinations based on their credit risk characteristics. On the basis of grouping, the Group considers the elements that should be reflected in the measurement method of expected credit loss, refers to the experience of historical credit loss, prepares the comparison table between the aging and fixed reserve rate of receivables as follows, and calculates the expected credit loss on this basis.

Determine the basis of the combination	
Transactions between units within the Group	Current accounts between subsidiaries (sub-companies) included in the Group's consolidated statements
Aging portfolio 1	Divide portfolios according to the credit risk characteristics of account aging - Integrated business section
Aging portfolio 2	Divide portfolios according to the credit risk characteristics of account aging - Water business section
Aging portfolio 3	Divide portfolios according to the credit risk characteristics of account aging - Transportation business section
Aging portfolio 4	Divide portfolios according to the credit risk characteristics of account aging - Grain and oil business sector
Method of accruing bad debt provision by combination	
Transactions between units within the Group	The expected credit loss rate is 0
Aging portfolio 1	Provision for bad debts based on aging analysis method
Aging portfolio 2	Provision for bad debts based on aging analysis method
Aging portfolio 3	Provision for bad debts based on aging analysis method
Aging portfolio 4	Provision for bad debts based on aging analysis method

(1) The proportion of provision for bad debts of receivables using the aging analysis portfolio 1 is as follows:

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (including 1 year)	0.5	0.5
1-2 years (including 2 years)	10	10
2-3 years (including 3 years)	20	20
3-4 years (including 4 years)	50	50
4-5 years (including 5 years)	50	50
More than 5 years	100	100

(2) The proportion of provision for bad debts of receivables using the aging analysis portfolio 2 is as follows:

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (including 1 year)	0.5	0.5
1-2 years (including 2 years)	30	30
2-3 years (including 3 years)	80	80
More than 3 years	100	100

(3) The proportion of provision for bad debts of receivables using the aging analysis portfolio 3 is as follows:

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (including 1 year)	1	1

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
1-2 years (including 2 years)	5	5
2-3 years (including 3 years)	10	10
3-4 years (including 4 years)	20	20
4-5 years (including 5 years)	30	30
More than 5 years	50	50

(4) The proportion of provision for bad debts of receivables using the aging analysis portfolio 4 is as follows:

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (including 1 year)	5	5
1-2 years (including 2 years)	10	10
2-3 years (including 3 years)	50	50
More than 3 years	100	100

11. Inventories

The Group's inventory mainly includes contract performance costs (refer to “Note IV. 26. Contract costs” for details), development products, development costs, goods in stock, raw materials, low-value consumables, etc.

The Group maintains a perpetual inventory system. The inventories are priced at the actual cost when obtained, and the actual cost is determined using the weighted average method when the inventory is claimed or issued. Low-value consumables and packaging are amortized using the one-off write-off method.

The inventory at the end of the period is valued based on the lower of cost and net realizable value. For reasons such as damage to the inventory, complete or partial obsolescence, or sales price lower than cost, the part of the cost that is not expected to be recovered is provided for inventory depreciation.

The net realizable value of the inventory of goods that are directly used for sale, such as development products, goods in stock, and materials for sale, is determined by the estimated selling price of the inventory minus estimated selling expenses and related taxes. The net realizable value of the inventory held for production is determined by the estimated selling price of the finished product produced minus the estimated cost to be incurred until completion, estimated selling expenses and related taxes.

12. Long-term equity investments

Long term equity investments include investments in subsidiaries and investments in associates / joint ventures.

The Group's judgment on joint control is based on the collective control of the arrangement by all participants or a combination of participants, and the policies of relevant activities of the arrangement must be unanimously agreed by the participants who collectively control the arrangement.

When the Group, directly or indirectly through its subsidiaries, owns more than 20% but less than 50% of the voting rights of the investee, it is usually presumed to have a significant influence on the investee. If the Group holds less than 20% of the voting rights of the investee, it is also necessary to comprehensively consider the facts and circumstances to make a judgment that it has significant influence on the investee, such as sending representatives to the board of directors or similar authorities of the investee, participating in the formulation procedures of financial and business policies of the investee, material transactions with the investee, sending managerial personnel to the investee, or providing essential technical information to the investee.

If the Group can control the investee, the investee is a subsidiary of the Group. For the long-term equity investment obtained through business combination under the common control, on the combination date, the share of the book value of the net assets of the merged party in the consolidated statements of the ultimate controlling party shall be taken as the initial investment cost of the long-term equity investment. If the book value of the merged party's net assets on the combination date is negative, the cost of the long-term equity investment shall be determined at zero.

If the Group obtains the equity of the investee under the common control step by step through multiple transactions, which eventually form a business combination, and the transactions belong to a package deal, the Group treats each transaction as a single transaction to obtain control. If the transactions do not belong to a package deal, on the combination date, the share of the book value of the merged party's net assets in the ultimate controlling party's consolidated financial statements after the combination shall be regarded as the initial investment cost of the long-term equity investment. The capital reserve shall be adjusted based on the difference between the initial investment cost and the sum of the book value of the long-term equity investment before reaching the combination and the book value of the newly paid consideration for further obtaining the shares on the combination date. If the capital reserve is insufficient to be offset, the retained earnings shall be offset.

For the long-term equity investment obtained through a business combination not under common control, the combination cost shall be taken as the initial investment cost.

If the Group obtains the equity of the investee not under the common control step by step through multiple transactions, which eventually form a business combination, and the transactions belong to a package deal, the Group treats each transaction as a single transaction to obtain control. If the transactions do not belong to a package deal, the sum of the book value of the originally held equity investment plus the additional investment cost shall be regarded as the initial investment cost calculated according to the cost method. If the equity held before the purchase date is accounted for by the equity method, the relevant other comprehensive income previously accounted for by the equity method will not be adjusted temporarily. When disposing of the investment, the accounting treatment shall be carried out on the same basis as the direct disposal of relevant assets or liabilities by the investee. If the equity held before the purchase date is a financial asset designated as at fair value through other comprehensive income, the accumulated gains or losses of the equity originally included in other comprehensive income shall be transferred out of other comprehensive income and reclassified in retained earnings. If it is a financial asset at fair value through profit or loss, the gains or losses of the equity originally included in the profits and losses of changes in fair value do not need to be transferred to investment income. If the equity held before the purchase date is an investment in other equity instruments, the changes in the fair value of the equity instrument investment accumulated in other comprehensive income before the purchase date are transferred to retained earnings.

Except for the above long-term equity investments obtained through business combinations, the investment cost of the long-term equity investment obtained by paying cash shall be recognised based on the actual purchase price paid. For the long-term equity investment obtained by issuing equity securities, the fair value of the issued equity securities shall be taken as the investment cost. The investment cost of the long-term equity investment invested by investors shall be recorded at the value agreed in the investment contract or agreement.

The Group adopts the cost method to account for the investment in subsidiaries and the equity method to account for the investment in joint ventures and associates.

For the long-term equity investment measured by cost method in subsequent measurement, when an additional investment is made, the book value of the cost of the long-term equity investment shall be increased according to the fair value of the cost paid for the additional investment with the related transaction costs. The cash dividends or profits declared to be distributed by the investee shall be recognized as the current investment income according to the amount to be shared.

The book value of the long-term equity investment measured by the equity method in subsequent measurement shall be adjusted with the change of the owner's equity of the investee. Among them, the share of the net profit and loss of the investee to which the Group is entitled is determined after adjusting the net profit of the investee based on the fair value of all identifiable assets of the investee at the time of obtaining the investment, according to the accounting policies and accounting periods of the Group, and offsetting the part of the profits and losses of internal transactions with associates and joint ventures attributable to the investor calculated according to the shareholding ratio.

Upon disposal of the long-term equity investment, the difference between the book value and the proceeds received should be recognised in current investment income. For the long-term equity investment accounted for by the equity method, the relevant other comprehensive income previously accounted for by the equity method shall be accounted for on the same basis as the investee’s direct disposal of relevant assets or liabilities when the equity method is terminated. Owner's equity recognized due to changes in owner's equity other than the investee’s net profit and loss, other comprehensive income and profit distribution shall be fully transferred to the current investment income when the equity method is terminated.

If the joint control or significant influence on the investee is lost due to the disposal of part of the equity investment, the remaining equity after disposal shall be accounted for according to the relevant provisions of the recognition and measurement standards of financial instruments. The difference between the fair value and book value of the remaining equity on the date of loss of joint control or loss of significant influence shall be included in the current profits and losses. When the equity method is terminated, other comprehensive income recognized for the original equity investment as a result of accounting treatment using the equity method shall be treated on the same basis as the investee's direct disposal of relevant assets or liabilities and carried forward in proportion. Owner's equity recognized due to changes in owner's equity other than the investee’s net profit and loss, other comprehensive income and profit distribution shall be transferred into the current investment income in proportion.

If the control over the investee is lost due to the disposal of part of the long-term equity investment and the remaining equity after disposal can jointly control or exert significant influence on the investee, the accounting method should be changed to the equity method. The difference between the book value of the equity disposed of and the consideration for disposal is included in the investment income. The remaining equity is deemed to be adjusted by adopting the equity method at the time of acquisition. If the remaining equity after disposal cannot exercise joint control or exert significant influence on

the investee, it shall be accounted for in accordance with the relevant provisions of the recognition and measurement standards of financial instruments. The difference between the book value of the equity disposed of and the consideration for disposal shall be included in the investment income, and the difference between the fair value and the book value of the remaining equity on the date of loss of control shall be included in the current profit and loss.

If the Group's transactions for step-by-step disposal of equity until loss of control do not belong to a package deal, each transaction shall be subject to accounting treatment separately. If they belong to a "package deal", each transaction shall be treated as a single transaction for the disposal of subsidiaries and loss of control. However, before losing control, the difference between the disposal price of each transaction and the book value of the long-term equity investment corresponding to the equity disposed of shall be recognized as other comprehensive income. When the control is lost, it will be transferred to the current profit and loss.

13. Investment properties

Investment properties include leased land use rights, land use rights held for transfer after appreciation, and leased buildings.

The Group's investment property is recorded at its cost. The cost of purchased investment property includes purchase price, relevant taxes and other expenses directly attributable to the asset. The cost of self-built investment property comprises the necessary expenses incurred before the asset reaches the condition for intended use.

The Group adopts the fair value model for subsequent measurement of investment property. The investment property is not depreciated or amortized. The book value is adjusted based on the fair value of the investment property on the balance sheet date. The difference between fair value and the original book value is recognized in profit or loss for the current period. In the meantime, the Group will take into account the effects of deferred income tax or deferred tax liabilities.

When there is conclusive evidence that the use of property has changed, the Group converts the investment property to self-use property. The fair value of the investment property at the conversion date is taken as the book value of the self-use property. The difference between the fair value and the original book value is included in the current profit and loss.

When the self-use property or inventories are converted to investment property measured using the fair value model, the investment property is valued at the fair value on the date of conversion. If the fair value on the conversion date is less than the original book

value, the difference is recognized in profit or loss for the current period; if the fair value is greater than the original book value, the difference shall be included in the owner's equity.

Investment property is derecognized when it is disposed of, or permanently withdrawn from use and is not expected to obtain economic benefits from its disposal. Disposal income from the sale, transfer, retirement or damage of investment property is charged to the current profit and loss after deducting its book value and related taxes.

The Group adopts the fair value model on the balance sheet date to conduct subsequent measurement of investment property, and its basis mainly includes:

(1) There is an active real estate trading market where the investment property is located. The Group's investment property is mainly located in the core area of the city, and the real estate trading market is relatively active.

(2) The Group is able to obtain the market price and other relevant information of the same or similar real estate from the real estate trading market, so as to make a reasonable estimate of the fair value of the investment property. Through real estate market trading inquiry and other surveys, the Group can obtain the market price and other relevant information of the same or similar real estate from the real estate trading market. The fair value of investment property can be obtained by employing professional appraisers with professional qualifications to reasonably evaluate the fair value of the investment property.

(3) The key assumptions and major uncertainties adopted by the Group in the estimation of the fair value of investment property are as follows:

Due to changes in the operating environment of the Group and the changing factors that affect the value of the assets, some assumptions must be established to make judgments on the value of the assets. They include general assumptions and special assumptions. General assumptions include going concern assumptions of the enterprise, trading assumptions, and open market assumptions. Special assumptions include:

1) Economy environment stability assumption: It is assumed that there is no significant change in the relevant prevailing laws, regulations, and policies of the country and the national macroeconomic situation after the evaluation of the benchmark date. There is no major change in the political, economic and social environment of the regions where the parties to the transaction are located, and no other significant adverse effects from unpredictable and force majeure factors.

2) No major change assumptions: It is assumed that the country does not have major changes in interest rates, exchange rates, tax bases and tax rates, and policy-based fees.

3) No adverse impact assumptions: It is assumed that no other force majeure factors

and unforeseen factors have a significant adverse effect on the assets being assessed.

When determining the fair value of investment property, refer to the current market price of identical or similar properties in an active market. If the current market price of identical or similar properties cannot be obtained, refer to the recent transaction price of identical or similar properties in an active market; the fair value of the investment property should be estimated by considering the transactions, the dates of the transactions, the region and other factors; or the fair value is determined based on the expected future rental income and the present value of the relevant cash flow.

14. Fixed assets

Fixed assets refer to tangible assets that have the following characteristics at the same time, that is, tangible assets held for the purpose of producing goods, provision of services, leasing or operation and management, and with a useful life exceeding one year.

Fixed assets include loan-repayment toll highways, buildings, machinery and equipment, transportation equipment, pipeline network assets, electronic equipment, office equipment and others. Among them, the cost of purchased fixed assets shall include the purchase price, import tariff and other related taxes, as well as other expenditures that can be directly attributable to the asset before the fixed asset reaches its intended usable state. The cost of self-built fixed assets consists of the necessary expenditures incurred before the constructed asset reaches its intended usable state. The fixed assets invested by investors shall be recorded at the value agreed in the investment contract or agreement, but if the value agreed in the contract or agreement is not fair, it shall be recorded at fair value. For fixed assets leased under finance leases, the lower of the fair value of the leased asset and the present value of the minimum lease payments on the beginning date of the lease shall be taken as the entry value.

Subsequent expenditures related to fixed assets, including repair expenditures, renewal and transformation expenditures, etc., which meet the conditions for the recognition of fixed assets, shall be included in the cost of fixed assets, and the book value of the replaced part shall be derecognized. Those that do not meet the conditions for the recognition of fixed assets shall be included in profit or loss when they occur.

Except for fixed assets that have been fully depreciated but are still in use and the land that is separately priced and accounted for, the Group accrues depreciation for all fixed assets. Depreciation is calculated using the average life method, and is separately recorded into the cost of the relevant assets or current expenses according to the purpose. The depreciation periods, estimated net residual value rates and depreciation rates of the Group's fixed assets are categorized as follows:

No.	Class	Depreciation period (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
1	Loan-repayment toll highways	Note 1		
2	Buildings	10-50	0-5.00	1.90-10.00
3	Machinery and equipment	2-20	0-5.00	4.75-50.00
4	Transportation equipment	5-15	0-5.00	6.33-20.00
5	Pipeline network assets	10-25	0-5.00	3.80-9.50
6	Electronic equipment	2-8	0-5.00	11.88-50.00
7	Office equipment and others	3-15	0-5.00	6.33-33.33

Note 1: According to the Reply on the Depreciation Policy of Highway Assets of Mianyang High-grade Highway Development Co., Ltd (Mian Cai Jian [2010] No. 206), the subsidiaries such as Mianyang Communications Development Group Co., Ltd., Mianyang High-grade Highway Development Co., Ltd., and Mianyang Mianjiang Road Construction Engineering Co., Ltd., don't accrue depreciation for their loan-repayment toll highways assets.

Note 2: When the fixed assets for which the provision for impairment has been accrued are depreciated, the depreciation rate and depreciation amount are determined based on the book value of the fixed assets and the remaining useful life.

At the end of each year, the Group reviews the estimated useful life, estimated net residual value and depreciation method of fixed assets, and if there is any change, it is treated as a change in accounting estimates.

Subsequent expenses related to fixed assets are included in the costs of fixed assets if the economic benefits related to the fixed assets are likely to flow into the Group and their costs can be reliably measured, and the book value of the replaced portion is derecognized. Other subsequent expenditures other than this are recognized in profit or loss in the period in which they are incurred.

When a fixed asset is disposed of or is not expected to generate economic benefits through its use or disposal, the fixed asset shall be derecognized. The amount of the disposal income from the sale, transfer, scrapping or damage of fixed assets after deducting the book value and relevant taxes and fees is charged to the current profit or loss. The Group shall review the useful life, estimated net residual value and depreciation method of fixed assets at least at the end of the year. Any changes will be treated as changes in accounting estimates.

15. Construction in progress

Construction in progress is measured at the actual cost incurred. Self-operated construction projects are measured based on direct materials, direct wages, and direct construction costs, etc.; outsourced construction projects are measured based on the project price payable, etc.; the cost of the equipment installation project shall be determined according to the value of the equipment installed, the installation cost, the expenditure incurred in the project commissioning, etc. The cost of construction in progress also includes borrowing costs and exchange gains and losses that should be capitalized.

Since the day when the construction in progress reaches the expected usable state, it shall be carried forward to fixed assets according to the estimated value by referring to the project budget, cost or actual cost of the project. Depreciation shall be calculated and carried out since the next month, and the difference in original value of fixed assets shall be adjusted after the final accounting procedures for completion.

16. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings. Borrowing costs that can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions shall be capitalized when the asset expenditure has occurred, the borrowing costs have occurred, and the acquisition and construction or production activities necessary for the asset to be available for intended use or sale have started. When the purchased, built or produced assets that meet the capitalization conditions are available for intended use or sale, the borrowing costs shall cease to be capitalized. The remaining borrowing costs are recognized as expenses in the period as incurred.

Interest expense actually incurred during the period of the special borrowing is capitalized after deducting interest income earned on unused borrowed funds deposited with the bank or investment income earned on temporary investments; the capitalization amount is determined for general borrowing by multiplying the weighted average of cumulative asset expenditures in excess of the portion of the special borrowing by the weighted average interest rate of the general borrowing occupied.

Assets eligible for capitalization refer to fixed assets, investment properties, inventories and other assets that require a long period of time (usually more than one year) of purchase, construction or production activities to reach the condition for intended use or sale.

If the assets eligible for capitalization are abnormally interrupted during the acquisition, construction or production process, and the interruption lasts for more than 3 months, the

capitalization of borrowing costs shall be suspended until the acquisition, construction or production activities of the assets restart.

17. Intangible assets

Intangible assets include land use rights, patented technologies, and non-patented technologies, etc., which are measured at the actual cost at the time of acquisition. Among them, the actual cost of the purchased intangible assets shall be the actual price paid and other related expenses. The actual cost of the intangible assets invested by investors shall be determined according to the value agreed upon in the investment contract or agreement, but if the value agreed upon in the contract or agreement is not fair, the actual cost shall be determined according to the fair value.

Intangible assets owned by the acquiree but not recognized in its financial statements and acquired by the Group in the business combination not under the common control shall be recognized at fair value if one of the following conditions is satisfied during the initial recognition of the acquiree's assets: 1) they are derived from contractual rights or other legal rights; 2) they can be separated or divided from the acquiree, and can be used for sale, transfer, grant licenses, lease or exchange alone or together with related contracts, assets and liabilities.

Land use rights shall be amortized evenly according to the grant period from the start date of the grant. Patented technologies, non-patented technologies and other intangible assets shall be amortized evenly in installments according to the shortest of the expected useful life, the beneficial life specified in the contract, and the effective life specified in the law. The amortization amount shall be recorded into the cost of the relevant assets and the current profit and loss based on its beneficiaries.

The estimated useful life and amortization method of an intangible asset with a finite useful life are reviewed at the end of each year and any changes are treated as changes in accounting estimates. The estimated useful life of an intangible asset with an indefinite useful life is reviewed during each accounting period. If there is evidence that the useful life of the intangible asset is finite, its useful life is estimated and it is amortized over the estimated useful life.

18. Long-term deferred expenses

The long-term deferred expenses refer to expenses that have been paid but should be amortized in the current period and subsequent periods with a period of more than one year (excluding one year), mainly including house renovation and decoration expenses, house overhaul expenses, etc., which shall be amortized evenly during the benefit period. If a long-term deferred expense item does not benefit the subsequent accounting period, the

amortized value of the item that has not been amortized shall be transferred to the current profit or loss.

19. Goodwill

Goodwill is the difference between the cost of an equity investment or the cost of a business combination not under the common control and the share of the fair value of the investee's or the acquiree's identifiable net assets acquired in a business combination on the acquisition date or purchase date.

Goodwill related to subsidiaries is separately listed in the consolidated financial statements, and goodwill related to associates and joint ventures is included in the book value of long-term equity investments.

20. Impairment of non-financial long-term assets

The Group inspects items such as long-term equity investments, fixed assets, construction in progress, and intangible assets with finite useful lives on each balance sheet date. The Group will conduct an impairment test when the following indications exist and indicate that the assets may have been impaired. For goodwill and intangible assets with indefinite useful lives, regardless of whether there are signs of impairment, an impairment test is carried out at the end of each year. If it is difficult to test the recoverable amount of a single asset, the test shall be based on the asset group or combination of asset groups to which the asset belongs.

If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, the impairment loss is recognized based on the difference. Once the above asset impairment loss is recognized, it will not be reversed in the later period. The recoverable amount of an asset is the higher of the fair value of the asset less the disposal expense or the present value of the estimated future cash flow of the asset.

The signs of impairment are as follows:

(1) The market price of the asset falls sharply in the current period, and its decline is significantly higher than expected due to the passage of time or normal use.

(2) The economic, technical or legal environment in which the enterprise operates and the market in which the asset is dedicated undergo major changes in the current period or the near future, which will adversely affect the enterprise.

(3) The market interest rate or the rate of return on investment in other markets has increased in the current period, which affects the discount rate for enterprises to calculate the present value of the expected future cash flow of assets, resulting in a significant decrease in the recoverable amount of assets.

(4) There is evidence that the asset is obsolete or has been physically damaged.

(5) Assets have been or will be idle, terminated or planned to be disposed of in advance.

(6) Evidence from the internal report of the enterprise indicates that the economic performance of the asset has been lower than or will be lower than expected, such as the net cash flow created by the asset or the realized operating profit (or loss) is far lower (or higher) than the expected amount, etc.

(7) Other signs that the asset may have been impaired.

21. Employee benefits

Employee benefits refer to various forms of remuneration or compensation provided by the Group to obtain services provided by employees or to terminate employment relationships. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits, and other long-term employee benefits. The benefits provided by the Group to employee spouses, children, dependents, survivors of deceased employees, and other beneficiaries are also employee benefits.

(1) Short-term employee benefits refer to the employee benefits that the Group needs to pay in full within twelve months after the end of the annual reporting period during which the employees provide related services, except for compensation for termination of the employment relationship with the employees. The Group's short-term employee benefits include: employee salaries, bonuses, allowances and subsidies, staff welfare, medical insurance, work-related injury insurance and maternity insurance, housing provident fund, labor union funds and staff education funds, short-term paid absences, short-term profit-sharing plans, non-monetary benefits and other short-term employee benefits.

During the accounting period in which the employees provide services, the Group recognizes the actual short-term employee benefits as liabilities, and includes them into the current profit and loss or the cost of relevant assets based on the beneficiaries of the services provided by the employees. If the short-term employee benefits are non-monetary benefits, they shall be measured at fair value.

(2) Post-employment benefits refer to the various forms of remuneration and benefits provided by the Group to the employees for the purpose of obtaining the services provided by the employees after the employees retire or terminate the employment relationship with the Group, except for short-term employee benefits and termination benefits.

The defined contribution plan of the Group refers to the payment of basic pension insurance, unemployment insurance, and enterprise annuity for employees in accordance with the relevant regulations of the local government. During the accounting period when the employees provide services to the Group, the amount payable shall be calculated according to the payment base and proportion stipulated by the local government, recognized as a liability, and recorded into the current profit and loss or the cost of relevant assets.

The Group establishes an enterprise annuity, and the enterprise annuity funds are jointly paid by the Group and individuals. The part paid by the Company is withdrawn according to a certain proportion of the total salary and listed in the Group's cost. The part paid by individuals is withdrawn and remitted by the Group from the employees' salary.

The Group assigns the welfare obligations arising from the defined benefit plan to the period during which the employees provide services according to the formula determined by the expected cumulative welfare unit method, and includes it in the current profit and loss or the cost of related assets. The deficit or surplus formed by the present value of the defined benefit plan’s obligations minus the fair value of the defined benefit plan’s assets is recognized as a defined benefit plan’s net liability or net asset. If there is a surplus in the defined benefit plan, the Group uses the lower of the surplus of the defined benefit plan and the asset ceiling to measure the net assets of the defined benefit plan.

All defined benefit plan obligations, including obligations that are expected to be paid within twelve months after the end of the annual reporting period in which the employees provide services, are discounted based on the market yield on the balance sheet date of treasury bonds or high-quality corporate bonds in the active market that match the maturity and currency of the defined benefit plan obligations.

The service cost generated by the defined benefit plan and the net interest on the net liabilities or net assets of the defined benefit plan is recorded into the current profit and loss or the cost of relevant assets. Changes resulting from the re-measurement of net liabilities or net assets of the defined benefit plan are recorded in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods.

At the time of settlement of the defined benefit plan, the settlement gain or loss shall be recognized according to the difference between the present value of the defined benefit plan obligation and the settlement price determined on the settlement date.

(3) Termination benefits refer to the compensation given to the employees by the Group for terminating the employment relationship with the employees before the expiration of the employment contracts, or for encouraging the employees to accept the

layoff voluntarily. For employees who have not terminated their employment contracts with the Group, but will no longer provide services in the future and cannot bring economic benefits to the Group, the Group promises to provide economic compensation with the same nature as termination benefits, in the event of "early retirement", which shall be treated as termination benefits before the official retirement date, and treated as post-employment benefits after the official retirement date.

Where the Group provides termination benefits to the employees, the employee benefits liability resulting from termination benefits shall be recognized in the current profit or loss at the earlier of when the Group is unable to unilaterally withdraw the termination benefits provided as a result of a termination plan or a proposed reduction in force and when the Group recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

For the termination benefits that are not expected to be fully paid within twelve months after the end of the annual reporting period, and the substantial termination work is completed within one year but the compensation payment exceeds one year for the termination plan, the Group selects an appropriate discount rate, and measures the amount of termination benefits to be recognized in profit or loss based on the discounted amount.

(4) Other long-term employee benefits refer to all employee benefits except short-term employee benefits, post-employment benefits, and termination benefits, including long-term paid absences, long-term disability benefits, and long-term profit-sharing plans.

Other long-term employee benefits provided by the Group to employees that meet the conditions of the defined contribution plan shall be subject to accounting treatment in accordance with the relevant provisions of the defined contribution plan. If other long-term employee benefits provided by the Group to employees meet the conditions of the defined benefit plan, the Group shall, in accordance with the relevant provisions of the defined benefit plan, recognize and measure the net negative components of other long-term employee benefits: service costs, net interest on liabilities or net assets of other long-term employee benefits, changes in re-measurement of net liabilities or net assets of other long-term employee benefits. The total net amount is included in the current profit and loss or the cost of related assets.

22. Bonds payable

Bonds payable are measured at fair value when they are initially recognized, and related transaction costs are included in the initial recognition amount. Subsequent measurement is based on amortized cost.

The difference between the bond payment price and the total face value of the bonds should be treated as a bond premium or discount, amortized using the effective interest method when accruing interest during the duration of the bonds, and treated according to the principle of borrowing costs.

23. Provisions

When an obligation related to a contingent event, such as external guarantees, discounting of commercial acceptance bills, pending litigation or arbitration, product quality assurance, etc. meets the following conditions, it is recognized as a liability: the obligation is the current obligation assumed by the Group; the performance of the obligation is likely to result in the outflow of economic benefits from the enterprise; the amount of the obligation can be reliably measured.

Provisions are initially measured based on the best estimate of the expenditure required to perform the relevant current obligations, and the Group comprehensively considers factors related to contingencies such as risks, uncertainties and time value of money. If the time value of money has a significant impact, the best estimate is determined after discounting the relevant future cash outflows. The book value of the provisions is reviewed on each balance sheet date, and if there are any changes, the book value is adjusted to reflect the current best estimate.

24. Other financial instruments such as preferred stocks and perpetual bonds

The Group classifies preferred stocks and perpetual bonds that qualify as equity instruments as equity instruments, and classifies the others as financial liabilities. For details of relevant accounting policies, please refer to “Note IV. 9. (5) Distinction between financial liabilities and equity instruments and relevant treatment method”.

Preferred stocks and perpetual bonds classified as debt instruments are initially measured at their fair value after deducting transaction costs, and are subsequently measured at amortized cost using the effective interest method. Their interest payments or dividend distributions are in principle treated as borrowing costs, and the profit or loss caused by its repurchase or redemption is charged to the current profit and loss.

For preferred stocks and perpetual bonds classified as equity instruments, the owner’s equity is increased based on the consideration received at the time of issuance deducting transaction costs. The interest payments or dividend distributions shall be regarded as profit distributions and the repurchase and cancellation are treated as the change in equity.

25. Revenue

The Group's revenue mainly involves infrastructure investment and construction, commodity sales, land consolidation, real estate development, engineering construction, education, passenger transport, water supply and sewage treatment, hotel services, etc.

Revenue is recognised when the Group satisfies the performance obligation in the contract, i.e., the customer obtains control over relevant goods or services.

Where a contract has two or more performance obligations, the transaction price is allocated to each performance obligation by the Group at contract inception in the relative proportion of the stand-alone selling price of the goods or services promised by each performance obligation, and revenue is measured according to the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to the customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is resolved. The amount which the Group expects to refund to the customer is recognised as a liability and excluded from the transaction price. If there is a significant financing component in the contract, the Group determines the transaction price according to the payable amount presumed that the customer will pay in cash when obtaining the control of goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest method during the contract period. Where the Group expects at contract inception if the interval between the time the customer obtains control over the goods or service and the time of the customer's payment will not exceed one year, the significant financing components will not be considered in the contract.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

(1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(2) the customer can control the goods created or enhanced during the Group's performance;

(3) the Group's performance does not create goods with an alternative use and the Group, during the entire contract period, has a right to payment for performance completed to date.

For a performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the progress towards complete satisfaction of that performance obligation cannot be measured reasonably and the Group expects to recover the costs that have been incurred, the Group recognises revenue only to the extent of the costs incurred until it can reasonably measure the progress towards complete satisfaction of that performance obligation.

For a performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods or services, the Group considers the following indicators:

(1) the Group has a present right to payment for the goods or services;

(2) the Group has transferred the legal title of the goods to the customer;

(3) the Group has transferred physical possession of the goods to the customer;

(4) The Group has transferred the principal risks and rewards of ownership of the goods to the customer；

(5) the customer has accepted the goods or services.

The Group’s right to receive consideration for the goods or services that are transferred to the customer is presented as contract assets, which are impaired based on expected credit losses. The Group's unconditional right to receive consideration from the customer is presented as receivables. The Group's obligation to transfer goods or services to the customer for consideration received or receivable from the customer is presented as contract liabilities.

26. Contract costs

(1) Determination method of the amount of assets related to contract costs

The Group's assets related to contract costs include the costs of fulfilling a contract and the costs of obtaining a contract.

The costs of fulfilling a contract, which are the costs incurred in fulfilling a contract by the Group, are recognised as an asset as contract performance costs if they meet all of the following criteria and do not fall within the scope of other accounting standards for business enterprises: the costs relate directly to a contract or to an anticipated contract that will be obtained, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs borne by the customer, and other costs incurred only due to the contract;

the costs increase resources of the Group that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

The costs of obtaining a contract, which are the incremental costs incurred by the Group to obtain a contract and are expected to be recovered, are recognized as an asset as contract acquisition costs. If the amortization period of the asset does not exceed one year, it shall be included in profit or loss when it occurs. Incremental costs are the costs that the Group would not have incurred had it not obtained a contract (e.g., sales commissions). Expenses incurred by the Group to obtain a contract, other than incremental costs that are expected to be recovered (such as travel expenses that will occur regardless of whether the contract is obtained or not), should be charged to profit or loss as incurred, unless the costs are explicitly borne by the customer.

(2) Amortisation of assets related to contract costs

The Group's assets related to contract costs shall be amortised on the same basis as the recognition of commodity income to which the asset relates, and be charged to profit or loss.

(3) Impairment of assets related to contract costs

When determining the impairment loss of assets related to contract cost, the Group first recognises the impairment loss of other assets related to the contract recognized in accordance with other relevant accounting standards for business enterprises; then, if the book value is higher than the difference between the remaining amount of consideration that the Group expects to receive in exchange for the goods to which the asset relates and the estimated costs to be incurred for the transfer of the relevant goods, the excess shall be provided for impairment provision and recognized as an asset impairment loss.

If the factors causing the impairment in the previous period change later and as a result, the above difference is higher than the book value of the asset, the originally accrued asset impairment provision shall be reversed and included in the current profit and loss. However, the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date if no impairment loss had been recognised previously.

27. Government grants

Government grants are the monetary or non-monetary assets obtained by the Group free of charge from the government. The government grants shall be recognized when the conditions attached to the government grants can be met and it can be received.

If a government grant is a monetary asset, it shall be measured in the light of the received or receivable amount. For the grants allocated according to the fixed quota standard, or if there is conclusive evidence at the end of the period that they can meet the

relevant conditions stipulated by the financial support policies and are expected to receive financial support funds, the amount receivable shall be measured. Where government grants are non-monetary assets, they shall be measured at fair value. If the fair value cannot be reliably obtained, it shall be measured according to the nominal amount (RMB 1).

The Group's government grants are divided into government grants related to assets and government grants related to income. Government grants obtained by the Group for the purchase, construction or otherwise formation of long-term assets shall be regarded as asset-related government grants. Government grants other than those related to assets obtained by the Group shall be regarded as government grants related to income. If the government documents do not clearly specify the subsidy object, the Group will judge according to the above-mentioned distinguishing principle. If it is difficult to distinguish, it is classified as a government grant related to income.

Government grants related to assets are used to offset the book value of related assets or be recognized as deferred income.

Asset-related government grants that are recognized as deferred income are included in profit and loss in installments according to the average distribution method over the useful life of the relevant assets.

If the relevant asset is sold, transferred, scrapped or damaged before the end of its useful life, the undistributed deferred income balance shall be transferred to the current profit and loss of asset disposal.

Government grants related to income, if used to compensate related costs or losses in subsequent periods, are recognized as deferred income and included in the current profits and losses during the period when the related costs or losses are recognized. If it is used to compensate related costs or losses that have occurred, it shall be directly included in the current profit and loss. Government grants related to daily activities are included in other income in accordance with the nature of economic business. Government grants not related to daily activities are included in non-operating income and expenditure.

28. Deferred tax assets and deferred tax liability

The deferred tax assets and deferred tax liabilities of the Group are calculated and confirmed based on the difference (temporary difference) between the tax base of assets and liabilities and their book value. For deductible losses and tax deductions that can be deducted from taxable income in subsequent years according to the tax law, the corresponding deferred tax assets are recognized as temporary differences. On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the

applicable tax rates in the period that the related assets and liabilities are recovered in accordance with the tax laws.

The Group recognizes the deferred tax assets arising from the deductible temporary differences within the limit of the taxable income that is likely to be obtained to deduct the deductible temporary differences. For confirmed deferred tax assets, when it is estimated that it is unlikely to obtain sufficient taxable income to deduct the deferred tax assets in the future, the book value of the deferred tax assets shall be written down. When it is possible to obtain sufficient taxable income, the reduced amount shall be reversed.

29. Leases

A lease refers to a contract in which the lessor transfers the right to use assets to the lessee for consideration within a certain period. At the inception of a contract, the Group will assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period in exchange for consideration. To determine whether the contract transfers the right to control the use of the identified assets within a certain period, the Group evaluates whether the customers in the contract have the right to obtain almost all the economic benefits arising from the use of the identified assets during the use period, and have the right to dominate the use of the identified assets during the use period.

If the contract contains multiple separate leases at the same time, the Group will split the contract and account for each lease component within the contract separately. If the contract contains both lease and non-lease components, the Group will account for each lease component within the contract as a lease separately from non-lease components of the contract.

(1) The Group acts as the Lessee

At the commencement date, the Group recognises a right-of-use asset and a lease liability for a lease.

A lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date(less any lease incentives received); any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group depreciates the right-of-use assets using the straight-line method. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, the Group shall depreciate the right-of-use asset from the commencement

date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group uses the incremental borrowing rate as the discount rate.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability and included in the current profit and loss or the cost of relevant assets. The amount of variable lease payments not included in the measurement of the lease liability shall be included in the current profits and losses or relevant asset costs when actually incurred.

After the commencement date, in case of the following circumstances, the Group will re-determine the lease payment amount and remeasure the lease liability by discounting the revised lease payments using a revised discount rate: there is a change in the assessment of purchase option, renewal option or termination option, there is a change in the lease term because the actual exercise of the option to renew or terminate the lease is inconsistent with the original assessment results; there is a change in the expected payable amount based on the guarantee residual value, or there is a change in the index or ratio used to determine the lease payment.

The Group shall recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the book value of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.

The Group has chosen not to recognize the right of use assets and lease liabilities for short-term lease payments (leases with a lease term of no more than 12 months) and payment for leases of low-value assets, and the relevant lease payments are included in the current profit and loss or relevant asset costs according to the straight-line method in each period of the lease term.

(2) The Group acts as the Lessor

At the commencement date, the Group classifies each of its leases as either a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases refer to leases other than finance leases.

When the Group acts as a sub-lesser, the sub-lease is classified based on the right-of-use asset generated from the original lease rather than the underlying assets of the original lease. If the original lease is a short-term lease and the Group chooses to apply the simplified treatment of the above short-term lease to the original lease, the Group classifies the sublease as an operating lease.

Under the finance lease, at the commencement date, the Group recognizes the finance lease receivables for the finance lease and terminates the recognition of the finance lease assets. The Group initially measures the finance lease receivables as a receivable at a book value equal to the net investment in the lease. The net investment in the lease is the sum of residual value guarantees and the present value of the lease receipts not received at the commencement date of the lease term discounted at the interest rate implicit in the lease.

The Group calculates and recognizes the interest income of each period within the lease term at a constant periodic rate. The amount of variable lease payments not included in the measurement of net investment in the lease shall be included in the current profit and loss when it actually occurs.

Under operating leases, during each period of the lease term, the Group recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis. The initial direct costs related to operating leases are capitalized and amortized on the same basis as the rental income during the lease term, and are included in the current profits and losses by stages. The amount of variable lease payments not included in the lease receipts shall be included in the current profit and loss when it actually occurs.

30. Held for sale

(1) The Group classifies non-current assets or disposal groups that meet the following conditions as being held for sale: ① In accordance with the practice of selling such assets or disposal groups in similar transactions, the non-current asset or disposal group is immediately available for sale in its current condition. ② The sale is likely to take place where the Group has resolved on a sale plan and entered into a legally binding purchase agreement with other parties and the sale is expected to be completed within one year. Relevant regulations require the approval of the relevant authority or regulatory unit before the sale may require relevant approval. Before the Group classifies the non-current assets or disposal group as held for sale for the first time, it measures the book value of the non-current assets or the assets and liabilities in the disposal group in accordance with the relevant accounting standards. When the Company initially measures or remeasures the non-current assets and disposal groups held for sale on the balance sheet date, if the book

value is higher than the fair value less the sales expenses, the book value is reduced to the net amount of the fair value less the selling expenses. The amount of the write-down is recognized as the asset impairment loss, which is included in the current profit and loss, and the provision for impairment of assets held for sale is recorded.

(2) The non-current assets or disposal group acquired by the Group exclusively for resale, if the required conditions of "sales are expected to be completed within one year" are met on the acquisition date, and the other classification conditions of the held for sale category are likely to be met within a short period (usually three months), are classified as held for sale on the date of acquisition. At the time of initial measurement, compare the initial measurement amount and the net fair value minus the selling expense assuming that it is not classified as the holding for sale category, and the lower of the two is measured. Except for the non-current assets or disposal groups acquired in a business combination, the net amount of the non-current assets or disposal groups after the fair value minus the selling expenses is used as the initial measurement amount and the difference generated is included in the current profit and loss.

(3) If the Group loses control of the subsidiary due to the sale of its investment in a subsidiary, regardless of whether the Group retains part of the equity investment after the sale, when the investment in the subsidiary to be sold meets the conditions for the classification of held for sale, the investment in the subsidiary is classified as held for sale in the individual financial statements of the parent company, and all the assets and liabilities of the subsidiary are classified as held for sale in the consolidated financial statements.

(4) If the net amount of the fair value of the non-current asset held for sale less selling expenses on the subsequent balance sheet date increases, the amount previously written down shall be recovered and rolled back within the amount of the impairment loss of the asset recognized after the classification of the non-current asset held for sale, and the rolled back amount shall be recorded into the current profit and loss. Impairment losses of assets recognized before they are classified as held for sale shall not be carried back.

(5) For the disposal group, the recognized asset impairment loss first deducts the book value of the goodwill in the disposal group, and then proportionally deducts the book value of non-current assets in the disposal group.

If the net amount of the fair value of the disposal group held for sale on the subsequent balance sheet date minus the sale proceeds is increased, the amount previously written down shall be recovered and transferred back within the amount of asset impairment loss recognized by the relevant measurement provisions of the non-current assets after the classification of held for sale, and the transferred amount shall be recorded into the current

profit and loss. The book value of goodwill that has been written off, as well as the impairment losses on non-current assets recognized before they are classified as held for sale, cannot be rolled back.

The subsequent reversal of the asset impairment loss confirmed by the disposal group held for sale is based on the proportion of the book value of each non-current asset in the disposal group, excluding goodwill, to increase its book value in proportion.

(6) Non-current assets held for sale or non-current assets in disposal groups are not depreciated or amortized. Interest and other expenses on liabilities in disposal groups of held for sale continue to be recognized.

(7) When a non-current asset or disposal group no longer meets the criteria for the held-for-sale category, the Company will remove non-current assets from the disposal group. The measurement is based on the lower of the following two principles: (1) The amount of the book value before being classified as held for sale, adjusted for depreciation, amortization or impairment that should be confirmed if it is not classified as held for sale; (2) the recoverable amount.

(8) When terminating the recognition of non-current assets held for sale or the disposal group, the unrecognized gains or losses shall be included in the current profit and loss.

31. Fair value measurement

(1) Initial measurement of fair value

For the assets and liabilities measured at fair value, considering the characteristics of the asset or liability, the Group measures the fair value by adopting the price that market participants can receive from selling an asset or pay for transferring a liability in the orderly transaction occurring on the measurement date. When fair value is used to measure related assets or liabilities, a transaction in which market participants sell assets or transfer liabilities on the measurement date is an orderly transaction under current market conditions. Orderly transactions for the sale of assets or the transfer of liabilities are carried out in the main market for the relevant assets or liabilities. When there is no major market, it is assumed that the transaction is conducted in the most favourable market for the relevant assets or liabilities. Adoption of the assumptions used by market participants to maximize their economic benefits when pricing the asset or liability. When measuring non-financial assets at fair value, the ability of market participants to use the asset for the best use to generate economic benefits or the ability to sell the asset to other market participants who can use the asset for the best use to generate economic benefits is taken into account.

(2) Valuation techniques

The Group measures related assets or liabilities at fair value, and adopts valuation techniques that are applicable under current circumstances and have sufficient data and other information to support. Valuation techniques used by the Company to measure related assets or liabilities at fair value mainly include market law, income method, and cost method. In the application of valuation techniques, the Company prioritizes the use of relevant observable inputs and uses unobservable inputs only if the relevant observable inputs are not available or not practicable.

(3) Hierarchical division of fair value

The Group determines the level of the fair value measurement result based on the lowest level of the input value that is important to the fair value measurement as a whole: The first level input is an unadjusted quote for the same asset or liability that can be obtained on the measurement date in an active market. An active market refers to a market where the transaction volume and transaction frequency of related assets or liabilities are sufficient to continuously provide pricing information. The second level input is an input value that is directly or indirectly observable for related assets or liabilities other than the first level input value. The third level input is the unobservable input value of the relevant assets or liabilities.

V. Changes in accounting policies and accounting estimates and correction of errors

1. Changes in accounting policies and impacts

The content and reasons for changes in accounting policies	Note
The Ministry of Finance issued *Interpretation No. 16 of the Accounting Standards for Business Enterprises* ("Interpretation No. 16") on December 13th, 2022, and starting from January 1st, 2023, the Group implements the "Accounting treatment for deferred income tax related to assets and liabilities arising from individual transactions not subject to initial recognition exemption".	This change in accounting policy has no significant impact on the Group's owners' equity and net profit.

2. Changes in accounting estimates and impacts: None.

3. Significant correction of errors in prior periods and impacts

Presentation of significant items	Prior year-end (prior year) amount before adjustment	Adjustment amount	Restated prior year-end (prior year) amount after correction	Remarks on corrections
Long-term equity investments	16,195,314,233.67	1,920,212,755.19	18,115,526,988.86	Account presentation adjustments
Investments in other equity instruments	7,991,651,155.91	-3,377,400,000.00	4,614,251,155.91	
Construction in progress	8,630,809,527.67	-3,411,560,767.52	5,219,248,760.15	
Other non-current assets	16,577,439,285.17	5,157,025,333.09	21,734,464,618.26	

Presentation of significant items	Prior year-end (prior year) amount before adjustment	Adjustment amount	Restated prior year-end (prior year) amount after correction	Remarks on corrections
Taxes payable	451,384,975.92	80,067,188.07	531,452,163.99	Based on the tax treatment decision of the tax authorities and the results of the Group's tax self-inspection, additional accounting treatments, etc., have been applied to taxes for prior periods.
Undistributed profits	1,387,567,968.93	-81,218,183.89	1,306,349,785.04	Impact of taxes and late fees, etc.

VI. Taxation

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate
Value added tax (VAT)	General taxpayer (general tax calculation method): the added value of taxable sales after deducting input VAT; General taxpayer (simple collection method) and small-scale taxpayers: taxable sales	3%, 5%, 6%, 9%, 11%, 13%
Urban maintenance and construction tax	Based on VAT paid	7%, 5%
Education surcharge	Based on VAT paid	3%
Local education surcharge	Based on VAT paid	2%
Corporate income tax	Based on taxable income	15%, 20%, 25%

2. Tax incentives and approvals

The main tax incentives qualified for the Group are as follow:

(1) Value added tax

1) According to the *Notice on Comprehensively Launching the Pilot Reform of Business Tax to VAT (Caishui (2016) No. 36)*, the transitional policy for the pilot reform of VAT from the Ministry of Finance and the State Taxation Administration, childcare and education services provided by nurseries and kindergartens, as well as educational services provided by schools engaged in academic education, are exempted from VAT. Secondary subsidiaries, Mianyang Science and Technology City Talent Development Group Co., Ltd's Mian Zhong Experimental School, and Mianyang Nanshan Experimental High School are engaged in academic education. Sichuan Chuanyou Chunhui Preschool Education Management Co., Ltd. and the kindergartens affiliated with Santai Chunhui Education Investment Co., Ltd. are engaged in preschool education, and the tuition income obtained by these units is exempt from VAT.

2) According to the Notice on Continued Implementation of Value-Added Tax Policies to Support the Development of Cultural Enterprises by the Ministry of Finance and the State Taxation Administration (Caishui [2019] No. 17), from January 1st, 2019 to December 31st, 2023, the film authorities (including the central, provincial, local and county-level) in accordance with their respective functions and authorities, approved the film group companies (including member enterprises), film studios, and other film enterprises engaged in film production, distribution and projection, the income from the sale of film copies (including digital copies), the transfer of film copyright (including transfer and licensing), the distribution of films and the income from the screening of films in rural areas shall be exempted from value-added tax. The city film screening service provided by ordinary taxpayers may, according to the current policies and regulations, choose to calculate and pay value-added tax according to the simple tax calculation method.

3) According to the Notice on Printing and Distributing the Catalogue of Preferential Value-Added Tax on Products and Services for Comprehensive Utilization of Resources by the Ministry of Finance and the State Taxation Administration (Caishui [2015] No. 78), taxpayers who sell self-produced products for comprehensive utilization of resources and provide labor services for comprehensive utilization of resources can enjoy an immediate refund of value-added tax. Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd., a subsidiary of the secondary subsidiary Mianyang Water (Group) Co., Ltd., enjoys a 70% refund of the value-added tax paid.

4) According to the Notice on Issues Concerning the Exemption of Value-Added Tax in Vegetable Circulation Links by the Ministry of Finance and the State Taxation Administration (Caishui (2011) No. 137), VAT shall be exempted for vegetables sold by taxpayers engaged in vegetable wholesale and retail. According to the Ministry of Finance and the State Taxation Administration Notice on Exemption of Value-Added Tax Policies for Certain Fresh Meat and Egg Products in the Circulation Link (Caishui [2012] No. 75), part of the fresh meat and egg products sold by taxpayers engaged in the wholesale and retail of agricultural products is exempt from value-added tax. Mianyang Gaoshui Agricultural and Sideline Products Wholesale Co., Ltd., a subsidiary of the second-level subsidiary Mianyang Transportation Development Group Co., Ltd., is exempt from VAT on the sale of vegetables and fresh meat and eggs that meet the conditions for tax exemption.

(2) Corporate income tax

1) According to the Notice on Taxation Policy Issues Concerning the In-depth Implementation of the Western Development Strategy Announcement on the Continuation of the Corporate Income Tax Policy for the Western Development by the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration

(Announcement of the national development and Reform Commission[2020] No.23), from January 1st, 2021 to December 31st, 2030, corporate income tax will be levied at a reduced rate of 15% for encouraged industrial enterprises located in the western region. The main units involved in the Group are: Mianyang Water (Group) Co., Ltd. and its subsidiaries Mianyang City Water Supply Co., Ltd., Mianyang Purun Water Supply Co., Ltd., Mianyang Sanshuiyuan Water Supply Co., Ltd., Mianyang Lingtong Comprehensive Service Co., Ltd.; Mianyang Airport (Group) Co., Ltd.; Sichuan Longwei Security Service Co., Ltd., etc.

2) According to Article 27, Paragraph 3 of the Corporate Income Tax Law of the People's Republic of China and the Notice of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on the Publication of the Catalogue of Preferential Corporate Income Taxes for Environmental Protection, Energy-saving and Water-saving Projects (for Trial Implementation) (Financial Tax [2009] 166), Notice of the Ministry of Finance and the State Taxation Administration on Preferential Corporate Income Tax Policies for Public Infrastructure Projects and Environmental Protection, Energy-saving and Water-saving Projects (Caishui [2012] No. 10), income from eligible environmental protection, energy-saving and water- saving projects will be exempted from corporate income tax for the first to third years from the tax year in which the project obtains the first production and operation income, and halved for the fourth to sixth years corporate income tax. The "Seven Star Dam sewage-treatment project" undertaken by the subsidiary Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd. complies with this regulation, and enjoys corporate income tax reduction and exemption tax benefits in accordance with the regulations.

3) According to the Notice on Implementing Inclusive Tax Relief Policy for Small and Micro Size Enterprises (Caishui [2019] No.13), the Company enjoys part of the annual taxable income of small and micro size enterprises that does not exceed RMB1 million, a reduction of 25% will be included in the taxable income, and corporate income tax will be paid at a tax rate of 20%. For the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million, 50% shall be included in the taxable income, and the corporate income tax shall be paid at the tax rate of 20%.

For small and micro size enterprises, the annual taxable income of which does not exceed RMB1 million, the corporate income tax can be reduced by another half based on the preferential policies stipulated in Article 2 of the Notice of the Ministry of Finance and the State Taxation Administration on Implementing Inclusive Tax Relief Policy for Small and Micro Size Enterprises (Caishui [2019] No. 13).

(3) Other tax incentives

According to the Notice on Education Tax Policies (Caishui [2004] No. 39) by the Ministry of Finance and the State Taxation Administration, real estate tax and urban land use tax shall be exempted for the property and land used by various schools, nurseries, and kindergartens run by the state for undertaking funds allocated by the state and for self-use by enterprises. Secondary subsidiary Mianyang Talent Group's Mian Zhong Experimental School, Mianyang Nanshan Experimental High School, Sichuan Chuanyou Chunhui Preschool Education Management Co., Ltd., and the kindergartens affiliated to Santai Chunhui Education Investment Co., Ltd. are exempt from property tax and urban land use tax.

VII. Business combinations and consolidated financial statements

1. Basic information of subsidiaries included in the scope of consolidated financial statements

(1) Second-level subsidiaries

No.	Company name	Business type	Principal place of business	Business nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition method
2-1	Mianyang Kangju Real Estate Management Co., Ltd.	1	Mianyang, Sichuan	Management and sale of public housing; house demolition, etc.	1,000	100	100	1
2-2	Mianyang Cultural & Tourism Group Co., Ltd.	1	Mianyang, Sichuan	Radio and television program production, film production, etc.	10,000	100	100	1
2-3	Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd.	1	Mianyang, Sichuan	Conference and exhibition services, hotel operations, etc.	12,500	83	83	1
2-4	Mianyang Jinkong Microfinance Co., Ltd.	2	Mianyang, Sichuan	Loan (excluding entrusted loans) and related consulting activities	32,293.10	100	100	1
2-5	Sichuan Youyue Culture Media Co., Ltd.	1	Mianyang, Sichuan	Domestic advertising design, production, agency, release, etc.	1,674	100	100	1
2-6	Mianyang Fuda Asset Operation Co., Ltd.	1	Mianyang, Sichuan	Asset management, real estate development, etc.	5,000		100	4
2-7	Mianyang Communications Development Group Co., Ltd.	1	Mianyang, Sichuan	Investment in and operation of highway transportation projects, etc.	76,000	100	100	4
2-8	Sichuan Jia Lai Construction Engineering Co., Ltd.	1	Mianyang, Sichuan	Building construction, water and electricity installation, building decoration, etc.	111,847	50.96	50.96	1
2-9	Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	1	Mianyang, Sichuan	Real estate development	10,000	100	100	1
2-10	Sichuan Xijin Logistics Co., Ltd.	1	Mianyang, Sichuan	Freight agent and distribution, sales of hardware, building materials, etc.	10,000	100	100	1
2-11	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	1	Mianyang, Sichuan	Accommodation, Chinese food, song and dance entertainment, etc.	10,000	100	100	1
2-12	Mianyang Grain and Oil Group Co., Ltd.	1	Mianyang, Sichuan	Grain and oil storage, processing, sales, etc.	10,000	100	100	4
2-13	Mianyang Talent Development Group Co., Ltd.	1	Mianyang, Sichuan	Education investment, asset management, development of educational resources, etc.	15,000	100	100	4
2-14	Sichuan Yuewanglou Culture Communication Co., Ltd.	1	Mianyang, Sichuan	Conference and exhibition services, tour management of Yuewanglou Scenic Area, etc.	1,709.18	100	100	1

No.	Company name	Business type	Principal place of business	Business nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition method
2-15	Mianyang Jianan Tourism Development Co., Ltd.	1	Mianyang, Sichuan	Tourism projects, real estate development projects, etc.	1,000	100	100	1
2-16	Mianyang City Parking Management Co., Ltd.	1	Mianyang, Sichuan	Static traffic IoT system construction and management, parking berth management, public parking management, etc.	1,000	100	100	1
2-17	Sichuan Longwei Security Service Co., Ltd.	1	Mianyang, Sichuan	Labor dispatch; guard, patrol, guard, armed escort, bodyguard, safety inspection, safety risk assessment, etc.	1,000	100	100	4
2-18	Mianyang Automobile Experimental Driving Technology School Co., Ltd.	1	Mianyang, Sichuan	Motor vehicle driver training, operating driver qualification training	1,500	100	100	1
2-19	Mianyang Water (Group) Co., Ltd.	1	Mianyang, Sichuan	Tap water production, supply, urban sewage purification, water supply and drainage engineering design	13,241.08	77.34	77.34	4
2-20	Mianyang Sanjiang Medical Investment Co., Ltd.	1	Mianyang, Sichuan	Medical investment	45,000	70	70	1
2-21	Mianyang Jiachuang Incubator Management Co., Ltd.	1	Mianyang, Sichuan	Business incubator management and service	30,000	51	51	1
2-22	Sichuan Xingtu Kunpeng Aerospace Technology Co., Ltd.	1	Mianyang, Sichuan	Rocket launch equipment R&D and manufacturing, rocket engine R&D and manufacturing, rocket control system R&D	4,000	100	100	1
2-23	Mianyang Water Conservancy Planning and Design Institute Co., Ltd.	1	Mianyang, Sichuan	Planning and design management, project management services, etc.	5,938.38	100	100	1
2-24	Mianyang Miantai Industrial Co., Ltd.	1	Mianyang, Sichuan	Construction projects, real estate development and operation, etc.	10,000	70	70	1
2-25	Mianyang Jiuhong Real Estate Development Co., Ltd.	1	Mianyang, Sichuan	Real estate development	800	100	100	1
2-26	Mianyang Mingyue Real Estate Development Co., Ltd.	1	Mianyang, Sichuan	Real estate development	800	100	100	1
2-27	SINOTRUK Mianyang SPECIAL VEHICLE Co., Ltd.	1	Mianyang, Sichuan	Road motor vehicle production; Sales of new cars; New energy vehicle sales; Manufacturing of automotive parts and accessories, etc.	19,000	66	66	3
2-28	Mianyang Mingsheng Real Estate Development Co., Ltd.	1	Mianyang, Sichuan	Real estate development	800	100	100	1
2-29	Mianyang Science and Technology City Kexin Medical	1	Mianyang, Sichuan	Wholesale and retail of drugs; Third category	80,000	55	55	1

No.	Company name	Business type	Principal place of business	Business nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition method
	Development Co., Ltd.			medical device leasing, operation, etc.				
2-30	Mianyang Jianyuan Real Estate Development Co., Ltd.	1	Mianyang, Sichuan	Real estate development	800	100	100	1
2-31	Mianyang Miantou Commercial Operation Management Co., Ltd.	1	Mianyang, Sichuan	Leasing and business services	3,500	100	100	1
2-32	Mianyang Miantou Jiangfa Industrial Co., Ltd.	1	Mianyang, Sichuan	Sales of construction materials, etc.	5,000	100	100	1

(2) The important third and fourth level subsidiaries are as follows:

No.	Company Name	Level	Business type	Principal place of business	Business nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition method
1	Mianyang Mianzhou Hotel Co., Ltd.	3	1	Mianyang, Sichuan	Tourism	4,100	100	100	1
2	Mianyang City Water Supply Co., Ltd.	3	1	Mianyang, Sichuan	Production and supply of tap water	1,415	100	100	1
3	Mianyang Sanshuiyuan water supply Co., Ltd.	3	1	Mianyang, Sichuan	Production and supply of tap water	3,329.27	51.94	100	1
4	Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd.	3	1	Mianyang, Sichuan	Urban sewage purification	500	100	100	1
5	Mianyang Sipurun Municipal Engineering Construction Co., Ltd.	3	1	Mianyang, Sichuan	Installation and maintenance of water supply and drainage equipment	831.09	100	100	1
6	Mianyang Lingtong Property Service Co., Ltd.	3	1	Mianyang, Sichuan	Property management	100	100	100	5
7	Mianyang Transportation Development Industrial Co., Ltd.	3	1	Mianyang, Sichuan	Business services	5,000	100	100	1
8	Mianyang Jiaofa Shunda Taxi Co., Ltd.	3	1	Mianyang, Sichuan	Services	1,000	100	100	1
9	Mianyang Airport (Group) Co., Ltd.	3	1	Mianyang, Sichuan	Transportation	5,000	100	100	4
10	Mianyang High-grade Highway Development Co., Ltd.	3	1	Mianyang, Sichuan	Infrastructure investment	60,000	100	100	4
11	Mianyang Mianjiang Road Construction Engineering Co., Ltd.	3	1	Mianyang, Sichuan	Infrastructure	5,000	100	100	4
12	Mianyang Jiaofa Automobile Passenger Transport (Group) Co., Ltd.	3	1	Mianyang, Sichuan	Transportation	5,000	100	100	4
13	Mianyang Qianfo Transportation Co., Ltd.	4	1	Mianyang, Sichuan	Services	2,000	85	85	4

No.	Company Name	Level	Business type	Principal place of business	Business nature	Registered capital (RMB 10,000)	Proportion of contribution (%)	Proportion of voting rights (%)	Acquisition method
14	Mianyang Road and Bridge Construction Co., Ltd.	3	1	Mianyang, Sichuan	Infrastructure	1,200	100	100	4
15	Mianyang Lutongyuan Construction Co., Ltd.	4	1	Mianyang, Sichuan	Civil-engineering construction	5,000	95	95	1
16	Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	3	1	Mianyang, Sichuan	Engineering construction	10,000	100	100	1
17	Mianyang City Gaoshui Agricultural and Sideline Products Wholesale Co., Ltd.	3	1	Mianyang, Sichuan	Commerce	1,881	76.07	76.07	4
18	Mianyang Public Traffic Group Co., Ltd.	3	1	Mianyang, Sichuan	Transportation	13,655.84	100	100	4
19	Mianyang Mianzhoutong Co., Ltd.	4	1	Mianyang, Sichuan	Business services	3,000	50	50	4
20	Sichuan Dadao Zhiyuan Supply Chain Management Co., Ltd.	3	1	Mianyang, Sichuan	Commerce	2,900	100	100	1
21	Mianyang Gaoxin Grain and Oil Purchase and Sales Co., Ltd.	3	1	Mianyang, Sichuan	Commerce	3,000	100	100	4
22	Mianyang Fucheng Grain and Oil Purchase and Sales Co., Ltd.	3	1	Mianyang, Sichuan	Commerce	2,000	100	100	4
23	Mianyang Miantou Land Co., Ltd.	3	1	Mianyang, Sichuan	Real estate development; housing rental, property management, etc.	55,512.68	100	100	1
24	Mianyang Kanglai Property Management Co., Ltd.	3	1	Mianyang, Sichuan	Property management and consulting services, housing rental and sales agency, etc.	300	100	100	1
25	Mianyang Financial Holding Investment Management Co., Ltd.	3	1	Mianyang, Sichuan	Management consulting services	3,000	100	100	1

Note: Business type: 1 domestic non-financial subsidiary; 2 domestic financial subsidiaries; 3 overseas subsidiaries; 4 public institutions; 5 infrastructure units.

Acquisition method: 1 investment establishment; 2 business combinations under common control; 3 business combinations not under common control; 4 transfer without compensation; 5 others.

2. Reasons for owning less than half of the voting rights of the investee but being able to control the investee

Company name	Proportion of contribution (%)	Proportion of voting rights (%)	Registered capital (RMB 10,000)	Investment amount (RMB 10,000)	Reasons for inclusion in the scope of consolidation
Mianyang Zhuojing Education Consulting Co., Ltd.	34	34	3,000	102	Note

Note: The secondary subsidiary Mianyang Talent Development Group Co., Ltd. directly holds a 34% equity interest in Mianyang Zhuojing Education Consulting Co., Ltd. and is its single largest shareholder. According to the Articles of Association, Mianyang Talent Development Group Co., Ltd. has five persons on the Board of Directors (seven members) of Mianyang Zhuojing Education Consulting Co., Ltd., which forms substantial control.

3. Changes in the scope of consolidation in the current year

(1) Entities newly included in the scope of consolidation during the year

Name of the subsidiaries	Shareholding ratio (%)	Net assets as of the end of the year (RMB 10,000)	Net profit for the year (RMB 10,000)	Note
Mianyang Jianwen Real Estate Development Co., Ltd.	50.96			Newly established
Mianyang Yunong Xinyu Commercial Operation Management Co., Ltd.	76.07	97.74	-2.26	Newly established
Sichuan Dangui Grain and Oil Co., Ltd.	100.00	2,554.02	54.02	Newly established
Sichuan Mianjiang Energy Co., Ltd.	69.61	593.61	-6.39	Newly established

(2) Significant entities no longer included in the scope of consolidation during the year

Invested entity	Time point of losing control	On the date of loss of control, the Group's share of the net assets of the invested entity	Gains and losses related to loss of control	Note
Mianyang Jialai Asset Operation Management Co., Ltd. (Note)	December 29th, 2023	100.00	631,491,223.20	Equity disposal
Mianyang Fuhai Property Service Co., Ltd.	July 10th, 2023	100.00		Deregistered during the year

Note: Sichuan Jialai Real Estate Co., Ltd., a wholly-owned subsidiary of Mianyang Jialai Asset Operation Management Co., Ltd., was no longer included in the scope of consolidation either.

VIII. Notes on the principal items of the financial statements

Except for special notes, for the financial statement data disclosed below, "Opening" refers to January 1st, 2023, and "Closing" refers to December 31st, 2023. "Current year" refers to the period from January 1st, 2023 to December 31st, 2023, and "Prior year" refers to the period from January 1st, 2022 to December 31st, 2022. The currency unit is RMB.

1. Cash and cash equivalents

(1) Cash and cash equivalents balance

Item	Closing balance	Opening balance
Cash on hand	615,689.25	1,644,408.86
Bank deposits	14,967,573,333.65	10,160,311,500.62
Other cash and cash equivalents	3,888,953,809.51	1,346,202,117.27
Deposits with finance companies		
Total	**18,857,142,832.41**	**11,508,158,026.75**
Including: Total amount deposited abroad		

(2) Breakdown of restricted cash and cash equivalents

Item	Closing balance	Opening balance
Pledged certificate of deposit	2,711,542,426.71	1,971,454,400.00
Guarantee	3,362,331,473.36	1,406,206,262.89
School charge right pledge account		29,976.14
Funds in the condominium account	13,151,202.84	13,584,984.25
Migrant workers' wage guarantee letter	8,924,400.00	5,717,737.86
Other restricted cash and cash equivalents	369,119,571.15	852,511,563.39
Total	**6,465,069,074.06**	**4,249,504,924.53**

2. Bills receivable

Types of bills	Closing balance	Opening balance
Bank acceptance bills	589,756,247.51	498,771,620.89
Commercial acceptance bills		79,000.00
Total	**589,756,247.51**	**498,850,620.89**

3. Accounts receivable

Category	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Accounts receivable for which bad debt provision is made on an individual basis	3,048,822,673.12	91.05	25,912,224.62	0.85
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	299,593,577.05	8.95	40,355,195.09	13.47
Including: Aging portfolio 1 - integrated business	73,315,478.79	2.19	8,200,686.88	11.19
Aging portfolio 2 - water sector	27,196,932.30	0.81	6,581,406.29	24.2
Aging portfolio 3 - transportation sector	118,572,609.78	3.54	9,011,131.31	7.60
Aging portfolio 4 - grain and oil sector	80,508,556.18	2.41	16,561,970.61	20.57
Total	**3,348,416,250.17**	**100.00**	**66,267,419.71**	

(Continued)

Category	Opening balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Accounts receivable for which bad debt provision is made on an individual basis	6,361,399,511.22	98.22	28,557,543.22	0.45
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	115,512,195.47	1.78	38,755,746.04	33.55
Including: Aging portfolio 1 - integrated business	11,352,992.87	0.18	6,228,650.74	54.86
Aging portfolio 2 - water sector	6,725,442.34	0.10	1,585,443.82	23.57
Aging portfolio 3 - transportation sector	74,799,169.14	1.15	16,897,698.18	22.59
Aging portfolio 4 - grain and oil sector	22,634,591.12	0.35	14,043,953.30	62.05
Total	**6,476,911,706.69**	**100.00**	**67,313,289.26**	

(1) Accounts receivable for which bad debt provision is made on an individual basis at the end of the year

Creditor name	Name of debtor	Closing book balance	Bad debt provision	Expected credit loss rate (%)	Note
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	918,269,898.73			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Housing and Urban-rural Development Commission	725,318,623.72			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone Management Committee	211,281,071.01			Expected to be recoverable
Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd.	Mianyang City Bureau of Finance	176,781,478.60			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Department of Transportation of Mianyang City	115,247,697.88			Expected to be recoverable
Mianyang Miantou Jiangfa Industrial Co., Ltd.	Mianyang Fucheng Construction Engineering Co., Ltd.	75,223,171.08			Expected to be recoverable
Sichuan Xijin Logistics Co., Ltd.	Sichuan Changjin Industry Co., Ltd.	59,831,590.24			Expected to be recoverable
Sichuan Xijin Logistics Co., Ltd.	China Construction Eighth Engineering Bureau Co., Ltd.	39,506,745.88	351,733.81	0.89	Expected partial recovery
Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone	39,114,009.70	1,109,494.94	2.84	Expected partial recovery
Sichuan Xijin Logistics Co., Ltd.	CSCEC Xinjiang Construction & Engineering (GROUP) Co., Ltd.	38,637,412.57			Expected to be recoverable
Sichuan Xijin Logistics Co., Ltd.	China Railway No.5 Engineering Group Chengdu Engineering Co., Ltd.	38,412,765.94	1,756,522.16	4.57	Expected partial recovery
Mianyang Xinjiarui Road and Bridge Engineering Co., Ltd.	Transportation Bureau of Anzhou District, Mianyang City	30,444,927.89			Expected to be recoverable
Sichuan Dangui Grain and Oil Co., Ltd.	Sichuan Nianfeng Trading Co., Ltd.	27,831,800.00			Expected to be recoverable
Sichuan Xijin Logistics Co., Ltd.	China Construction First Group Corporation Limited	22,660,770.94			Expected to be recoverable
Mianyang City Bus Xinyun Industrial Co., Ltd.	China Railway 18th Bureau Group Material Trading Co., Ltd.	19,513,219.77			Expected to be recoverable
	Others	510,747,489.17	22,694,473.71	4.44	Expected partial recovery
Total		**3,048,822,673.12**	**25,912,224.62**		

(2) Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics

1) Accounts receivable for which provision for bad debts is made using the aging analysis method - aging portfolio 1

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	50,975,686.87	69.53	254,878.42
1-2 years (inclusive)	11,858,794.86	16.18	1,185,879.49
2-3 years (inclusive)	4,203,638.24	5.73	840,727.65
3-4 years (inclusive)	552,906.25	0.75	276,453.13
4-5 years (inclusive)	163,408.76	0.22	81,704.38
More than 5 years	5,561,043.81	7.59	5,561,043.81
Total	**73,315,478.79**	**100.00**	**8,200,686.88**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	3,826,466.50	33.70	19,132.33
1-2 years (inclusive)	351,349.65	3.09	35,134.96
2-3 years (inclusive)	675,958.03	5.95	135,191.60
3-4 years (inclusive)	686,396.27	6.05	343,198.15
4-5 years (inclusive)	233,657.48	2.06	116,828.74
More than 5 years	5,579,164.94	49.15	5,579,164.96
Total	**11,352,992.87**	**100.00**	**6,228,650.74**

2) Accounts receivable for which provision for bad debts is made using the aging analysis method - aging portfolio 2

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	18,961,917.06	69.72	94,809.58
1-2 years (inclusive)	1,871,101.02	6.88	561,330.31
2-3 years (inclusive)	2,193,239.11	8.06	1,754,591.29
More than 3 years	4,170,675.11	15.34	4,170,675.11
Total	**27,196,932.30**	**100.00**	**6,581,406.29**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	4,587,696.68	68.21	22,937.78
1-2 years (inclusive)	796,739.29	11.85	239,021.59
2-3 years (inclusive)	87,604.16	1.30	70,082.24
More than 3 years	1,253,402.21	18.64	1,253,402.21
Total	**6,725,442.34**	**100.00**	**1,585,443.82**

3) Accounts receivable for which provision for bad debts is made using the aging analysis method - aging portfolio 3

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	91,770,467.01	77.40	917,704.67
1-2 years (inclusive)	7,334,001.55	6.19	366,700.08
2-3 years (inclusive)	4,255,401.72	3.59	425,540.17
3-4 years (inclusive)	936,452.29	0.79	187,290.46
4-5 years (inclusive)	121,238.34	0.09	36,371.50
More than 5 years	14,155,048.87	11.94	7,077,524.43
Total	**118,572,609.78**	**100.00**	**9,011,131.31**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	31,072,170.95	41.54	310,748.73
1-2 years (inclusive)	8,282,497.66	11.07	414,124.89
2-3 years (inclusive)	3,627,623.91	4.85	362,762.39
3-4 years (inclusive)	361,253.94	0.48	72,250.78
4-5 years (inclusive)	98,667.35	0.13	29,600.22
More than 5 years	31,356,955.33	41.93	15,708,211.17
Total	**74,799,169.14**	**100.00**	**16,897,698.18**

4) Accounts receivable for which provision for bad debts is made using the aging analysis method - aging portfolio 4

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	65,430,360.52	81.27	3,271,518.03
1-2 years (inclusive)	1,986,381.20	2.47	198,638.12
2-3 years (inclusive)			
More than 3 years	13,091,814.46	16.26	13,091,814.46
Total	**80,508,556.18**	**100.00**	**16,561,970.61**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year (inclusive)	9,042,776.66	39.95	452,138.84
1-2 years (inclusive)			
2-3 years (inclusive)			
More than 3 years	13,591,814.46	60.05	13,591,814.46
Total	**22,634,591.12**	**100.00**	**14,043,953.30**

(3) Accounts receivable of the top five closing balances, grouped by party in arrears

Creditor name	Name of debtor	Closing book balance	As a percentage of the total accounts receivable (%)	Bad debt provision
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	918,269,898.73	27.42	
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Housing and Urban-rural Development Commission	725,318,623.72	21.66	
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone Management Committee	211,281,071.01	6.31	
Mianyang Sanjiang Huize Urban Sewage Purification Co., Ltd.	Mianyang City Bureau of Finance	176,781,478.60	5.28	
Mianyang Investment Holding (Group) Co., Ltd.	Department of Transportation of Mianyang City	115,247,697.88	3.45	
Total		**2,146,898,769.94**	**64.12**	

4. Receivables financing

Item	Closing balance		Opening balance	
	Original value	Bad debt provision	Original value	Bad debt provision
Bills receivable	6,000,000.00		4,700,000.00	

5. Prepayments

(1) Aging of prepayments

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	951,956,779.23	15.52		650,707,331.06	12.05	765,682.16
1-2 years	450,329,603.21	7.34		165,483,833.96	3.06	
2-3 years	22,579,325.55	0.37		130,131,345.70	2.41	
More than 3 years	4,710,499,814.23	76.77	7,535,861.69	4,453,109,024.93	82.48	
Total	**6,135,365,522.22**	**100.00**	**7,535,861.69**	**5,399,431,535.65**	**100.00**	**765,682.16**

(2) Large prepayments aged over 1 year

Creditor name	Debtor name	Closing balance	Aging	Note
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Fucheng District, Mianyang City	1,344,170,276.44	More than 3 years	Demolition compensation, to be settled
Mianyang Jianyuan Real Estate Development Co., Ltd.	Mianyang Municipal Bureau of Natural Resources and Planning	847,872,384.55	Within 1 year, 1-2 years	Advance payment for land purchase
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Youxian District Finance Bureau	788,856,481.60	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Sanjiang Development and Construction Co., Ltd.	651,878,890.34	More than 3 years	Demolition compensation, to be settled

Creditor name	Debtor name	Closing balance	Aging	Note
Mianyang Talent Development Group Co., Ltd.	Qingyi Town People's Government of Fucheng District, Mianyang City	503,669,003.62	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng District Poverty Alleviation and Development Bureau	253,930,000.00	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Youxian District Finance Treasury Payment Center	277,676,000.00	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Kefa Changtai Industrial Co., Ltd.	230,000,000.00	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone Management Committee	154,447,053.00	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Land Acquisition and Reserve Center	80,186,319.20	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Management Committee of Youxian Economic Development Zone in Mianyang, Sichuan	77,199,800.00	1-2 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	People's Government of Shima Town, Youxian District, Mianyang City	75,019,600.00	More than 3 years	Demolition compensation, to be settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Xianhai Water Conservancy Scenic Area Management Committee	76,554,599.69	More than 3 years	Demolition compensation, to be settled
Total		**5,361,460,408.44**		

(3) Prepayments of the top five closing balances, grouped by party in arrears

Creditor name	Debtor name	Book balance	As a percentage of the total prepayments (%)
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Fucheng District, Mianyang City	1,344,170,276.44	21.91
Mianyang Jianyuan Real Estate Development Co., Ltd.	Mianyang Municipal Bureau of Natural Resources and Planning	847,872,384.55	13.82
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Youxian District Finance Bureau	788,856,481.60	12.86
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Sanjiang Development and Construction Co., Ltd.	651,878,890.34	10.62
Mianyang Talent Development Group Co., Ltd.	Qingyi Town People's Government of Fucheng District, Mianyang City	503,669,003.62	8.21
Total		**4,136,447,036.55**	**67.42**

6. Other receivables

Item	Closing balance	Opening balance
Interest receivable	704,720,226.20	551,190,425.50
Dividends receivable	38,937,324.00	21,000,000.00
Other receivables	15,996,552,426.99	18,302,930,293.14
Total	**16,740,209,977.19**	**18,875,120,718.64**

(1) Interest receivable

Item	Closing balance		Opening balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Interest on time deposits	2,487,382.08		6,244,588.70	
Interest on debt investments (Note)	702,232,844.12		544,945,836.80	
Total	**704,720,226.20**		**551,190,425.50**	

Note: According to the Tripartite Agreement and the attached Interest (Subsidy) Payment Schedule signed by Mianyang Fucheng District People's Government, HKC Co., Ltd. and Mianyang Investment Group on April 29th, 2021, the interest receivable on "fake equity, real debt" of Mianyang Investment Group in Mianyang HKC Optoelectronics Technology Co., Ltd. shall be borne by People's Government of Fucheng District, Mianyang City. As of December 31st, 2023 interest receivable from the People's Government of Fucheng District, Mianyang City, totaled RMB 702,232,844.12.

(2) Dividends receivable

Creditor name	Debtor name	Closing balance	Opening balance
Mianyang Water (Group) Co., Ltd.	Mianyang Zhongke Miantou Environmental Service Co., Ltd.	38,500,000.00	21,000,000.00
Other sporadic clients	Other sporadic clients	437,324.00	
Total		**38,937,324.00**	**21,000,000.00**

(3) Other receivables

Category	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Other receivables for which bad debt provision is made on an individual basis	15,979,972,671.10	99.32	46,316,289.18	0.29
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	108,643,249.73	0.68	45,747,204.66	42.11
Including: Aging portfolio 1 - integrated business	54,366,452.75	0.34	23,601,000.49	43.41

Category	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Aging portfolio 2 - water sector	15,801,758.93	0.10	12,166,601.24	77.00
Aging portfolio 3 - transportation sector	19,194,997.00	0.12	5,985,132.32	31.18
Aging portfolio 4 - grain and oil sector	19,280,041.05	0.12	3,994,470.61	20.72
Total	**16,088,615,920.83**	**100.00**	**92,063,493.84**	

(Continued)

Category	Opening balance			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)
Other receivables for which bad debt provision is made on an individual basis	18,308,631,690.23	99.62	53,410,770.81	0.29
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	69,338,209.70	0.38	21,628,835.98	31.19
Including: Aging portfolio 1 - integrated business	40,941,078.71	0.22	4,072,017.57	9.95
Aging portfolio 2 - water sector	7,204,228.21	0.04	5,267,707.87	73.12
Aging portfolio 3 - transportation sector	14,021,747.96	0.08	5,844,019.35	41.68
Aging portfolio 4 - grain and oil sector	7,171,154.82	0.04	6,445,091.19	89.88
Total	**18,377,969,899.93**	**100.00**	**75,039,606.79**	

1) Other receivables for which bad debt provision is made on an individual basis at the end of the year

Creditor name	Debtor name	Book balance	Bad debt provision	Expected credit loss rate (%)	Accrual reason
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Housing and Urban-rural Development Commission	5,123,009,902.55			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Department of Transportation of Mianyang City	1,723,715,039.00			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jialai Real Estate Co., Ltd.	1,062,300,174.84			Expected to be recoverable
Mianyang High-grade Highway Development Co., Ltd.	Mianyang City Bureau of Finance	883,804,506.98			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	720,539,307.15			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Construction Engineering Technology Service Center	550,693,707.86			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Kefa Changtai Industrial Co., Ltd.	501,916,900.00			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	448,545,289.46			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	People's Government of Fucheng District	432,055,563.79			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Jiangyou Finance Bureau (Jiangyou State-owned Assets Supervision and Administration Office)	431,040,383.34			Expected to be recoverable
Mianyang Communications Development Group Co., Ltd.	Mianyang City Bureau of Finance	439,347,193.68			Expected to be recoverable
Mianyang Communications Development Group Co., Ltd.	Pingwu County People's Government	401,069,589.04			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Transportation Service Center (Mianyang Key Highway Construction Headquarters Office)	335,059,063.94			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Chengdu Yechang Enterprise Management Consulting Co., Ltd.	297,818,279.82			Expected to be recoverable
Mianyang Talent Development Group Co., Ltd.	Chengdu Dongchangrui Real Estate Co., Ltd.	291,337,366.99	12,969,856.52	4.45	Expected to be partially recoverable
Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	220,000,000.00			Expected to be recoverable

Creditor name	Debtor name	Book balance	Bad debt provision	Expected credit loss rate (%)	Accrual reason
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Investment Group Co., Ltd.	201,423,666.69			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone	179,144,749.97			Expected to be recoverable
Mianyang Public Traffic Group Co., Ltd.	Mianyang City Bureau of Finance	154,480,000.00			Expected to be recoverable
Mianyang Communications Development Group Co., Ltd.	People's Government of Youxian District	116,800,000.00			Expected to be recoverable
Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Hospital of Traditional Chinese Medicine	115,821,195.36			Expected to be recoverable
Mianyang Miantai Industrial Co., Ltd.	Jiangyou Finance Bureau	115,130,000.00			Expected to be recoverable
Mianyang Communications Development Group Co., Ltd.	Jiangyou Municipal People's Government	124,102,739.73			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Zhonglei Investment Development Group Co., Ltd	65,849,999.82			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Xinchen Engine Co., Ltd.	59,603,444.46			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Horticultural Administration Center Construction Headquarters	50,990,385.36			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Huishang Bank Financial Leasing Co., Ltd.	47,200,000.00			Expected to be recoverable
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Jiangyou Municipal People's Government	45,205,204.44			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	People's Government of Chengjiao Town, Fucheng District, Mianyang City	38,125,000.00			Expected to be recoverable
Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Intermediate People's Court	34,735,650.92			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Finance Bureau of Mianyang Economic and Technological Development Zone Management Committee	20,842,333.33			Expected to be recoverable
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science and Technology City Modern Agricultural Science and Technology Demonstration Zone	20,000,000.00			Expected to be recoverable
Sichuan Dangui Grain and Oil Co., Ltd.	Sichuan Kefa Hechuang Technology Co., Ltd.	20,000,000.00			Expected to be recoverable
Mianyang Talent Development Group Co., Ltd.	People's Government of Chengjiao Town, Fucheng District, Mianyang City	65,478,038.95			Expected to be recoverable

Creditor name	Debtor name	Book balance	Bad debt provision	Expected credit loss rate (%)	Accrual reason
Mianyang Talent Development Group Co., Ltd.	Mianyang Foreign Language Experimental School	18,351,450.62			Expected to be recoverable
	Others	624,436,543.01	33,346,432.66	5.34	Expected to be partially recoverable
Total		**15,979,972,671.10**	**46,316,289.18**		

2) Other receivables with provision for bad debts based on the portfolio of credit risk characteristics

a. Other receivables for which provision for bad debts is made using the aging analysis method - aging portfolio 1

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	7,761,245.78	14.28	38,806.23	34,296,328.34	83.77	171,481.72
1-2 years (including 2 years)	4,076,585.62	7.50	407,658.56	2,145,121.09	5.24	214,512.12
2-3 years (including 3 years)	18,819,288.11	34.62	3,763,857.62	683,314.64	1.67	136,662.92
3-4 years (including 4 years)	7,752,113.20	14.26	3,876,056.60	106,636.72	0.26	53,318.37
4-5 years (including 5 years)	885,197.13	1.63	442,598.57	427,270.95	1.04	213,635.49
More than 5 years	15,072,022.91	27.71	15,072,022.91	3,282,406.97	8.02	3,282,406.96
Total	**54,366,452.75**	**100.00**	**23,601,000.49**	**40,941,078.71**	**100.00**	**4,072,017.58**

b. Other receivables for which provision for bad debts is made using the aging analysis method - aging portfolio 2

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	2,606,780.23	16.50	13,033.90	1,502,661.82	20.86	4,790.44
1-2 years (including 2 years)	971,931.89	6.15	291,579.57	579,288.95	8.04	173,786.09
2-3 years (including 3 years)	1,805,295.18	11.42	1,444,236.14	165,733.68	2.30	132,587.58
More than 3 years	10,417,751.63	65.93	10,417,751.63	4,956,543.76	68.80	4,956,543.76
Total	**15,801,758.93**	**100.00**	**12,166,601.24**	**7,204,228.21**	**100.00**	**5,267,707.87**

c. Other receivables for which provision for bad debts is made using the aging analysis method - aging portfolio 3

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	5,001,157.74	26.06	50,011.58	1,442,563.81	10.29	14,425.62
1-2 years (including 2 years)	1,615,967.04	8.42	80,798.35	357,256.87	2.55	17,862.84
2-3 years (including 3 years)	721,912.49	3.76	72,191.25	200,049.80	1.43	20,004.98
3-4 years (including 4 years)	430,578.05	2.24	86,115.61	8,147.00	0.06	1,629.40
4-5 years (including 5 years)	83,376.56	0.43	25,012.97	1,083,843.74	7.73	325,153.12
More than 5 years	11,342,005.12	59.09	5,671,002.56	10,929,886.74	77.94	5,464,943.39
Total	**19,194,997.00**	**100.00**	**5,985,132.32**	**14,021,747.96**	**100.00**	**5,844,019.35**

d. Other receivables for which provision for bad debts is made using the aging analysis method - aging portfolio 4

Aging	Closing balance			Opening balance		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	15,719,547.83	81.53	785,977.39	595,463.60	8.30	29,773.18
1-2 years (including 2 years)	355,000.00	1.84	35,500.00	119,198.00	1.66	11,919.80
2-3 years (including 3 years)	65,000.00	0.34	32,500.00	106,190.03	1.48	53,095.02
More than 3 years	3,140,493.22	16.29	3,140,493.22	6,350,303.19	88.56	6,350,303.19
Total	**19,280,041.05**	**100.00**	**3,994,470.61**	**7,171,154.82**	**100.00**	**6,445,091.19**

3) Other receivables of the top five closing balances, grouped by debtor

Creditor name	Debtor name	Book balance	As a percentage of the total other receivables (%)	Bad debt provision
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Housing and Urban-rural Development Commission	5,123,009,902.55	31.84	
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jialai Real Estate Co., Ltd.	1,723,715,039.00	10.71	
Mianyang Investment Holding (Group) Co., Ltd.	Department of Transportation of Mianyang City	1,062,300,174.84	6.60	
Mianyang High-grade Highway Development Co., Ltd.	Mianyang City Bureau of Finance	883,804,506.98	5.49	
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	723,385,203.84	4.50	
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Construction Engineering Technology Service Center	550,693,707.86	3.43	
Total		**10,066,908,535.07**	**62.57**	

7. Inventories

Item	Closing balance		
	Book balance	Provision for decline in value	Book value
Raw materials	33,048,580.17	3,363,531.84	29,685,048.33
Goods in stock (finished goods)	620,561,219.89	1,234,222.19	619,326,997.70
Working capital materials (packaging, low-value consumables, etc.)	2,452,269.26	31,696.53	2,420,572.73
Consumable biological assets	3,597,691.10		3,597,691.10
Real estate development cost	8,228,453,610.60		8,228,453,610.60
Real estate development products	612,111,253.57	3,597,055.08	608,514,198.49
Goods issued	454,383.73		454,383.73
Contract performance costs	316,457,188.42		316,457,188.42
Total	**9,817,136,196.74**	**8,226,505.64**	**9,808,909,691.10**

(Continued)

Item	Opening balance		
	Book balance	Provision for decline in value	Book value
Raw materials	38,943,939.48	6,548,831.72	32,395,107.76
Goods in stock (finished goods)	555,720,275.60	2,707,684.43	553,012,591.17
Working capital materials (packaging, low-value consumables, etc.)	3,554,933.69		3,554,933.69
Consumable biological assets	3,534,434.42		3,534,434.42
Real estate development cost	6,203,125,270.06		6,203,125,270.06
Real estate development products	497,413,804.99	3,597,055.08	493,816,749.91
Goods issued	18,794,962.36		18,794,962.36
Contract performance costs	158,873,249.91		158,873,249.91
Total	**7,479,960,870.51**	**12,853,571.23**	**7,467,107,299.28**

8. Contract assets

(1) Details of contract assets

Item	Closing balance		
	Book balance	Impairment provision	Book value
Amount to be settled for S209PPP Project	38,214,716.36		38,214,716.36
Project funds	44,507,930.47	2,513,327.16	41,994,603.31
Supervision fee	18,098,047.66	76,674.56	18,021,373.10
Total	**100,820,694.49**	**2,590,001.72**	**98,230,692.77**

(Continued)

Item	Opening balance		
	Book balance	Impairment provision	Book value
Amount to be settled for S209PPP Project	74,032,558.74		74,032,558.74
Project funds	33,536,672.63	1,394,575.78	32,142,096.85
Supervision fee	10,531,352.28	278,564.02	10,252,788.26
Total	**118,100,583.65**	**1,673,139.80**	**116,427,443.85**

(2) Provision for impairment of contract assets

Item	Opening balance	Current year accrual	Current year reversal	Current year write-offs/charge-offs	Closing balance
Project funds to be settled	1,394,575.78	1,118,751.38			2,513,327.16
Supervision fee to be settled	278,564.02		201,889.46		76,674.56
Total	**1,673,139.80**	**1,118,751.38**	**201,889.46**		**2,590,001.72**

9. Non-current assets due within one year

Item	Closing balance	Opening balance
Loans and advances due within one year	55,760,716.05	90,802,357.47
Debt investments due within one year	975,000,000.00	400,000,000.00
Entrusted loans due within one year	300,000,000.00	
Total	**1,330,760,716.05**	**490,802,357.47**

(1) Details of loans and advances due within one year

1) Disclosure of loans and advances by individuals and enterprises

Item	Closing balance	Opening balance
Individual loans and advances	23,099,979.00	29,433,097.70
Enterprise loans and advances	86,072,818.38	135,698,195.85
Subtotal	109,172,797.38	165,131,293.55
Less: Provision for loan losses	53,412,081.33	74,328,936.08
Total	**55,760,716.05**	**90,802,357.47**

2) Disclosure of loans and advances by guarantee

Item	Closing balance	Opening balance
Credit loans	744,664.94	749,681.61
Guaranteed loans	8,892,665.00	8,892,665.00
Loans with collateral	99,535,467.44	155,488,946.94
Including: Mortgage loans	69,478,801.04	125,439,363.84
Pledge loans	30,056,666.40	30,049,583.10

Item	Closing balance	Opening balance
Total loans and advances	109,172,797.38	165,131,293.55
Less: Provision for loan losses	53,412,081.33	74,328,936.08
Book value of loans and advances	**55,760,716.05**	**90,802,357.47**

3) Overdue loans

Item	Closing balance				
	Overdue for 1 day to 90 days (including 90 days)	Overdue for 90 days to 360 days (including 360 days)	Overdue for 360 days to 3 years (including 3 years)	Overdue for more than 3 years	Total
Credit loans				644,377.44	644,377.44
Guaranteed Loans				8,892,665.00	8,892,665.00
Loans with collateral			400,000.00	68,778,290.04	69,178,290.04
Including: Mortgage loans			400,000.00	68,778,290.04	69,178,290.04
Pledge loans					
Total			**400,000.00**	**78,315,332.48**	**78,715,332.48**

(Continued)

Item	Opening balance				
	Overdue for 1 day to 90 days (including 90 days)	Overdue for 90 days to 360 days (including 360 days)	Overdue for 360 days to 3 years (including 3 years)	Overdue for more than 3 years	Total
Credit loans				649,377.44	649,377.44
Guaranteed Loans				8,892,665.00	8,892,665.00
Loans with collateral	1,113,573.36			103,028,267.69	104,141,841.05
Including: Mortgage loans	1,113,573.36			103,028,267.69	104,141,841.05
Pledge loans					
Total	**1,113,573.36**			**112,570,310.13**	**113,683,883.49**

4) Provision for loan losses

Item	Current year amount		Prior year amount	
	Individual	Portfolio	Individual	Portfolio
Opening balance		74,328,936.08		84,207,256.03
Current year accrual				
Current year transfers out				
Current year charge-offs				
Current year reversal		20,916,854.75		9,878,319.95
- Reversal caused by recovery of original write-off loans and advances		20,916,854.75		9,878,319.95
- Loans and advances reversed due to increase in value				
- Reversal caused by other factors				
Closing balance		53,412,081.33		74,328,936.08

10. Other current assets

Item	Closing balance	Opening balance
Accrued interest not yet due for payment	316,875,005.38	296,401,905.12
VAT to be certified/deducted	282,959,619.70	208,162,021.79
Taxes paid in advance	262,984,063.41	45,026,777.00
Deferred expenses	2,507,520.41	7,018,193.68
Others	15,466,630.50	33,264,781.43
Total	**880,792,839.40**	**589,873,679.02**

11. Debt investments

Item	Closing balance		
	Book balance	Impairment provision	Book value
Debt investments	3,396,973,624.11		3,396,973,624.11
Less: Non-current assets due within one year	975,000,000.00		975,000,000.00
Total	**2,421,973,624.11**		**2,421,973,624.11**

(Continued)

Item	Opening balance		
	Book balance	Impairment provision	Book value
Debt investments	3,760,173,111.04		3,760,173,111.04
Less: Non-current assets due within one year	400,000,000.00		400,000,000.00
Total	**3,360,173,111.04**		**3,360,173,111.04**

12. Long-term receivables

Item	Closing balance		
	Book balance	Bad debt provision	Book value
Receivables of government projects	1,777,430,147.22		1,777,430,147.22
Total	**1,777,430,147.22**		**1,777,430,147.22**

(Continued)

Item	Opening balance		
	Book balance	Bad debt provision	Book value
Receivables of government projects	1,623,513,441.26		1,623,513,441.26
Total	**1,623,513,441.26**		**1,623,513,441.26**

(1) Significant long-term receivables at the end of the year

Creditor name	Debtor name	Closing balance	As a percentage of the total long-term receivable (%)	Bad debt provision
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Pingwu County Transportation Bureau	644,216,372.12	36.24	
	Mianyang Housing and Urban-rural Development Commission	717,351,554.32	40.36	
	Zitong County Transportation Bureau	142,842,842.44	8.04	
Santai County Jiaheng Zhongfu Road and Bridge Engineering Co., Ltd.	Santai County Transportation Bureau	160,684,179.01	9.04	
Total		**1,665,094,947.89**	**93.68**	

13. Long-term equity investments

(1) Classification of long-term equity investments

Item	Opening balance	Increase	Decrease	Closing balance
Investment in subsidiaries				
Investment in joint ventures				
Investment in associates	18,115,526,988.86	1,971,827,816.27	32,064,444.79	20,055,290,360.34
Subtotal	**18,115,526,988.86**	**1,971,827,816.27**	**32,064,444.79**	**20,055,290,360.34**
Less: Long-term equity investment impairment provision				
Total	**18,115,526,988.86**	**1,971,827,816.27**	**32,064,444.79**	**20,055,290,360.34**

(2) Details of long-term equity investments

Investee	Opening balance	Increase or decrease in the current year								Closing balance	Closing balance of impairment provision
		Increase in capital	Decrease in capital	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other equity changes	Declared distribution of cash dividends or profit	Provision for impairment	Other decreases		
I. Joint ventures											
II. Associates											
*Jiangyou City Investment Development Co., Ltd.	3,421,285,742.79			37,419,491.51	449,129.66					3,459,154,363.96	
*Jiangyou Hongfei Investment (Group) Co., Ltd.	3,338,907,213.92			28,327,650.16	-106,659,850.45					3,260,575,013.63	
*Jiangyou Xingyi Agricultural Investment Co., Ltd.	2,706,125,750.06			51,021,283.27	19,795,631.68					2,776,942,665.01	
*Jiangyou Chuangyuan Development and Construction Investment	2,502,588,776.86			44,045,913.64	41,074,904.66					2,587,709,595.16	

Investee	Opening balance	Increase or decrease in the current year								Closing balance	Closing balance of impairment provision
		Increase in capital	Decrease in capital	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other equity changes	Declared distribution of cash dividends or profit	Provision for impairment	Other decreases		
Co., Ltd											
Sichuan Xingshu Railway Investment Co., Ltd.	1,920,212,755.19			619,995.74						1,920,832,750.93	
Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.		1,575,274,666.67		3,892,893.10						1,579,167,559.77	
Others	4,226,406,750.04	86,952,204.46		176,940,182.40	281,830.55	12,391,889.22	20,650,000.00		11,414,444.79	4,470,908,411.88	
Total	**18,115,526,988.86**	**1,662,226,871.13**		**342,267,409.82**	**-45,058,353.90**	**12,391,889.22**	**20,650,000.00**		**11,414,444.79**	**20,055,290,360.34**	

Note 1: On August 17th, 2021, the Company and Jiangyou Hongfei Investment (Group) Co., Ltd., a state-owned enterprise of Jiangyou City, jointly established Mianyang Miantai Industrial Co., Ltd. (hereinafter referred to as "Miantai Industrial"). On December 31st, 2021, Jiangyou State-owned Assets Supervision and Administration Office injected 33% of the state-owned equity of each of the four companies into Miantai Industrial, a subsidiary of the Company at nil consideration in accordance with the *Notice on Agreeing to Transfer 33% of the State-owned Equity of Jiangyou City Investment and Development Co., Ltd.*(JYZB(2021) No. 372), the *Notice on Agreeing to Transfer 33% of the State-owned Equity of Jiangyou Chuangyuan Development and Construction Investment Co., Ltd.* (JGZB (2021) No. 373), the *Notice on Agreeing to Transfer 33% of the State-owned Equity of Jiangyou Hongfei Investment (Group) Co., Ltd.* (JGZB (2021) No. 374), the *Notice on Agreeing to Transfer 33% of the State-owned Equity of Jiangyou Xingyi Agricultural Investment Co., Ltd.* (JGZB(2021) No. 375). The Company presented the equity held by Miantai Industry as non-controlling interests in the consolidated statements of Mianyang Investment Group, and the investment income based on this portion of the equity is presented as gains or losses on non-controlling interests.

14. Investments in other equity instruments

Item	Closing balance	Opening balance
Equity instruments designated as fair value through other comprehensive income	4,501,703,354.60	4,614,251,155.91
Total	**4,501,703,354.60**	**4,614,251,155.91**

15. Other non-current financial assets

Item	Closing balance	Opening balance
Mianyang Fidelity Venture Capital Equity Venture Partners (L.P.)	9,699,055.32	
Sichuan Bashu Grain Warehouse Technology Co., Ltd.	1,451,440.53	
Sichuan Haodong Food Technology Co., Ltd.	840,870.07	
Mianyang Xinyou Grain and Oil Crops Planting Professional Cooperative	10,000.00	
Total	**12,001,365.92**	

16. Investment properties

(1) Investment properties using the fair value measurement model

Item	Opening fair value	Increase			Decrease		Closing fair value
		Purchases and financial transfers	Transfer from self-used real estate or inventories	Gains and losses on changes in fair value	Disposal	Transfer to self-used real estate	
Total cost	**5,082,967,495.15**		**43,538,142.73**		**1,432,887.27**	**29,251,627.99**	**5,095,821,122.62**
1. Buildings	5,021,491,795.15		43,538,142.73		1,432,887.27	29,251,627.99	5,034,345,422.62
2. Land use rights	61,475,700.00						61,475,700.00
Total changes in fair value	**870,838,906.10**			**-19,572,792.15**			**851,266,113.95**
1. Buildings	868,659,723.07			-19,965,509.12			848,694,213.95

Item	Opening fair value	Increase			Decrease		Closing fair value
		Purchases and financial transfers	Transfer from self-used real estate or inventories	Gains and losses on changes in fair value	Disposal	Transfer to self-used real estate	
2. Land use rights	2,179,183.03			392,716.97			2,571,900.00
Total book value	**5,953,806,401.25**						**5,947,087,236.57**
1. Buildings	5,890,151,518.22						5,883,039,636.57
2. Land use rights	63,654,883.03						64,047,600.00

(2) Investment properties without the certificate of ownership

Item	Book value	Note
Mianyang City Gaoshui Agricultural and Sideline Products Wholesale Co., Ltd. - Wholesale market	332,078,939.43	In the process
Mianyang Kangju Real Estate Management Co., Ltd. - Rental property	254,851,832.68	Ownership certificates have not been obtained due to historical problems such as old city renovation
Mianyang Fuda Asset Operation Co., Ltd. - Rental property	106,065,054.00	The original property unit did not process the certificate of ownership at the time of transfer, and the information was not available for certification.
Mianyang Communications Development Group Co., Ltd.	27,589,632.00	Transferred assets. The original property rights unit did not complete the approval and construction application according to the procedures, failed to obtain multiple completion acceptance certificates, and defaulted on payment to the construction unit. It has not been possible to apply for the "House Ownership Certificate" so far.
Mianyang Grain and Oil Group Co., Ltd. - Houses, warehouses, etc.	13,009,600.00	Due to historical problems and incomplete information, unable to apply for a certificate
Mianyang Lingtong Property Service Co., Ltd.	22,003,369.92	No ownership certificates have been obtained due to historical problems
Mianyang Fucheng Grain and Oil Purchase and Sales Co., Ltd. - - Grain Management Office	5,688,000.00	Incomplete information, unable to apply for a certificate.
Mianyang Fuhai Asset Management Co., Ltd. - Nanhua Palace	4,716,700.00	Incomplete information, unable to apply for a certificate.
Mianyang Grain Reserve Management Co., Ltd.	1,886,700.00	Incomplete information, unable to apply for a certificate.
Mianyang Zhongyi Cereals and Oils Co., Ltd.	1,002,900.00	Incomplete information, unable to apply for a certificate.
Total	**768,892,728.03**	

17. Fixed assets

Item	Closing book value	Opening book value
Fixed assets	9,782,656,459.94	9,715,070,497.70
Liquidation of fixed assets	5,969,947.15	34,810.38
Total	**9,788,626,407.09**	**9,715,105,308.08**

(1) Details of fixed assets

Item	Opening balance	Increase	Decrease	Closing balance
Total original book value	**13,093,936,038.03**	**543,761,675.82**	**252,509,986.36**	**13,385,187,727.49**
Buildings	6,631,396,110.32	344,997,488.82	68,518,148.96	6,907,875,450.18
Loan-repayment toll highways	3,349,442,810.15			3,349,442,810.15
Transportation	1,118,952,108.17	44,195,482.78	133,931,312.67	1,029,216,278.28
Machinery and equipment	900,822,277.42	41,521,466.96	9,135,182.20	933,208,562.18
Pipeline network assets	604,025,606.92	83,378,822.37	10,656,925.60	676,747,503.69
Electronic equipment	123,374,982.76	20,358,715.10	5,765,818.02	137,967,879.84
Instrumentation	14,664,042.86	90,800.00	13,000.00	14,741,842.86
Office equipment and others	351,258,099.43	9,218,899.79	24,489,598.91	335,987,400.31
Total accumulated depreciation	**3,373,508,901.35**	**408,516,002.22**	**184,850,275.00**	**3,597,174,628.57**
Buildings	1,733,738,098.64	160,950,923.78	11,917,014.71	1,882,772,007.71
Loan-repayment toll highways				
Transportation	697,897,219.89	118,106,532.25	127,417,351.96	688,586,400.18
Machinery and equipment	406,597,643.48	70,055,175.49	7,600,213.88	469,052,605.09
Pipeline network assets	202,509,855.56	34,284,728.11	9,600,976.24	227,193,607.43
Electronic equipment	101,120,142.89	11,759,337.91	3,828,317.69	109,051,163.11
Instrumentation	10,695,123.06	771,513.42	12,399.04	11,454,237.44
Office equipment and others	220,950,817.83	12,587,791.26	24,474,001.48	209,064,607.61
Total impairment provision	**5,356,638.98**			**5,356,638.98**
Buildings	5,084,747.83			5,084,747.83
Loan-repayment toll highways				
Transportation	21,447.77			21,447.77
Machinery and equipment	212,214.09			212,214.09
Pipeline network assets				
Electronic equipment	31,860.07			31,860.07
Instrumentation				
Office equipment and others	6,369.22			6,369.22
Book value of fixed assets	**9,715,070,497.70**			**9,782,656,459.94**
Buildings	4,892,573,263.85			5,020,018,694.64

Item	Opening balance	Increase	Decrease	Closing balance
Loan-repayment toll highways	3,349,442,810.15			3,349,442,810.15
Transportation	421,033,440.51			340,608,430.33
Machinery and equipment	494,012,419.85			463,943,743.00
Pipeline network assets	401,515,751.36			449,553,896.26
Electronic equipment	22,222,979.80			28,884,856.66
Instrumentation	3,968,919.80			3,287,605.42
Office equipment and others	130,300,912.38			126,916,423.48

(2) Fixed assets without the certificate of ownership

Item	Book value	Note
Mianyang Airport (Group) Co., Ltd. - T2 International Terminal	292,779,487.37	Newly built, pending certification
Mian Zhong Experimental School	238,558,469.96	In the process
Mianyang Nanshan Experimental High School	226,166,860.67	In the process
Mianyang Airport (Group) Co., Ltd.	100,200,505.23	Due to the early construction of the airport, the relevant information archived in the early stage of infrastructure construction cannot meet the current requirements for property rights application, resulting in the inability to apply for a certificate of ownership
Mianyang Grain and Oil Group Co., Ltd.	90,525,828.97	Due to historical reasons, there is no certificate
Mianyang Fuda Asset Operation Co., Ltd.	50,346,853.05	The original unit did not process the certificate of ownership and the information was incomplete
Mianyang Airport (Group) Co., Ltd. - Multiple-functional building	33,197,137.94	In the process
Sichuan Longwei Security Service Co., Ltd.	10,502,977.27	In the process
Pingwu County Shuhan Tourism Development Co., Ltd.	9,343,778.85	In the process
Gas station of Mianyang High-grade Highway Development Co., Ltd.	2,803,455.76	In the process
Total	**1,054,425,355.07**	

18. Construction in progress

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction in progress	6,389,536,115.13	22,344,307.24	6,367,191,807.89	5,241,833,899.92	23,344,307.24	5,218,489,592.68
Project materials	387,104.99		387,104.99	759,167.47		759,167.47
Total	**6,389,923,220.12**	**22,344,307.24**	**6,367,578,912.88**	**5,242,593,067.39**	**23,344,307.24**	**5,219,248,760.15**

(1) Changes in significant construction in progress during the year

Project name	Opening balance	Increase	Transferred to fixed assets during the year	Other decreases during the year	Closing balance
Xiaojiangou urbanization construction	775,792,071.08	291,370,246.68			1,067,162,317.76
Land consolidation on Xianhai Avenue	684,194,806.14	40,748,588.41			724,943,394.55
037 Kaimao Reservoir, the Second Water Source	352,913,438.51	304,405,612.41			657,319,050.92
Sanjiang Hospital project	289,164,569.82	296,783,941.13			585,948,510.95
Total	**2,102,064,885.55**	**933,308,388.63**			**3,035,373,274.18**

19. Right-of-use assets

Item	Opening balance	Increase	Decrease	Closing balance
Total original book value	**84,806,649.15**	**9,298,308.49**	**285,051.31**	**93,819,906.33**
Including: Land and buildings	84,806,649.15	9,298,308.49	285,051.31	93,819,906.33
Total accumulated depreciation (amortization)	**17,393,941.33**	**10,876,847.14**	**29,645.06**	**28,241,143.41**
Including: Land and buildings	17,393,941.33	10,876,847.14	29,645.06	28,241,143.41
Total impairment provision				
Including: Land and buildings				
Total book value	**67,412,707.82**			**65,578,762.92**
Including: Land and buildings	67,412,707.82			65,578,762.92

20. Intangible assets

(1) Classification of intangible assets

Item	Opening balance	Increase	Decrease	Closing balance
Total original value	**2,350,642,709.35**	**60,578,005.83**	**848,984.89**	**2,410,371,730.29**
Including: Software	57,830,965.86	11,047,507.21	476,888.89	68,401,584.18
Land use rights	910,778,109.17	38,805,385.21	372,096.00	949,211,398.38
Patent	179,431.07	80,269.51		259,700.58
Concession	1,381,007,940.07	10,644,843.90		1,391,652,783.97
Copyright	846,263.18			846,263.18
Total accumulated amortization	**376,910,131.99**	**67,143,943.29**	**830,049.41**	**443,224,025.87**
Including: Software	22,056,803.41	5,227,832.90	476,888.89	26,807,747.42
Land use rights	150,150,201.77	15,812,773.45	353,160.52	165,609,814.70
Patent	67,564.79	38,814.87		106,379.66
Concession	204,559,433.30	46,010,784.15		250,570,217.45
Copyright	76,128.72	53,737.92		129,866.64
Total impairment provision	**46,525,504.95**			**46,525,504.95**
Including: Software				
Land use rights				
Patent				
Concession	46,525,504.95			46,525,504.95
Copyright				
Total book value	**1,927,207,072.41**			**1,920,622,199.47**
Including: Software	35,774,162.45			41,593,836.76
Land use rights	760,627,907.40			783,601,583.68
Patent	111,866.28			153,320.92

Item	Opening balance	Increase	Decrease	Closing balance
Concession	1,129,923,001.82			1,094,557,061.57
Copyright	770,134.46			716,396.54

21. Goodwill

Name of investee or events from which goodwill arise	Opening balance	Increase	Decrease	Closing balance
Investment by Mianyang City Water Supply Co., Ltd. in Mianyang High-Tech Zone Water Supply Co., Ltd.	1,952,648.50			1,952,648.50
Investment by Mianyang Jiaofa Industry Co., Ltd. Mianyang Xike Printing Co., Ltd.	235,960.49			235,960.49
Total	**2,188,608.99**			**2,188,608.99**

22. Long-term deferred expenses

Item	Opening balance	Increase	Amortization during the year	Other decreases during the year	Closing balance
Decoration cost	97,554,570.03	42,469,928.36	35,498,452.88	2,596,627.35	101,929,418.16
T2 International Terminal Project	55,718,814.76			55,718,814.76	
Others	55,796,722.00	108,727,215.94	45,762,437.03	5,539,408.64	113,222,092.27
Total	**209,070,106.79**	**151,197,144.30**	**81,260,889.91**	**63,854,850.75**	**215,151,510.43**

Note: Transferred to fixed assets for presentation based on the progress and sorting of the current year's engineering completion audit.

23. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities are not presented as net amounts after offsetting

Item	Closing balance		Opening balance	
	Deferred tax assets/Liabilities	Deductible/Taxable temporary difference	Deferred tax assets/Liabilities	Deductible/Taxable temporary difference
I. Deferred tax assets	**79,545,478.80**	**363,066,281.92**	**60,972,415.45**	**275,737,136.95**
Bad debt provision	53,306,790.01	223,909,141.60	12,480,797.15	59,567,869.94
Provision for decline in value of inventories			52,512.64	350,084.26
Decrease in fair value changes			1,318,869.78	6,035,114.80
Recoverable loss			20,339,295.67	81,357,182.68
Others	26,238,688.79	139,157,140.32	26,780,940.21	128,426,885.27
II. Deferred tax Liabilities	**276,658,094.45**	**1,133,953,593.20**	**287,179,541.45**	**1,158,813,605.57**
Increase in fair value changes	276,658,094.45	1,133,953,593.20	287,179,541.45	1,158,813,605.57

24. Other non-current assets

(1) Details of projects

Item	Closing balance	Opening balance
Municipal engineering projects entrusted by the government to be settled	17,567,420,615.97	16,358,046,839.45
Post-disaster reconstruction asset package of the Department of Transportation of Mianyang City (Note 1)	2,509,280,836.05	2,509,280,836.05
Escrow assets	1,430,000,000.00	1,430,000,000.00
Assets to be transferred by the Department of Transportation of Mianyang City (Note 2)	470,797,300.00	470,797,300.00
Accumulated investment and operating balance of "private to public" schools	200,909,633.34	200,909,633.34
Assets of D-prefaced trainsets	41,636,920.95	43,691,132.91
Input tax to be deducted	17,131,989.41	88,049,311.76
Housing maintenance fund	1,450,951.47	1,337,780.85
Buildings	643,453.00	643,453.00
Others	443,446,163.21	631,708,330.90
Total	**22,682,717,863.40**	**21,734,464,618.26**

Note 1: According to the *Notice on Establishing Mianyang Communications Development Group Co., Ltd.* (MFF [2013] No. 2) issued by the Mianyang Municipal People's Government and N*otice on Transferring Post-disaster Transportation Reconstruction Assets to Mianyang Communications Development Group for Accounting* (MJH [2017] No. 16) issued by the Department of Transportation of Mianyang City, the Department of Transportation of Mianyang City transferred the asset packages of the post-disaster transportation reconstruction project implemented by it to Mianyang Communications Development Group, a subsidiary of the Company according to the book cumulative investment of RMB 2,509,280,800 as of December 31st, 2016 (the final amount shall be subject to the approval amount of financial completion and financial settlement). On September 20th, 2017, according to the *Notice on Transferring Post-disaster Transportation Reconstruction Investments to Hengtong Construction Engineering for Accounting Purposes* (MJFSF [2017] No. 87), Mianyang Communications Development Group transferred the asset package to Hengtong Construction Engineering, a subordinate subsidiary. During the year, the Group presented other non-current assets and capital reserves based on the cumulative completed investments as of the closing date of the transfer.

Note 2: As of the end of 2023, the Company's subsidiary Mianyang High-grade Highway Development Co., Ltd. has allocated a total of RMB 454.21 million to the Department of Transportation of Mianyang City for the construction of key transportation projects in accordance with the requirements of the Mianyang Municipal People’s Government including

the Fujiang Second Bridge, the waveform guardrail of national and provincial trunk roads, and the Niujiaoji Tunnel Project. According to the statement issued by the Department of Transportation of Mianyang City, the fixed assets formed by the investment of the funds will be transferred to Mianyang High-Grade Highway Development Co., Ltd. The relevant assets have not yet been transferred.

According to the guidance and spirit of the *Notice of Mianyang Municipal People's Government Office on Printing and Distributing the "Internet plus" Key Work Plan of Mianyang in 2017* (MFBH [2017] No. 50) and the *Reply of Mianyang Municipal Finance Bureau on the Construction of Traffic Operation Monitoring and Emergency Command System* (MCJF [2017] No. 3), the Company's subsidiary Mianyang Transportation Development Group Co., Ltd. has signed a cooperation agreement with the Department of Transportation of Mianyang City regarding the project of traffic operation detection and emergency command system (including taxi information system), and it is agreed that the Company has invested no more than RMB 16.5873 million, and the assets formed by the investment shall be treated as the Company's assets in accordance with the spirit of the *Notice on Establishing Mianyang Transportation Development Group Co., Ltd.* (MFF [2013] No. 20) issued by the Municipal People's Government. The above matters are implemented by Mianyang Jiaofa Shunda Taxi Co., Ltd., a subsidiary of Mianyang Transportation Development Group Co., Ltd. As of the end of 2023, Mianyang Jiaofa Shunda Taxi Co., Ltd. has allocated RMB 16.5873 million to the Department of Transportation of Mianyang City, and the relevant assets have not yet been transferred.

Note 3: Issues about accumulated investment and operating balance of "private to public" schools

According to the *Announcement on the Autumn Enrollment of Schools in the Compulsory Education Stage of Mianyang City in 2022* issued by the Education and Sports Bureau of Mianyang City (hereinafter referred to as the "Municipal Education and Sports Bureau") on May 17th, 2022, the "Sichuan Mianyang Foreign Language School and Mianyang Foreign Language Experimental School" under the Group's subsidiary Mianyang Talent Development Group Co., Ltd. (hereinafter referred to as "Talent Development Group") are listed as "private to public compulsory education schools"(hereinafter referred to as "private to public" schools). In addition, according to the *Approval for the Conversion of Four Schools, including Sichuan Mianyang Foreign Language School into Public Schools* issued by the Mianyang Municipal People's Government to the Municipal Education and Sports Bureau on October 11th, 2022 (MFPF [2022] No. 284), the Group and Talent Group will no longer include the two schools mentioned above in the consolidation scope from September 1st,2022 (2022/2023 academic year).

According to Article 5 of the *Law of the People's Republic of China on the Promotion of Private Education*, Article 12 of the *Implementation Regulations of the Law of the People's Republic of China on the Promotion of Civil Education*, Article 1 (2) of the *Implementation Plan for Standardizing the Development of Private Compulsory Education in Mianyang City* "adhere to legal norms, respect history, strengthen systematic and comprehensive governance, and safeguard the legitimate rights and interests of relevant entities" and Article 3 (10) "all departments in various regions shall strengthen their preparation for the worst-case-scenarios, fully listen to the opinions and suggestions of schools, faculty, parents, organizers, and other relevant parties, pay attention to work methods, and protect the legitimate rights and interests of school teachers, students, and organizers in accordance with laws and regulations", the Talent Group will actively coordinate with the competent departments in accordance with the requirements of the Mianyang State-owned Assets Supervision and Administration Commission regarding the disposal of assets and debts related to the two schools after the "private to public", as well as the identity of the Talent Group as the school organizer, historical investment, and educational returns. The Talent Group will also request the municipal government to pay consideration or compensation for the rights and interests of the organizers of the historical investment and educational accumulation of the two schools before the conversion from private to public. According to the *Statement on the Assets of "Private to Public" Schools Attached to the Talent Group* issued by the Mianyang State-owned Assets Supervision and Administration Commission, the Talent Group has a total of RMB 200,909,633.34 of organizer's equity in the historical investments and accumulation of the operation of the two schools before they were transferred to the public schools. In order to ensure the normal operation of the two schools, the Group will actively coordinate with the Finance Bureau, Municipal Education and Sports Bureau, and other departments no later than December 31st, 2023, and request approval from the Municipal Government to pay corresponding consideration or compensation for the historical investment and educational accumulation of the two schools enjoyed by the Company before their conversion to public ownership. If there are any deficiencies, the state-owned capital rights and interests will be reduced in accordance with laws and regulations. The relevant matters are still under consideration. The rolling balance as of August 31st, 2022 of the Talent Group's historical investment in the two schools before their conversion to public ownership and the accumulation of the schools' entitlement to the organizer's interest is presented as other non-current assets in the financial statements of the Talent Group and the Group.

(2) Main municipal engineering projects entrusted by the government to be settled

Item	Closing balance	Opening balance
Infrastructure Project for the Science, Education and Innovation Zone	1,643,670,980.27	1,531,239,820.10
Sanxing Community Resettlement Housing Project	955,615,424.10	943,937,378.23
East Extension Project of the First Ring Road North Section	933,000,109.29	865,178,670.25
Horticultural New District Project	921,654,407.46	800,132,155.67
Sanglin Dam Project	805,918,710.82	775,515,371.30
Anzhou to Jushui First Class Highway (S418 Line) Construction Project	723,845,937.49	774,363,953.95
East Extension Project of the First Ring Road South Section	771,566,318.80	713,916,382.04
Yuewang Tower Construction Project	706,935,627.09	666,783,462.14
Xiyuan Public Rental Housing	560,753,919.82	557,723,895.54
Tangxun Public Rental Housing Phase I	523,275,969.98	522,526,433.45
Reconstruction Project of Zitong County to Jiangyou Hekou Section (S209 Line)	455,780,013.51	476,233,241.26
Jiannan Road Reconstruction Project	459,311,667.17	459,311,667.17
Public Rental Housing Project for Teachers	330,176,864.98	324,673,880.43
Banqiao Community Resettlement Housing Project		317,835,310.76
First Ring Road South Section Project	408,241,411.74	316,758,393.29
Municipal Party School Relocation Project	351,965,844.46	313,753,034.32
Construction Project of No. 1 and No. 4 Roads in the Education Park	294,902,504.79	294,902,504.79
Grain Logistics Center	289,708,956.42	289,708,956.42
Vehicle Management Center	245,439,213.76	240,602,060.68
Industrial and Commercial Bureau Office Building	287,202,883.78	210,457,690.28
Technical Housing Project of Municipal Public Security Bureau	204,903,534.87	168,751,712.43
National Defense Education Base	40,266.14	140,500,478.21
South Binhe Road Comprehensive Reconstruction Project(Anchangqiao to Baiyi'an）	121,574,336.62	139,833,190.00
Projects of the Environmental Protection Bureau, Justice Bureau, etc.	195,902,183.25	130,566,592.59
Party History and Archives Group Project	135,626,105.80	127,419,416.80
Employment Skills Training Program	165,436,964.97	118,512,330.91
Shengshui Community	115,594,378.88	115,594,378.88
Shangma Regional Construction Project	103,943,690.21	102,102,029.20
Total	**12,711,988,226.47**	**12,438,834,391.09**

25. Short-term loans

(1) Classification of short-term loans

Type of loan	Closing balance	Opening balance
Credit loans	3,735,369,565.00	2,790,589,160.00
Guaranteed loans	4,721,183,402.52	2,948,083,709.06

Type of loan	Closing balance	Opening balance
Mortgage loans	2,799,464,144.45	1,550,875,200.00
Pledged loans	1,705,174,886.12	1,071,926,136.32
Interest payable	12,880,330.50	
Total	**12,974,072,328.59**	**8,361,474,205.38**

(2) Situation of overdue short-term loans

The mortgage loan included the principal of a financial entrusted loan of RMB 6 million obtained by Mianyang Fuhai Asset Management Co., Ltd. (hereinafter referred to as "Fuhai Asset") from the Mianyang Xinhua sub-branch of ICBC in 2007, which was expired on January 30th, 2008. According to the records of the Enterprise Credit Report, by the end of 2023, the accumulated unpaid interest was approximately RMB 30.87 million. (approximately RMB 26.99 million at the end of 2022) Fuhai Asset has applied to the Mianyang State-owned Assets Supervision and Administration Commission to coordinate with the Mianyang Municipal Finance Department to exempt the principal and interest of the Municipal Finance Special Entrusted Loan. The Mianyang Municipal Finance Department has requested instructions from the Mianyang Municipal People's Government regarding this matter, and has not yet obtained approval from the Mianyang Municipal People's Government. Fuhai Asset has suspended interest calculation since 2021, but has not obtained the written consent of the borrowing bank.

26. Bills payable

Category	Closing balance	Opening balance
Bank acceptance bills	2,492,937,632.86	1,971,700,000.00
Total	**2,492,937,632.86**	**1,971,700,000.00**

27. Accounts payable

(1) Aging of accounts payable

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	2,343,607,813.49	1,495,523,752.22
1-2 years (including 2 years)	713,150,354.84	272,245,099.58
2-3 years (including 3 years)	219,825,385.13	221,421,799.79
More than 3 years	558,903,190.30	446,929,344.49
Total	**3,835,486,743.76**	**2,436,119,996.08**

(2) Significant accounts payable aged over one year

Name of debtor	Debtor name	Closing balance	Aging	Note
Mianyang Airport (Group) Co., Ltd.	China Construction Fourth Engineering Division Corp. Ltd	67,189,510.24	1-3 years	Not yet settled
Mianyang Public Traffic Group Co., Ltd.	Sinotruk Group Jinan Howo Bus Co., Ltd.	42,172,800.00	More than 3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Bohong Construction Service Co., Ltd.	28,992,315.69	0-3 years and more than 3 years	Not yet settled
Mianyang Water (Group) Co., Ltd.	China Railway First Group Co., Ltd.	25,100,390.72	1-2 years	Not yet settled
Mianyang Airport (Group) Co., Ltd.	Xiamen Panport Intelligent Technology Co., Ltd.	24,178,490.87	1-2 years and 2-3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Sichuan Baotong Logistics Co., Ltd.	21,155,227.37	1-3 years and more than 3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Huarui Haozhen Trading Co., Ltd.	16,024,549.45	1-3 years and more than 3 years	Not yet settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Land Acquisition and Demolition Headquarters	15,358,791.65	More than 3 years	Not yet settled
Mianyang Airport (Group) Co., Ltd.	China Construction Eighth Engineering Division Decoration Co., Ltd.	14,060,802.70	1-2 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Baolai Construction Service Co., Ltd.	11,808,435.79	0-3 years and more than 3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Huashun Trading Co., Ltd.	11,652,529.08	0-3 years and more than 3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Sichuan Kaize Construction Co., Ltd.	10,093,026.75	1-3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Shujian Construction Service Co., Ltd.	10,018,213.58	0-3 years and more than 3 years	Not yet settled
Headquarters of Sichuan Jia Lai Construction Engineering Co., Ltd.	Sichuan Dingheng Construction Engineering Co., Ltd.	9,212,378.83	1-2 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang ChiXiang Construction Engineering Co., Ltd.	9,088,410.59	1-3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Yixing Construction Service Co., Ltd.	8,311,186.50	0-3 years and more than 3 years	Not yet settled

Name of debtor	Debtor name	Closing balance	Aging	Note
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Weimin Construction Engineering Co., Ltd.	8,081,178.28	1-3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Baoying Trading Co., Ltd.	7,807,972.03	0-3 years and more than 3 years	Not yet settled
Headquarters of Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Sanjiang Trading Co., Ltd.	7,293,382.44	1-2 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Xinxinyi Building Materials Sales Co., Ltd.	6,702,745.19	0-3 years and more than 3 years	Not yet settled
Mianyang Airport (Group) Co., Ltd.	Beijing Municipal Government No.6 Construction Engineering Co., Ltd.	6,432,145.76	1-2 years	Not yet settled
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	6,362,759.70	More than 3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Hongmansheng Trading Co., Ltd.	6,329,765.26	0-3 years and more than 3 years	Not yet settled
Mianyang Water (Group) Co., Ltd.	China Machinery Industry Construction Group Inc.	5,844,783.03	2-3 years	Not yet settled
Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd.	Mianyang Fude Construction Labor Co., Ltd.	5,759,980.13	More than 3 years	Not yet settled
Sichuan Jia Lai Construction Engineering Co., Ltd.	Santai County Meichun Building Materials Trading Co., Ltd.	5,636,884.11	More than 3 years	Not yet settled
Mianyang Investment Holding (Group) Co., Ltd.	Anzhou District People's Government	5,000,000.00	2-3 years	Not yet settled
Total		**395,668,655.74**		

28. Advances from customers

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	64,322,271.58	46,062,053.92
More than 1 year	1,915,131.98	20,934,742.18
Total	**66,237,403.56**	**66,996,796.10**

29. Contract liabilities

Item	Closing balance	Opening balance
Advance payment for goods (Note)	4,767,182,605.44	762,516,824.56
Project funds received in advance	263,588,377.35	208,281,395.41
Student tuition, living expenses, accommodation, etc.	226,865,593.89	218,070,343.60
Service payment received in advance	69,054,081.71	10,872,415.36
Driving training	10,970,095.24	14,265,580.51
Other payments	9,034,559.23	8,629,812.13
Total	**5,346,695,312.86**	**1,222,636,371.57**

Note: At the end of the year, the balance of contract liabilities increased significantly mainly due to the commencement of the pre-sale of the real estate projects developed by the Group, i.e. Jiuhuafu and Jingshang Jianglan of Jingyuan Real Estate, during the year and the receipt of advance receipts of approximately RMB 4,595 million.

30. Employee benefits payable

(1) Employee benefits payable by category

Item	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	168,912,953.27	1,409,261,676.35	1,376,887,962.28	201,286,667.34
Post-employment benefits-defined contribution plans	10,753,790.28	189,539,786.68	196,375,175.79	3,918,401.17
Termination benefits	2,347,044.51		2,036,361.17	310,683.34
Other benefits due within one year	55,417.57	1,895,781.62	1,209,660.73	741,538.46
Total	**182,069,205.63**	**1,600,697,244.65**	**1,576,509,159.97**	**206,257,290.31**

(2) Short-term employee benefits

Item	Opening balance	Increase	Decrease	Closing balance
Salary, bonus, allowance and subsidies	138,846,469.34	1,149,516,507.83	1,111,721,894.47	176,641,082.70
Staff welfare	3,849,437.94	36,436,022.88	36,278,112.94	4,007,347.88
Social insurance	6,925,107.95	80,703,743.33	82,885,534.82	4,743,316.46
Including: Medical insurance	6,688,752.23	74,028,741.32	76,106,277.43	4,611,216.12
Work-related injury insurance	119,974.58	3,604,496.89	3,691,271.26	33,200.21

Item	Opening balance	Increase	Decrease	Closing balance
Maternity insurance	116,381.14	3,070,505.12	3,087,986.13	98,900.13
Housing provident fund	233,752.96	90,023,812.30	89,989,033.00	268,532.26
Labor union funds and staff education funds	17,076,169.15	22,825,485.80	25,075,412.90	14,826,242.05
Short-term paid absences				
Other short-term employee benefits	1,982,015.93	29,756,104.21	30,937,974.15	800,145.99
Total	**168,912,953.27**	**1,409,261,676.35**	**1,376,887,962.28**	**201,286,667.34**

(3) Defined contribution plans

Item	Opening balance	Increase	Decrease	Closing balance
Basic pension insurance	3,743,902.38	156,806,616.15	160,546,999.33	3,519.20
Unemployment insurance	134,854.55	5,922,131.57	6,034,825.89	22,160.23
Enterprise annuity contributions	6,875,033.35	26,811,038.96	29,793,350.57	3,892,721.74
Total	**10,753,790.28**	**189,539,786.68**	**196,375,175.79**	**3,918,401.17**

31. Taxes payable

Item	Closing balance	Opening balance
Land value-added tax	47,312,520.47	21,453,166.11
Corporate income tax	175,804,661.96	165,144,369.83
Value-added tax (VAT)	130,058,393.06	294,236,039.33
City construction tax	18,578,773.38	16,786,335.84
Property tax and land use tax	18,773,095.25	13,758,104.83
Deed tax	99,159.30	928,500.38
Water resource tax	2,778,491.77	2,778,491.77
Individual income tax	2,082,265.46	1,698,519.13
Other taxes	68,589,058.53	14,668,636.77
Total	**464,076,419.18**	**531,452,163.99**

32. Other payables

Item	Closing balance	Opening balance
Interest payable	22,174,460.20	21,815,610.85
Dividends payable / profits payable	58,287,943.70	58,287,943.70
Other payables	5,656,751,853.61	4,960,261,566.00
Total	**5,737,214,257.51**	**5,040,365,120.55**

(1) Interest payable

Item	Closing balance	Opening balance
Interest payable on financial entrusted loan of ICBC (Note)	22,174,460.20	21,815,610.85
Total	**22,174,460.20**	**21,815,610.85**

Note: The interest payable is related to the financial entrusted loan obtained by Fuhai Asset, a subsidiary of Mianyang Grain and Oil Group Co., Ltd from the Mianyang Xinhua branch of ICBC, the principal and interest of the loan are overdue, please refer to the relevant details disclosed in "VIII. 25. Short-term loans" in this note.

(2) Dividends payable

Item	Closing balance	Opening balance
Ordinary stock dividend	58,287,943.70	58,287,943.70
Total	**58,287,943.70**	**58,287,943.70**

(3) Other payables

1) Other payables presented by aging

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	2,343,170,017.66	1,629,963,734.96
Over 1 year	3,313,581,835.95	3,330,297,831.04
Total	**5,656,751,853.61**	**4,960,261,566.00**

2) Significant other payables aged over one year

Name of debtor	Name of counterparty (entity)	Closing balance	Note
Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	China Academy of Engineering Physics Institute of Materials Research	936,766,584.06	Purchase sincerity fund
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jurong Equity Investment Fund Management Co., Ltd.	590,000,000.00	Project contribution
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Changhong Electronic (Group) Co., Ltd.	490,000,000.00	Project contribution
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	540,838,562.00	Payment on behalf
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jiuzhou Investment Holding Group Co., Ltd.	300,000,000.00	Project contribution
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Xinxing Investment Holdings Co., Ltd.	100,000,000.00	Project contribution
Total		**2,957,605,146.06**	

3) Details of other important payables at the end of the period

Name of debtor	Name of counterparty (entity)	Closing balance	Proportion (%)
Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	China Academy of Engineering Physics Institute of Materials Research	936,766,584.06	16.56
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jurong Equity Investment Fund Management Co., Ltd.	590,000,000.00	10.43
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Changhong Electronic (Group) Co., Ltd.	490,000,000.00	8.66
Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Bureau of Finance	540,838,562.00	9.56
Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jiuzhou Investment Holding Group Co., Ltd.	300,000,000.00	5.30
Total		**2,857,605,146.06**	**50.52**

33. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term loans due within one year	5,947,170,288.20	7,805,258,735.75
Debentures payable due within one year	12,290,764,613.37	8,106,453,839.10
Long-term payables due within one year	1,039,666,703.53	1,349,636,810.71
Other long-term liabilities due within one year	10,225,539.05	9,073,889.86
Interest payable	57,474,833.84	
Total	**19,345,301,977.99**	**17,270,423,275.42**

34. Other current liabilities

Item	Closing balance	Opening balance
Output tax to be written off	481,370,314.72	176,910,374.67
Accrued loan interest not yet due for interest payment		45,000,264.03
Bank acceptance bills endorsed but not expired	2,245,314.70	35,235,459.01
Beichuan New County City Water Supply and Drainage Operation Management Transfers Asset Related Liabilities(Note)		5,170,468.85
Others	12,871,193.22	44,164,834.75
Total	**496,486,822.64**	**306,481,401.31**

Note: The water supply and drainage operation management for Beichuan New County City originally entrusted by Beichuan Water Environment Resources Co., Ltd. ((hereinafter referred to as "Beichuan water"), has been transferred to Beichuan Qiang Autonomous County Yuqiang Investment Co., Ltd. In 2016. The settlement work with the relevant departments of the Beichuan government is still in progress, so all related liabilities will be recorded as other current liabilities.

35. Long-term loans

Type of loan	Closing balance	Opening balance
Pledged and credit-guaranteed loans	1,376,884,380.64	1,898,864,354.66
Pledged loans	2,057,144,416.91	4,522,988,574.03
Mortgage loans	2,584,435,038.62	887,100,000.00
Credit guaranteed	10,452,084,860.00	10,516,168,355.22
Credit loans	4,508,326,432.42	6,414,811,107.00
Subtotal	20,978,875,128.59	24,239,932,390.91
Less: Long-term loans due within one year	5,947,170,288.20	7,805,258,735.75
Total	**15,031,704,840.39**	**16,434,673,655.16**

36. Bonds payable

(1) Bonds payable by category

Item	Closing balance	Opening balance
18 Mianyang Investment 01 Bond		931,744,214.02
18 Mianyang Investment 02 Bond		547,212,753.42
18 Mianyang Investment 03 Bond		413,464,767.65
19 Mianyang Holding 01 Bond	2,095,954,204.68	2,094,799,186.25
21 Sichuan Mianyang Investment ZR001	21,136,936.25	23,304,342.45
19 Mianyang Holding 02 Bond	1,040,734,504.16	1,039,445,527.64
21 Sichuan Mianyang Investment ZR002	399,280,645.61	440,478,024.29
19 Mianyang Holding 03 Bond	519,707,842.49	522,316,825.94
19 Mianyang Investment 01	1,516,072,715.28	1,514,129,341.52
21 Sichuan Mianyang Investment ZR003 Bond Financing	1,016,361,863.95	1,017,326,027.40
19 Sichuan Mianyang Investment PPN001	180,357,697.26	172,867,534.25
20 Mianyang Investment 01		1,028,743,785.21
20 Sichuan Mianyang Investment MTN001	138,080,680.58	1,026,875,251.66
20 Sichuan Mianyang Investment MTN002	824,944,100.06	1,023,741,493.46
20 Sichuan Mianyang Investment PPN001	142,192,622.95	1,550,433,240.77
21 Sichuan Mianyang Investment PPN001	523,408,954.04	522,803,347.64
21 Mianyang Investment 01		520,045,744.80
21 Mianyang Holding 01		1,033,779,049.07
21 Mianyang Holding 02		649,363,579.64
21 Mianyang Investment 02	611,259,368.64	610,623,152.96
21 Mianyang Holding 03	1,094,227,965.64	1,093,199,783.40
21 Mianyang Holding 04	63,515,266.63	653,318,116.95

Item	Closing balance	Opening balance
21 Mianyang Holding Y1	270,035,622.04	269,774,128.92
22 Mianyang Holding 01	852,817,923.80	852,018,851.52
22 Mianyang Holding 02	505,807,815.62	499,349,589.18
22 Mianyang Investment 01	523,809,959.91	523,280,658.87
22 Sichuan Mianyang Investment PPN001	1,029,588,993.31	1,028,531,577.87
22 Mianyang Investment 02	612,497,273.24	611,860,670.68
22 Mianyang Holding 03		332,772,579.49
22 Mianyang Investment 03 Bond	812,787,063.08	811,935,798.16
22 Sichuan Mianyang Investment MTN001	1,012,731,192.99	1,012,199,220.19
22 Sichuan Mianyang Investment PPN002	1,012,998,043.58	1,012,368,194.58
22 Overseas US dollar bonds	2,174,696,410.80	2,136,470,675.93
22 Sichuan Mianyang Investment PPN003	499,195,493.07	498,688,018.27
22 Mianyang Investment Renewable Corporate Bonds	359,868,579.11	359,242,162.50
23 Mianyang Holding 01 Private Placement of Corporate Bonds	1,049,217,583.31	
23 Sichuan Mianyang Investment PPN001	1,392,166,682.22	
23 Sichuan Mianyang Investment PPN002	593,370,607.92	
23 Mianyang Holding 02 Private Placement of Corporate Bonds	1,001,469,360.09	
23 Mianyang Holding 03 Bond	401,730,184.67	
23 Mianyang Holding 04 Bond	308,001,994.45	
23 Mianyang Holding 05 Bond	605,308,463.79	
23 Mianyang Holding 06 Bond	1,715,200,464.98	
20 Corporate Bond		1,226,465,753.42
21 Medium-term Note	1,031,304,109.59	1,031,304,109.59
22 Medium-term Note MTN001	937,884,821.92	937,884,821.92
22 Medium-term Note MTN002	103,464,109.59	103,940,821.92
23 Mianyang transportation 01	1,247,539,726.03	
23 Mianyang transportation 02	813,812,602.74	
2019 income bond of Mianyang Urban Parking Lot construction project (phase I)	453,154,083.28	477,453,521.71
Subtotal	**31,507,694,533.35**	**32,155,556,245.11**
Less: Debentures payable due within one year	12,290,764,613.37	8,106,453,839.10
Total	**19,216,929,919.98**	**24,049,102,406.01**

(2) Changes in the amount of debentures payable (excluding financial instruments such as preferred stocks and perpetual bonds classified as equity instruments)

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Opening balance	Issuance during the year	Interest accrued at face value	Amortisation of premium and discount	Repayment during the year	Closing balance
18 Mianyang Investment 01 Bond	895,000,000.00	2018-3-30	3+2	890,007,400.06	931,744,214.02		11,552,206.80	928,579.18	944,225,000.00	
18 Mianyang Investment 02 Bond	530,000,000.00	2018-4-26	3+2	524,290,213.74	547,212,753.42		7,710,521.58	4,226,725.00	559,150,000.00	
18 Mianyang Investment 03 Bond	400,000,000.00	2018-8-17	3+2	397,488,301.89	413,464,767.65		8,241,095.88	294,136.47	422,000,000.00	
19 Mianyang Holding 01 Bond	2,000,000,000.00	2019-3-13	3+2	1,988,679,245.27	2,094,799,186.25		119,800,000.00	1,155,018.43	119,800,000.00	2,095,954,204.68
21 Sichuan Mianyang Investment ZR001	25,000,000.00	2021-3-23	3.00	24,433,962.26	23,304,342.45		1,350,000.00	197,593.80	3,715,000.00	21,136,936.25
19 Mianyang Holding 02 Bond	1,000,000,000.00	2019-4-2	3+2	994,339,622.64	1,039,445,527.64	465,000,000.00	54,900,000.00	1,288,976.52	519,900,000.00	1,040,734,504.16
21 Sichuan Mianyang Investment ZR002	475,000,000.00	2021-4-21	3	464,245,283.02	440,478,024.29		25,650,000.00	3,737,621.32	70,585,000.00	399,280,645.61
19 Mianyang Holding 03 Bond	500,000,000.00	2019-5-6	3+2	497,169,811.32	522,316,825.94		29,950,000.00	-2,608,983.45	29,950,000.00	519,707,842.49
19 Mianyang Investment 01	1,500,000,000.00	2019-9-26	5	1,490,801,886.80	1,514,129,341.52		66,750,000.00	1,943,373.76	66,750,000.00	1,516,072,715.28
21 Sichuan Mianyang Investment ZR003 Bond Financing	1,000,000,000.00	2021-9-29	3	1,000,000,000.00	1,017,326,027.40		68,000,000.00	-964,163.45	68,000,000.00	1,016,361,863.95
19 Sichuan Mianyang Investment PPN001	1,500,000,000.00	2019-10-29	3+2	1,500,000,000.00	172,867,534.25		87,640,163.01		80,150,000.00	180,357,697.26
20 Mianyang Investment 01	1,000,000,000.00	2020-2-28	3+2	993,867,924.53	1,028,743,785.21		5,996,721.31	2,459,493.48	1,037,200,000.00	
20 Sichuan Mianyang Investment MTN001	1,000,000,000.00	2020-3-10	3+2	994,339,622.62	1,026,875,251.66		36,500,000.00	1,205,428.92	926,500,000.00	138,080,680.58

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Opening balance	Issuance during the year	Interest accrued at face value	Amortisation of premium and discount	Repayment during the year	Closing balance
20 Sichuan Mianyang Investment MTN002	1,000,000,000.00	2020-3-10	5	994,000,000.00	1,023,741,493.46		37,600,000.00	1,202,606.60	237,600,000.00	824,944,100.06
20 Sichuan Mianyang Investment PPN001	1,500,000,000.00	2020-3-23	3+2	1,491,509,433.96	1,550,433,240.77		67,500,000.00	1,759,382.18	1,477,500,000.00	142,192,622.95
21 Sichuan Mianyang Investment PPN001	500,000,000.00	2021-2-8	3+2	497,169,811.32	522,803,347.64		27,500,000.00	605,606.40	27,500,000.00	523,408,954.04
21 Mianyang Investment 01	500,000,000.00	2021-3-5	3+2	497,169,811.32	520,045,744.80		29,195,575.35	1,807,679.85	551,049,000.00	
21 Mianyang Holding 01	1,000,000,000.00	2021-4-27	3+2	994,811,320.75	1,033,779,049.07		63,574,136.98	3,590,813.95	1,100,944,000.00	
21 Mianyang Holding 02	630,000,000.00	2021-4-30	3+2	626,731,132.08	649,363,579.64		43,024,900.69	5,163,269.67	697,551,750.00	
21 Mianyang Investment 02	600,000,000.00	2021-8-5	3+2	596,603,773.58	610,623,152.96		33,000,000.00	636,215.68	33,000,000.00	611,259,368.64
21 Mianyang Holding 03	1,080,000,000.00	2021-9-23	3+2	1,074,396,226.42	1,093,199,783.40		64,800,000.00	1,028,182.24	64,800,000.00	1,094,227,965.64
21 Mianyang Holding 04	650,000,000.00	2021-11-3	3+2	646,627,358.49	653,318,116.95		28,874,068.49	588,766.12	619,265,684.93	63,515,266.63
21 Mianyang Holding Y1	270,000,000.00	2021-12-13	3+2	268,599,056.60	269,774,128.92		18,630,000.00	261,493.12	18,630,000.00	270,035,622.04
22 Mianyang Holding 01	820,000,000.00	2022-1-20	2+2+1	815,745,283.02	852,018,851.52		47,150,000.00	799,072.28	47,150,000.00	852,817,923.80
22 Mianyang Holding 02	500,000,000.00	2022-1-26	3+2	464,858,490.57	499,349,589.18		30,000,000.00	6,458,226.44	30,000,000.00	505,807,815.62
22 Mianyang Investment 01	500,000,000.00	2022-2-11	3+2	497,169,811.32	523,280,658.87		29,000,000.00	529,301.04	29,000,000.00	523,809,959.91
22 Sichuan Mianyang Investment PPN001	1,000,000,000.00	2022-4-28	2+2+1	994,339,622.64	1,028,531,577.87		50,000,000.00	1,057,415.44	50,000,000.00	1,029,588,993.31
22 Mianyang Investment 02	600,000,000.00	2022-6-7	3+2	596,603,773.58	611,860,670.68		26,280,000.00	636,602.56	26,280,000.00	612,497,273.24

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Opening balance	Issuance during the year	Interest accrued at face value	Amortisation of premium and discount	Repayment during the year	Closing balance
22 Mianyang Holding 03	320,000,000.00	2022-2-8	1+1+1	318,339,622.64	332,772,579.49	320,000,000.00	18,000,596.18	1,189,064.33	671,962,240.00	
22 Mianyang Investment 03 Bond	800,000,000.00	2022-7-1	3+2	795,471,698.11	811,935,798.16		32,000,000.00	851,264.92	32,000,000.00	812,787,063.08
22 Sichuan Mianyang Investment MTN001	1,000,000,000.00	2022-8-9	3+2	997,169,811.32	1,012,199,220.19		38,000,000.00	531,972.80	38,000,000.00	1,012,731,192.99
22 Sichuan Mianyang Investment PPN002	1,000,000,000.00	2022-8-26	3+2	996,603,773.58	1,012,368,194.58		44,900,000.00	629,849.00	44,900,000.00	1,012,998,043.58
US dollar Bond 02	2,027,520,000.00	2022-8-8	3.00	2,142,581,137.87	2,136,470,675.93	178,944,988.20	140,282,608.49	3,055,315.73	284,057,177.55	2,174,696,410.80
22 Sichuan Mianyang Investment PPN003	500,000,000.00	2022-12-9	3+2	497,169,811.32	498,688,018.27		27,500,000.00	507,474.80	27,500,000.00	499,195,493.07
22 Mianyang Investment Renewable Corporate Bonds	360,000,000.00	2022-12-7	3	358,132,075.47	359,242,162.50	37,358.49	18,000,000.00	589,058.12	18,000,000.00	359,868,579.11
23 Mianyang Holding 01 Private Placement of Corporate Bonds	1,000,000,000.00	2023-2-20	5	997,169,811.32		997,169,811.32	51,616,438.35	431,333.64		1,049,217,583.31
23 Sichuan Mianyang Investment PPN001	1,330,000,000.00	2023-2-14	3+2	1,295,483,018.87		1,325,383,645.28	71,275,694.30	678,927.34	5,171,584.70	1,392,166,682.22
23 Sichuan Mianyang Investment PPN002	570,000,000.00	2023-3-29	3+2	568,064,150.94		568,021,562.26	25,089,369.87	259,675.79		593,370,607.92
23 Mianyang Holding 02 Private Placement of Corporate Bonds	1,000,000,000.00	2023-4-21	5	97,169,811.32		997,169,811.32	4,036,164.39	263,384.38		1,001,469,360.09
23 Mianyang Holding 03 Bond	392,000,000.00	2023-6-19	5	391,260,377.36		392,000,000.00	10,450,290.40	-720,105.73		401,730,184.67
23 Mianyang Holding 04 Bond	300,000,000.00	2023-6-19	5	299,150,943.40		300,000,000.00	8,815,068.49	-813,074.04		308,001,994.45

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Opening balance	Issuance during the year	Interest accrued at face value	Amortisation of premium and discount	Repayment during the year	Closing balance
23 Mianyang Holding 05 Bond	600,000,000.00	2023-9-28	5	598,867,924.53		598,800,000.00	6,458,958.90	49,504.89		605,308,463.79
23 Mianyang Holding 06 Bond	1,700,000,000.00	2023-9-28	5	1,695,188,679.25		1,694,900,000.00	20,095,397.26	205,067.72		1,715,200,464.98
20 Corporate Bond	1,200,000,000.00	2020-7-24	3	1,200,000,000.00	1,226,465,753.42		33,534,246.58		1,260,000,000.00	
21 Medium-term Note	1,000,000,000.00	2021-6-16	3	1,000,000,000.00	1,031,304,109.59		58,000,000.00		58,000,000.00	1,031,304,109.59
22 Medium-term Note MTN001	900,000,000.00	2022-3-23	3	900,000,000.00	937,884,821.92		48,690,000.00		48,690,000.00	937,884,821.92
22 Medium-term Note MTN002	100,000,000.00	2022-4-28	3	100,000,000.00	103,940,821.92		5,323,287.67		5,800,000.00	103,464,109.59
23 Mianyang transportation 01	1,200,000,000.00	2023-5-5	3	1,200,000,000.00		1,200,000,000.00	47,539,726.03			1,247,539,726.03
23 Mianyang transportation 02	800,000,000.00	2023-8-17	3	800,000,000.00		800,000,000.00	13,812,602.74			813,812,602.74
2019 Mianyang Urban Parking	500,000,000.00	2019-11-13	10	500,000,000.00	477,453,521.71		34,805,555.63	895,005.94	60,000,000.00	453,154,083.28
Total	**41,574,520,000.00**			**40,563,820,827.10**	**32,155,556,245.11**	**9,837,427,176.87**	**1,878,395,395.37**	**48,592,153.18**	**12,412,276,437.18**	**31,507,694,533.35**

37. Lease liabilities

Item	Closing balance	Opening balance
Lease payable	65,418,211.26	60,886,452.72
Less: unrecognized financing expenses	10,225,872.14	8,207,603.91
Lease liabilities reclassified to maturity within one year	14,200,356.57	9,073,889.86
Total	**40,991,982.55**	**43,604,958.95**

38. Long-term payables

Item	Closing balance	Opening balance
Long-term payables	9,059,161,565.97	9,047,746,420.20
Special payables	2,996,800,817.35	3,078,383,293.38
Subtotal	**12,055,962,383.32**	**12,126,129,713.58**
Less: long-term payables due within one year	1,039,666,703.53	1,349,636,810.71
Total	**11,016,295,679.79**	**10,776,492,902.87**

(1) Five largest long-term payables at the end of the year

Item	Closing balance	Opening balance
Mianyang City Bureau of Finance	4,851,587,560.07	2,547,007,980.07
Special government debt	1,703,000,000.00	1,703,000,000.00
Sichuan Xingshu Railway Investment Co., Ltd.	462,620,000.00	471,620,000.00
Far Eastern International Financial Leasing Co., Ltd.	446,213,007.93	601,069,214.12
Genertec Universal International Financial Leasing (Tianjin) Co., Ltd.	334,950,000.00	
Total	**7,798,370,568.00**	**5,322,697,194.19**

(2) Five largest special payables at the end of the year

Item	Opening balance	Increase	Decrease	Closing balance
1. National Highway 108 Mianyang Urban Transit section project	400,000,000.00			400,000,000.00
2. Special subsidy for Mianjiu Expressway	315,000,000.00		195,000,000.00	120,000,000.00
3. Teachers' public rental housing	310,187,532.31			310,187,532.31
4. Special government debt for Mianjiang Miansan	270,000,000.00			270,000,000.00
5. Special bond funds for T2 terminal construction project	250,000,000.00			250,000,000.00
Total	**1,545,187,532.31**		**195,000,000.00**	**1,350,187,532.31**

39. Provisions

Item	Closing balance	Opening balance
Estimated expenditure for overhaul and equipment renewal of sewage treatment	232,256,747.40	216,028,163.14
Mianyang High-grade Highway Development Co. Ltd.'s loan interest in China Construction Bank (Note)	144,858,800.00	80,060,000.00
Product quality assurance	105,000.00	956,048.02
Overdue fine on taxes		19,051,580.73
Pending litigation		180,000.00
Total	**377,220,547.40**	**316,275,791.89**

Note: For details on Mianyang High-grade Highway Development Co.Ltd.'s loan interest from China Construction Bank, please refer to Note Ⅸ. Contingencies.

40. Deferred income

Item	Opening balance	Increase	Decrease	Closing balance
Government grant	212,433,041.04	72,332,427.62	66,134,349.42	218,631,119.24

Items relating to government grants:

Item	Opening balance	New subsidy amount for the period	Amounts recognised in non-operating income during the period	Amount charged to other income during the period	Other changes	Closing balance
Equipment upgrading and reconstruction of grain and oil companies and post-disaster reconstruction	60,502,610.91	900,000.00		7,372,148.92	295,862.86	53,734,599.13
Grain logistics center	34,091,531.28	518,631.54		1,546,340.58		33,063,822.24
Pipe network reconstruction project	26,420,256.97	9,597,926.05		1,542,616.82	640,835.65	33,834,730.55
Subsidy for agricultural modernization	20,425,400.00	1,900,000.00		3,000,000.00		19,325,400.00
Subsidy for No.4 and No.5 roads in the Zone	12,511,656.44				1,532,039.56	10,979,616.88
Maintenance station construction and equipment maintenance and update of Road and Bridge Construction Company	11,524,248.57	1,798,000.00		599,289.00	1,299,246.86	11,423,712.71
Subsidies for corporate relief	8,943,408.69			513,497.16		8,429,911.53
Airport construction project	8,534,349.70			574,480.37		7,959,869.33
Automobile passenger transport upgrading and reconstruction project	7,298,283.10			1,012,691.72	842,810.39	5,442,780.99
Intelligent upgrading of grain depot	5,078,212.61	2,719,955.00		158,990.88	1,562,700.00	6,076,476.73
Subsidies for water supply, power supply, heat supply and property management	2,497,538.07	1,000,000.00		1,744,879.62		1,752,658.45
Subsidy fund for quality inspection equipment	1,950,000.00				600,000.00	1,350,000.00
Military grain price difference subsidy and special maintenance subsidy	1,333,053.84	164,333.66		654,041.91	757,072.04	86,273.55

Item	Opening balance	New subsidy amount for the period	Amounts recognised in non-operating income during the period	Amount charged to other income during the period	Other changes	Closing balance
Subsidy for purchasing replacement power stations	1,233,333.30			100,833.39		1,132,499.91
Others	10,089,157.56	53,733,581.37		39,473,191.18	310,780.51	24,038,767.24
Total	**212,433,041.04**	**72,332,427.62**		**58,293,001.55**	**7,841,347.87**	**218,631,119.24**

41. Share capital

Investor name	Opening balance		Increase	Decrease	Closing balance	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
Mianyang State-owned Assets Supervision and Administration Commission	765,000,000.00	90.00			765,000,000.00	90.00
Department of Finance of Sichuan Province	85,000,000.00	10.00			85,000,000.00	10.00
Total	**850,000,000.00**	**100.00**			**850,000,000.00**	**100.00**

42. Capital reserve

Item	Opening balance	Increase	Decrease	Closing balance
I. Capital (share capital) premium				
Other capital reserve	17,648,120,867.04	390,275,347.50		18,038,396,214.54
Total	**17,648,120,867.04**	**390,275,347.50**		**18,038,396,214.54**

Main increase of capital reserve this year:

(1) Subsidiary Mianyang Communication Development Group Co., Ltd. acted as the representative of the contributor of the Jiuzhaigou-Mianyang Expressway Project appointed by the Mianyang Municipal Government, and the Mianyang Municipal Government arranged for the relevant monetary contributions, and increased the capital surplus by RMB 248,000,000 in respect of the contributions received from the Mianyang Municipal Government in the current year;

(2) Subsidiary Mianyang Jiaofa Hengtong Construction Engineering Co., Ltd. received special funds allocated by the Mianyang Municipal Bureau of Transportation for infrastructure construction of the G108 Mianyang Jiaocheng Section Rerouting Project, which increased the capital surplus by RMB 37,297,600;

(3) According to the Approval Reply of Mianyang Municipal State-owned Assets Commission on Agreeing to the Gratuitous Transfer of Part of the Assets of Mianyang Water (Group) Co., Ltd. (Guo Zi Chan[2023] No. 18), it was agreed that Mianyang Hi Tech Zone Investment Holding (Group) Co., Ltd. would gratuitously transfer 22.47% equity interest in its subsidiary Mianyang High-Tech Zone Water Supply Co., Ltd. to its subsidiary Mianyang Water (Group) Co., Ltd., resulting in an increase in capital surplus of RMB 33,397,600;

(4) The Mianyang Municipal Finance Bureau issued the 2023 Civil Aviation Development Fund for civil aviation infrastructure construction, and Mianyang Airport (Group) Co., Ltd., a subsidiary, increased its capital surplus by RMB 20.06 million.

43. Other comprehensive income

Item	Opening balance	Amount incurred in current year					Closing balance
		Incurred before income tax for the year	Less: Transfer to profit or loss for the period from prior period to other comprehensive income	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount attributable to minority shareholders after tax	
(I) Other comprehensive income that cannot be reclassified into profit or loss	-17,838,101.03	-67,123,110.78		-9,918,750.00	-48,277,485.78	-8,926,875.00	-66,115,586.81
Including: Other comprehensive income not converted into profit or loss under the equity method	-17,838,101.03	-27,448,110.78			-27,448,110.78		-45,286,211.81
Changes in fair value of investments in other equity instruments		-39,675,000.00		-9,918,750.00	-20,829,375.00	-8,926,875.00	-20,829,375.00
(II) Other comprehensive income reclassified into profit and loss	498,054,927.79	-26,513,875.21		-6,608,338.51	-19,905,536.70		478,149,391.09
Profit and loss from changes in fair value of investment property	498,054,927.79	-26,513,875.21		-6,608,338.51	-19,905,536.70		478,149,391.09
Total	**480,216,826.76**	**-93,636,985.99**		**-16,527,088.51**	**-68,183,022.48**	**-8,926,875.00**	**412,033,804.28**

44. Special reserve

Item	Opening balance	Current year accrual	Decrease	Closing balance
Safety production fund	13,089,479.40	6,078,506.13	2,676,839.69	16,491,145.84
Special fund for supporting the aged teaching staff in three experimental schools (Note)	1,399,387.56			1,399,387.56
Total	**14,488,866.96**	**6,078,506.13**	**2,676,839.69**	**17,890,533.40**

Note: The three experimental schools (Mianyang Nanshan Experimental High School, Mianyang Middle School Experimental School and Mianyang Foreign Language Experimental School(It has been transferred from private to public within 2022 and is no longer included in the consolidation scope of the Group at the end of the year)) established by the subsidiary Mianyang Education Investment Development (Group) Co., Ltd. withdraws the basic guarantee fund of retirement endowment insurance for teaching staffs according to the *Reply on Agreeing to the Request for Instructions on Establishing the Basic Guarantee Mechanism of Retirement Endowment Insurance for Teaching Staffs in the Three Experimental Schools issued by Mianyang SASAC and Mianyang Education and Sports Bureau* (MJTH [2021] No. 6). And refers to the *Notice on Printing and Distributing the Administrative Measures for the Withdrawal and Use of Work Safety Expenses of Enterprises* (Cai Zi[2022] No. 136) issued by Ministry of Finance, former State Administration of Work Safety and *Notice on Printing and Distributing the Interpretation of Accounting Standards for Business Enterprises No. 3* (Cai Kuai [2009] No. 8) issued by Ministry of Finance, the Company shall recognise the cost of relevant products (or services) or current profits and losses when withdrawing, and recognise them into special reserves at the same time.

45. Surplus reserve

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	280,645,102.92			280,645,102.92
Total	**280,645,102.92**			**280,645,102.92**

46. Undistributed profits

Item	Current year amount	Prior year amount
Balance at the end of prior year	1,387,567,968.93	1,987,446,202.44
Opening adjustment amount	-81,218,183.89	-18,090,479.53
Opening balance of the current period	1,306,349,785.04	1,969,355,722.91
Increase in current period	42,832,420.38	-493,743,628.10
Including: Transfer in of net profit attributable to owners of parent company (Deducting the part attributable to other equity instruments) in current period	42,832,420.38	-493,743,628.10
Other adjustment factors		

Item	Current year amount	Prior year amount
Current period reduction	179,678,247.38	88,044,125.88
Including: Appropriation to surplus reserves for the year		
Withdrawal of general risk reserve in the current year		
Cash dividends distributed in the current year	179,678,247.38	83,366,957.21
Others		4,677,168.67
Closing balance of the current year	1,169,503,958.04	1,387,567,968.93

47. Operating income and operating costs

Item	Current year amount		Prior year amount	
	Income	Costs	Income	Costs
Principal activities	8,470,780,289.79	7,717,219,741.98	11,304,783,594.37	10,266,553,201.13
Other operating activities	821,471,218.12	399,454,099.43	682,756,823.09	306,857,583.16
Total	**9,292,251,507.91**	**8,116,673,841.41**	**11,987,540,417.46**	**10,573,410,784.29**

Operating income/cost details:

(1) Principal activities

Item	Current year		Prior year	
	Income	Costs	Income	Costs
1. Commodity sales income	3,471,929,706.98	3,386,090,253.99	3,107,288,246.29	3,023,293,817.69
2. Municipal infrastructure construction	129,448,264.83	86,483,929.52	1,778,842,402.21	1,440,597,173.43
3. Income from grain and oil	1,547,578,062.12	1,524,239,838.47	1,744,104,660.97	1,728,462,901.32
4. Project income	556,625,514.60	455,433,905.80	1,381,487,135.24	1,299,881,527.82
5. School income	710,688,600.96	538,954,713.99	946,784,912.09	790,007,565.26
6. Land Consolidation income	29,676,838.09	63,178,380.15	815,138,169.13	899,607,967.60
7. Public transport income	487,520,536.49	682,250,249.02	420,242,985.90	573,142,407.73
8. Water income	427,759,118.66	289,204,578.87	493,786,206.23	264,706,846.15
9. House sales income	740,565,285.49	527,614,107.60	218,743,743.13	126,070,820.16
10. Hotel income	172,734,278.81	93,614,423.75	146,635,348.53	35,190,895.00
11. Others	196,254,082.76	70,155,360.82	251,729,784.65	85,591,278.97
Subtotal	**8,470,780,289.79**	**7,717,219,741.98**	**11,304,783,594.37**	**10,266,553,201.13**

(2) Other operating activities

Item	Current year		Prior year	
	Income	Costs	Income	Costs
1. Service Income	522,562,505.56	342,399,564.10	409,050,952.38	260,342,813.70
2. Rental income	254,286,066.41	37,903,874.06	255,300,397.03	38,896,892.87
3. Other income	44,622,646.15	19,150,661.27	18,405,473.68	7,617,876.59
Subtotal	**821,471,218.12**	**399,454,099.43**	**682,756,823.09**	**306,857,583.16**

48. △Interest income/Interest expense

Item	Current year	Prior year
Interest income	9,998,243.48	4,722,378.09
Including: Loans and advances	9,998,243.48	4,722,378.09
Interest expense		
Net interest income	**9,998,243.48**	**4,722,378.09**

49. Taxes and surcharges

Item	Current year	Prior year
Land value-added tax	46,420,787.04	47,917,349.64
Urban maintenance and construction tax	11,599,204.40	21,669,278.16
Education surcharge (local education surcharge)	8,449,604.75	15,231,561.99
Property tax	23,021,792.93	26,344,841.77
Land use tax	13,577,481.39	16,944,947.10
Stamp duty	13,569,438.21	20,855,875.16
Vehicle and vessel usage tax	382,164.02	412,488.91
Water resource tax	10,800,732.25	10,621,580.66
Others	652,577.92	4,420,094.18
Total	**128,473,782.91**	**164,418,017.57**

50. Selling expenses

Item	Current year amount	Prior year amount
Employee compensation	75,225,177.41	94,833,781.85
Depreciation and amortization expenses	12,703,253.76	21,244,688.73
Airline subsidy	25,129,593.77	13,092,078.13
Utilities and gas bills	7,191,975.76	10,992,638.31
Engineering materials and maintenance	13,110,690.73	17,039,653.06
Rental and property management fees	3,118,029.96	2,610,050.51
Advertising expenses	9,234,195.27	6,419,151.56
Sales commission and agency fee	34,144,244.74	20,803,826.21
Vehicle cost and fuel	1,336,760.79	499,558.55
Office expenses	2,403,853.58	2,703,391.95
Business hospitality expenses	1,958,007.13	1,386,142.11
Business travel expenses	836,411.21	560,164.31
Warehousing, transportation, and handling charges	15,844,257.90	3,570,534.10
Others	21,977,538.63	4,173,899.19
Total	**224,213,990.64**	**199,929,558.57**

51. Administrative expenses

Item	Current year amount	Prior year amount
Employee compensation	492,751,775.86	497,160,745.60
Depreciation and amortization expenses	112,132,158.19	120,490,853.20
Intermediary consultation	20,444,115.08	23,016,407.37
Rental and property management fees	11,865,453.28	9,228,656.77
Maintenance fees	12,522,864.92	12,499,219.99
Office and communication expenses	16,664,493.08	14,397,509.84
Energy cost	6,755,481.90	8,599,559.67
Advertising expenses	4,857,709.31	4,364,420.94
Business travel expenses	3,146,913.80	1,249,719.90
Business hospitality expenses	5,172,372.55	4,714,404.03
Car expenses	3,275,545.12	3,579,511.61
Labor protection fee	2,260,074.48	7,205,291.21
Social security fund for the disabled	2,219,270.22	1,722,781.52
Others	45,619,890.08	33,553,954.43
Total	**739,688,117.87**	**741,783,036.08**

52. Research and development (R&D) expenses

Item	Current year amount	Prior year amount
Current R&D expenditure	5,611,420.31	4,981,600.97
Amortization of intangible assets formed by internal R&D		
Total	**5,611,420.31**	**4,981,600.97**

53. Financial expenses

Financial expenses	Current year amount	Prior year amount
Interest expense	3,277,696,394.37	3,034,157,095.28
Less: Interest income	1,254,952,762.74	1,154,255,188.29
Exchange gains or losses	35,438,967.56	168,737,584.65
Add: Other expenses	273,914,053.53	137,783,991.47
Total	**2,332,096,652.72**	**2,186,423,483.11**

54. Other income

Item	Current year amount	Prior year amount
Government grants (details attached)	1,363,669,668.93	1,211,747,562.20
Tax reduction and refund	10,669,345.41	4,157,029.88
Refund of individual income tax withholding service charge	453,319.40	551,054.86
Total	**1,374,792,333.74**	**1,216,455,646.94**

Items relating to government grants:

Item	Current year amount	Prior year amount
Mianyang Municipal Government operating subsidy funds	850,000,000.00	845,970,000.00
Mianyang Public Traffic Group operating loss subsidy	253,530,000.00	177,450,000.00
Jiangyou Municipal Government operating subsidy funds	102,730,000.00	
Mianyang Civil Aviation Bureau allocates subsidies for Mianyang Airport routes	36,092,194.05	14,441,553.35
Provincial/municipal/district reserve grain and oil subsidies	32,073,700.42	23,546,495.15
Public administration appropriations	25,115,472.91	34,141,057.99
Transportation special grants	15,355,100.00	
Motor car rental subsidy	8,800,000.00	8,800,000.00
Talent security housing subsidy funds	7,370,000.00	
Financial allocation	4,524,912.15	6,647,711.84
Unemployment Insurance to Enterprises for Stabilizing Employment	1,836,832.77	1,705,359.45
Special financial appropriation for water supply, power supply, heat supply and property management	1,041,073.71	61,000.00
Investment, financing and operating subsidies		46,800,000.00
Municipal energy efficiency and emission reduction grants		12,636,700.00
Budget expenditure funds for municipal state-owned capital operation		6,000,000.00
Subsidies for urban and rural compulsory education in 2021		5,965,000.00
Others	25,200,382.92	27,582,684.42
Total	**1,363,669,668.93**	**1,211,747,562.20**

55. Investment income

Source of investment income	Current year amount	Prior year amount
Long term equity investment income measured at cost method	520,971.42	175,900.00
Long term equity investment income measured at equity method	342,267,409.82	188,557,871.84
Investment income from disposal of long-term equity	631,491,223.20	17,522.43
Investment income obtained during the holding period of held-to-maturity investments		3,982,222.67
Investment income obtained during the holding period of other equity instrument investment	14,122,789.83	8,824,611.07
Other investment income	-277,020.84	884,357.96
Total	**988,125,373.43**	**202,442,485.97**

56. Gains from changes of fair value

Sources of gains from changes in fair value	Current year amount	Prior year amount
Investment property measured at fair value	-19,572,792.15	-8,316,584.78

57. Credit losses

Item	Current year amount	Prior year amount
Bad debt loss	-31,254,089.56	-9,513,867.18
Loan loss	20,916,854.75	9,878,319.95
Total	**-10,337,234.81**	**364,452.77**

58. Impairment losses

Item	Current year amount	Prior year amount
Inventory depreciation loss	4,627,065.59	216,452.11
Impairment loss of contract assets	-916,861.92	-1,378,101.37
Impairment loss of right-of-use assets		
Impairment loss on construction in progress		-1,000,000.00
Total	**3,710,203.67**	**-2,161,649.26**

59. Gains from asset disposals

Item	Current year amount	Prior year amount
Disposal of fixed assets	-1,147,471.96	215,672.99
Other non-current assets	180,909,741.40	299,129.24
Total	**179,762,269.44**	**514,802.23**

60. Non-operating income

(1) Non-operating income by items is as follows:

Item	Current year amount	Prior year amount
Government grant	4,340,992.52	7,138,912.49
Income from land use right replacement (tax reduction and exemption)		434,718,755.66
Compensation for land occupation	84,333,333.33	24,855,775.04
Gains from accepting donations	214,374.00	3,934,322.00
Income from demolition compensation (driving school 501 training ground)		2,224,987.91
Income from fines and overdue fines	2,719,317.69	2,012,134.25
Non-current assets damage and retirement gains	267,794.04	686,979.00
Others	6,261,969.51	6,451,530.53
Total	**98,137,781.09**	**482,023,396.88**

(2) Details of government grants:

Item	Current year amount	Prior year amount
Financial subsidy funds	834,583.29	2,940,000.00
Subsidy for enterprise transformation	1,203,093.00	1,801,900.00

Item	Current year amount	Prior year amount
Supplementary fund for financial interactive financing award	500,000.00	500,000.00
Tax Contribution Progress Award bonus	500,000.00	
Others	1,303,316.23	1,897,012.49
Total	**4,340,992.52**	**7,138,912.49**

61. Non-operating expenses

Item	Current year amount	Prior year amount
Non-current assets damage loss	2,991,277.19	10,553,252.24
External donation	714,593.83	398,030.40
Confiscation and overdue fine expenditure	50,808,924.86	123,949,052.96
Employee work-related injury compensation		450,000.00
Allocation of subsidies for personnel converted to enterprises	3,056,900.67	
Others	2,535,569.16	13,309,795.76
Total	**60,107,265.71**	**148,660,131.36**

62. Income tax expenses

Item	Current year amount	Prior year amount
Current income tax expense	95,838,189.95	107,036,929.45
Deferred income tax adjustment	-19,891,933.13	-16,790,208.78
Total	**75,946,256.82**	**90,246,720.67**

63. Other comprehensive income attributable to the owner's equity of the parent company

Item	Current year amount			Prior year amount		
	Pre-tax amount	Income tax	Net after tax	Pre-tax amount	Income tax	Net after tax
(I) Other comprehensive income that will not be reclassified into profit or loss	**-58,196,235.78**	**-9,918,750.00**	**-48,277,485.78**			
1. Gains or losses due to remeasurement of net liabilities or net assets under defined benefit plans						
2. Share of gain other comprehensive income of associates under equity method	-27,448,110.78		-27,448,110.78			
3. Changes in fair value changes of investments in equity instruments	-30,748,125.00	-9,918,750.00	-20,829,375.00			
4. Changes in fair value of enterprise's own credit risk						
5. Other income						
(II) Other comprehensive income may be reclassified into profit and loss	**-26,513,875.21**	**-6,608,338.51**	**-19,905,536.70**	**207,305,139.92**	**51,826,284.98**	**155,478,854.94**
1. The excess of the fair value at the date of conversion of real estate for self-use or real estate held as inventory over the original book value of the investment property measured using the fair value model.	-26,513,875.21	-6,608,338.51	-19,905,536.70	207,305,139.92	51,826,284.98	155,478,854.94
2. Changes in fair value of other debt investments						
Less: Transfer to profit or loss for the period from prior period to other comprehensive income						
(III) Total other comprehensive income	**-84,710,110.99**	**-16,527,088.51**	**-68,183,022.48**	**207,305,139.92**	**51,826,284.98**	**155,478,854.94**

64. Consolidated cash flow

(1) Supplementary information on consolidated cash flow

Item	Current year amount	Prior year amount
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	234,056,357.41	-226,267,986.32
Add: Asset impairment provision	-3,710,203.67	2,161,649.26
Credit impairment provision	10,337,234.81	-364,452.77
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	408,516,002.22	395,233,722.38
Depreciation of right-of-use assets	10,876,847.14	13,849,441.70
Amortization of intangible assets	67,143,943.29	77,350,345.22
Amortization of long-term deferred expenses	81,260,889.91	44,621,603.62
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains marked with"-")	-179,762,269.44	-514,802.23
Losses on write-off of fixed assets (gains marked with"-")	2,723,483.15	9,866,273.24
Losses on changes in fair value (gains marked with"-")	19,572,792.15	8,316,584.78
Financial expenses (gains marked with"-")	3,277,696,394.37	2,034,088,463.18
Losses on investment (gains marked with"-")	-988,125,373.43	-202,186,902.60
Decreases of deferred income tax assets (increases marked with "-")	-18,573,063.35	5,565,459.72
Increases of deferred income tax liabilities (decreases marked with "-")	-10,521,447.00	40,287,629.11
Decreases in inventory (increases marked with "-")	-2,337,175,326.23	-961,715,707.96
Decreases of operating receivables (increases marked with "-")	3,920,446,302.46	-3,569,775,812.71
Increases of operating payables (decreases marked with "-")	-3,536,634,336.13	977,523,240.62
Others		
Net cash flow from operating activities	958,128,227.66	-1,351,961,251.76
2. Significant investment and financing activities not related to cash deposit and withdrawal		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Finance leased fixed assets		
3. Net change in cash and cash equivalents		
Closing balance of cash	12,392,073,758.35	7,258,653,102.22
Less: Opening balance of cash	7,258,653,102.22	7,324,572,492.51
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	5,133,420,656.13	-65,919,390.29

(2) Cash and cash equivalents

Item	Current year amount	Prior year amount
Cash	12,392,073,758.35	7,258,653,102.22
Including: Cash on hand	615,689.25	1,644,408.86
Bank deposits available on demand	11,979,476,237.69	7,254,107,805.07
Other monetary funds available on demand	411,981,831.41	2,900,888.29
Cash equivalents		
Including: Bond investments with a maturity of three months or less		
Closing balance of cash and cash equivalents	12,392,073,758.35	7,258,653,102.22

65. Foreign currency monetary items

Item	Closing balance in foreign currency	Exchange rate	Closing balance in Renminbi
Cash and cash equivalents			
Including: USD	23,402.76	7.0827	165,754.74
Long-term loans			
Including: KRW	5,803,308,000.00	0.0055	31,998,842.08
Bonds payable			
Including: USD	307,043,417.17	7.0827	2,174,696,410.80

66. Assets with restrictive ownership title or use rights

Item	Closing book value	Reasons for restriction
Cash and cash equivalents	6,465,069,074.06	Provide guarantee for financing etc.
Accounts receivable	30,444,927.89	Provide guarantee for financing etc.
Other receivables	150,000,000.00	Provide guarantee for financing etc.
Inventory	3,384,787,008.85	Provide guarantee for financing etc.
Investment properties	864,989,054.51	Provide guarantee for financing etc.
Fixed assets	231,825,297.37	Provide guarantee for financing etc.
Intangible assets	134,652,685.31	Provide guarantee for financing etc.
Construction in progress	1,069,789,944.43	Provide guarantee for financing etc.
Debt investments	1,950,000,000.00	Provide guarantee for financing etc.
Long-term equity investments	10,272,107,830.75	Provide guarantee for financing etc.

IX. Contingencies

1. As of December 31st, 2023, the Group's guarantee situation

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
	Total			**2,903,331.88**
	I. Within the Group			**2,275,898.31**
1	Mianyang Miantou Land Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Collateral, joint liability guarantee	12,818.00
2	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	2,031.00
3	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	2,620.99
4	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	2,600.00
5	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	50.00
6	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	21,250.00
7	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	12,500.00
8	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	30,000.00
9	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Water (Group) Co., Ltd.	Joint liability guarantee	10,000.00
10	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	4,900.00
11	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	9,800.00
12	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	8,365.00
13	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	24,000.00
14	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	6,000.00
15	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	10,000.00
16	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Fuda Asset Operation Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Collateral, joint liability guarantee	40,000.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
17	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Joint liability guarantee	9,000.00
18	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Certificate of deposit pledge	33,250.00
19	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Mingsheng Real Estate Development Co., Ltd., Mianyang Mingyue Real Estate Development Co., Ltd.	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Collateral, pledge, joint liability guarantee	29,000.00
20	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Certificate of deposit pledge	25,000.00
21	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Guarantee	10,000.00
22	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Xijin Logistics Co., Ltd.	Certificate of deposit pledge	10,450.00
23	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Mingsheng Real Estate Development Co., Ltd., Mianyang Mingyue Real Estate Development Co., Ltd.	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Collateral, pledge, joint liability guarantee	45,000.00
24	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantou Jiangfa Industrial Co., Ltd.	Joint liability guarantee	7,800.00
25	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	25,000.00
26	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	3,580.00
27	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	19,600.00
28	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	6,715.95
29	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	7,708.31
30	Mianyang Investment Holding（ Group) Co., Ltd., Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Xinjiarui Road and Bridge Engineering Co., Ltd. (Construction project S418)	Joint liability guarantee	42,898.44
31	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	14,940.00
32	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	19,950.00
33	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	1,828.88
34	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Pledge	5,965.00
35	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	10,999.27

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
36	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Talent Development Group Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	31,000.00
37	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	30,000.00
38	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	15,633.75
39	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Pledge, joint liability guarantee	39,900.00
40	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Pledge, joint liability guarantee	18,900.00
41	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	2,840.00
42	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Jiuhong Real Estate Development Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Collateral, joint liability guarantee	6,848.69
43	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Collateral, joint liability guarantee	13,697.11
44	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	15,697.15
45	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Engineering Project Management Co., Ltd.	Joint liability guarantee	6,715.95
46	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Collateral, joint liability guarantee	45,000.00
47	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	70,000.00
48	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Talent Development Group Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	6,000.00
49	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Engineering Project Management Co., Ltd.	Pledge	500.00
50	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	3,000.00
51	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Pledge, joint liability guarantee	4,880.00
52	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	15,000.00
53	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	40,000.00
54	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Joint liability guarantee	7,117.02
55	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Joint liability guarantee	14,580.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
56	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Pledge	19,000.00
57	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Joint liability guarantee	24,117.71
58	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd., Mianyang Mianzhou Hotel Co., Ltd.	Collateral, joint liability guarantee	23,768.46
59	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Pledge	28,500.00
60	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Cultural & Tourism Group Co., Ltd.	Pledge	1,995.00
61	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Talent Development Group Co., Ltd.	Joint liability guarantee	24,500.00
62	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Nanshan Experimental High School	Joint liability guarantee	439.08
63	Mianyang Investment Holding (Group) Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	292.71
64	Mianyang Investment Holding (Group) Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	6,700.00
65	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Nanshan Experimental High School	Joint liability guarantee	3,700.00
66	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Foreign Language Experimental School	Joint liability guarantee	4,380.00
67	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Nanshan Experimental High School	Joint liability guarantee	4,900.00
68	Mianyang Investment Holding (Group) Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	4,900.00
69	Mianyang Investment Holding (Group) Co., Ltd.	Mian Zhong Experimental School	Joint liability guarantee	11,980.00
70	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Talent Development Group Co., Ltd.	Joint liability guarantee	4,900.00
71	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Nanshan Experimental High School	Joint liability guarantee	3,000.00
72	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Talent Development Group Co., Ltd.	Joint liability guarantee	17,000.00
73	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd.	Pledge, joint liability guarantee	4,980.00
74	Mianyang Investment Holding (Group) Co., Ltd.	Fuleshan Kaiyuan Hotel	Pledge	1,000.00
75	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Hotel Co., Ltd.	Joint liability guarantee	4,880.00
76	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang City Parking Management Co., Ltd.	Joint liability guarantee	45,000.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
77	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Youyue Culture Media Co., Ltd.	Joint liability guarantee	800.00
78	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Kanglai Property Management Co., Ltd.	Joint liability guarantee	1,000.00
79	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Kanglai Property Management Co., Ltd.	Joint liability guarantee	1,000.00
80	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Pledge, joint liability guarantee	75,000.00
81	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Joint liability guarantee	40,000.00
82	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Joint liability guarantee	5,000.00
83	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Joint liability guarantee	10,000.00
84	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miantai Industrial Co., Ltd.	Joint liability guarantee	21,000.00
85	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	35,500.00
86	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Guarantee from Mianyang Investment Group + Pledge from Huike Project	16,000.00
87	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	13,845.77
88	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	9,233.20
89	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fuda Asset Operation Co., Ltd.	Joint liability guarantee	2,771.05
90	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	Joint liability guarantee	78,844.00
91	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	Joint liability guarantee	49,429.00
92	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	Joint liability guarantee	47,500.00
93	Mianyang Investment Holding (Group) Co., Ltd.	SINOTRUK Mianyang SPECIAL VEHICLE Co., Ltd.	Joint liability guarantee	1,000.00
94	Mianyang Investment Holding (Group) Co., Ltd.	SINOTRUK Mianyang SPECIAL VEHICLE Co., Ltd.	Joint liability guarantee	900.00
95	Mianyang Investment Holding (Group) Co., Ltd.	SINOTRUK Mianyang SPECIAL VEHICLE Co., Ltd.	Joint liability guarantee, pledge	10,000.00
96	Mianyang Investment Holding (Group) Co., Ltd.	SINOTRUK Mianyang SPECIAL VEHICLE Co., Ltd.	Joint liability guarantee	900.00
97	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	Joint liability guarantee	8,821.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
98	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	Pledge	1,000.00
99	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Mianzhou Jialai Conference Service Co., Ltd.	Joint liability guarantee	1,000.00
100	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jialai Haichuan Medical Technology Co., Ltd.	Pledge, joint liability guarantee	12,000.00
101	Mianyang Investment Holding (Group) Co., Ltd., Mianyang Miantou Land Co., Ltd.	Mianyang Miantou Land Co., Ltd.	Collateral, joint liability guarantee	43,993.75
102	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Communications Development Group Co., Ltd.	Joint liability guarantee	120,000.00
103	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Yuewanglou Culture Communication Co., Ltd.	Joint liability guarantee	1,000.00
104	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Yuewanglou Culture Communication Co., Ltd.	Pledge	1,000.00
105	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Grain and Oil Group Co., Ltd.	Joint liability guarantee	4,400.99
106	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	19,400.00
107	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	4,499.28
108	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	29,960.00
109	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	20,444.92
110	Mianyang Cultural & Tourism Group Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	14,000.00
111	Mianyang Water (Group) Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	4,800.00
112	Mianyang Water (Group) Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	6,152.00
113	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	40,000.00
114	Sichuan Jia Lai Construction Engineering Co., Ltd., Mianyang Fuda Asset Operation Co., Ltd	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	36,000.00
115	Sichuan Jia Lai Construction Engineering Co., Ltd., Mianyang Fuda Asset Operation Co., Ltd	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	40,000.00
116	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	14,000.00
117	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	6,800.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
118	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	15,000.00
119	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	11,200.00
120	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	40,000.00
121	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	12,000.00
122	Mianyang Mianzhou Hotel Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	4,880.00
123	Sichuan Jia Lai Construction Engineering Co., Ltd., Mianyang Talent Development Group Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee and Mianyang Investment collateral, pledge and guarantee	35,000.00
124	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	20,000.00
125	Sichuan Jia Lai Construction Engineering Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	79,000.00
126	Sichuan Jia Lai Construction Engineering Co., Ltd., Mianyang Talent Development Group Co., Ltd.	Mianyang Investment Holding (Group) Co., Ltd.	Joint liability guarantee	53,200.00
127	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Investment Holding（ Group) Co., Ltd., Sichuan Jia Lai Construction Engineering Co., Ltd.	Joint liability guarantee	1,068.88
128	Mianyang Fuda Asset Operation Co., Ltd.	Fuda-Dongjin Hotel	Joint liability guarantee	290.00
129	Mianyang Fuda Asset Operation Co., Ltd.	Mianyang Miantou Land Co., Ltd.	Joint liability guarantee	2,401.00
	II. Outside of the Group			**627,433.57**
1	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Miangao Equity Investment Fund (Limited Partnership)	Pledge	91,234.06
2	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan AI-CHANCE TEC Co., Ltd.	Joint liability guarantee	25,358.39
3	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Investment Group Co., Ltd.	Joint liability guarantee	90,000.00
4	Mianyang Fuda Asset Operation Co., Ltd.	Sichuan Xingshu Railway Investment Co., Ltd.	Collateral	46,262.00
5	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Changhong Electronic (Group) Co., Ltd.	Joint liability guarantee	100,000.00
6	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Investment Group Co., Ltd.	Joint liability guarantee	10,000.00

No.	Guarantor	Guaranteed party	Guarantee method	Guarantee amount (RMB 10,000)
7	Mianyang Investment Holding (Group) Co., Ltd.	Tianfu Credit Promotion Co., Ltd.	Counter-guarantee of joint liability guarantee	80,000.00
8	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Yisheng Education Investment Co., Ltd.	Joint liability guarantee	990.00
9	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Investment Group Co., Ltd.	Joint liability guarantee	20,000.00
10	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Industrial Co., Ltd.	Joint liability guarantee	3,960.00
11	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Fucheng Industrial Co., Ltd.	Joint liability guarantee	3,960.00
12	Mianyang Investment Holding (Group) Co., Ltd.	Sichuan Jinyu Financing Guarantee Co., Ltd.	Counter-guarantee of joint liability guarantee	1,269.12
13	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Joint liability guarantee	50,000.00
14	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Joint liability guarantee	50,000.00
15	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Joint liability guarantee	20,000.00
16	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	Joint liability guarantee	30,000.00
17	Mianyang Communications Development Group Co., Ltd.	Mianyang Hongda Asset Investment Management (Group) Co., Ltd.	Joint liability guarantee	1,400.00
18	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Asset Operation Management Co., Ltd.	Joint liability guarantee	1,000.00
19	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Asset Operation Management Co., Ltd.	Joint liability guarantee	1,000.00
20	Mianyang Investment Holding (Group) Co., Ltd.	Mianyang Jialai Asset Operation Management Co., Ltd.	Pledge, joint liability guarantee	1,000.00

2. Contingent liabilities formed by other events of the Group as of December 31st, 2022

Mianyang High-grade Highway Development Co., Ltd. (hereinafter referred to as "High-grade Development Company"), a subsidiary of the Company, obtained three loans totaling RMB 425 million from China Construction Bank Corporation Mianyang Branch (hereinafter referred to as "CCB") in December 1998, December 1999 and February 2004 respectively. The agreed maturity dates are November 4th, 2019, November 28th, 2025 and February 8th, 2014. Since 2008, High-grade Development Company has failed to repay the loan in full on a timely basis as agreed. As of December 31st, 2010, the outstanding principal balance of the above loans of High-grade Development Company was RMB 417 million and the unpaid interest was RMB 92.09 million. According to the *Debt Restructuring Relief Agreement* signed by High-grade Development Company and CCB, High-grade Development Company was exempted from the interest owed by RMB 92.09 million, and it was agreed that High-grade Development Company would repay all the principal and corresponding interest by stages before the end of 2025. According to the memorandum signed on November 14th, 2022 by China Construction Bank Corporation Mianyang Branch (Party A), Mianyang High-grade Highway Development Co., Ltd. (Party B), Mianyang Communications Development Group Co., Ltd. (Party C), and Mianyang Investment Holding (Group) Co., Ltd. (Party D): "Article 1 Basic Overview of Debts. As of September 20th, 2022, Party B still has a loan principal of RMB 97 million and corresponding interest of RMB 131.99 million outstanding from Party A. Party D shall bear interest of RMB 126.54 million, while Party C shall bear principal and interest of RMB 102.45 million, including principal of RMB 97 million and interest of RMB 5.45 million. Article 2: Cash settlement agreement. The repayment plan is: before December 31st, 2022 (inclusive), Party C shall repay no less than RMB 30 million in the first installment; before the second repayment date, December 31st, 2023 (inclusive), the repayment amount shall not be less than RMB 11,006 million. Among them, Party C shall repay the loan principal of RMB 30 million and Party D shall repay the interest of RMB 80.06 million; The remaining loan principal of RMB 37 million will be settled by Party C before the end of 2024, and relevant plan will ultimately be subject to the signed debt restructuring agreement. Article 3: Reduction and exemption of interest. Party A agrees to apply to the superior bank for the reduction and exemption of the accumulated interest owed by Party B. The application plan is: Party C will repay the loan principal of RMB 97 million and Party D will repay the interest of RMB 80.06 million. It declares a reduction and exemption of interest of RMB 51.93 million and interest incurred from September 2022 to the loan settlement date." In 2022, to fulfill the relevant agreement in the memorandum, Communications Development Group has repaid the first loan principal of RMB 30 million according to the above arrangement. As of December 31st, 2022, the principal balance of this loan is RMB 67 million.

As at December 31st, 2023, the "before December 31st, 2023 (inclusive), the repayment amount shall not be less than RMB 11,006 million" as agreed in the aforesaid repayment arrangement had not been implemented and the signing of the debt restructuring agreement had not yet been completed, and the Group believes that the judgment of the undetermined realization of the interest reduction and exemption clauses in the memorandum at the end of 2022 has changed in the end of 2023. Therefore, the Group has recorded an additional interest expense of RMB 64.798 million at the end of this year based on the estimation at the end of 2022, which is the Group's share of interest expense.

X. Subsequent events

As at the date of this financial report, the Group has no material subsequent events to be disclosed.

XI. Related party relationships and transactions

1. Related party relationships

(1) Controlling shareholders and the actual controller

Controlling shareholder and ultimate controller	Place of registration	Business Nature	Registered capital	Proportion of Contribution (%)	Proportion of Voting Rights (%)
Mianyang State-owned Assets Supervision and Administration Commission	Mianyang, Sichuan	State-owned assets supervision and administration	——	90.00	90.00

The actual controller of the Company and the Group is Mianyang State-owned Assets Supervision and Administration Commission.

(2) Subsidiaries

For details of the subsidiaries, please refer to "Note VII. 1 Basic information of subsidiaries included in the scope of consolidated financial statements" in this note to the financial statements.

(3) Joint ventures and associates

For relevant details of the Company's joint ventures and associates, please refer to relevant information disclosed in "Note VIII.13 Long-term equity investments".

(4) Other related parties

Name of other related party	Relationship with the Company
Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	The Investee of The Company with A Shareholding Ratio Of 8.3691%, And Its Actual Controller Is Mianyang State-Owned Assets Supervision and Administration Commission
Mianyang Kefa Changtai Industrial Co., Ltd.	Subsidiary of Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.

2. Related party transactions

(1) Assets transfer of related parties

Name of related party	Content of related party transaction	Amount incurred in the year (RMB 10,000)	Amount incurred in the prior year
Mianyang Kefa Changtai Industrial Co., Ltd.	Transfer of 100.00% equity interest in Mianyang Jialai Asset Operation Management Co., Ltd.	72,191.69	

In 2023, the Company (Party B) entered into the *Equity Transfer Contract* with Mianyang Kefa Changtai Industrial Co., Ltd. (hereinafter referred to as "Kefa Industrial" or Party A) and Mianyang Jialai Asset Operation Management Co., Ltd. (hereinafter referred to as "Jialai Asset Company" or the Subject Company), pursuant to which 100% equity interests in Jialai Asset Company held by the Company were transferred to Kefa Industrial, and the consideration for the transfer of equity interests was determined in accordance with the appraisal price of RMB 721,916,900 as set out in the Asset Appraisal Report made by Sichuan Guangyi Real Estate Land Asset Appraisal Consulting Co., Ltd. The relevant equity transfer was completed at the end of December 2023.

(2) Related party guarantees

Please refer to the disclosures in "Note IX. Contingencies 1. As of December 31st, 2023, the Group's guarantee situation".

3. Related party current accounts

(1) Details of related party accounts receivable

Item	Related party	Closing amount		Opening amount	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	2,979,797.33	57,901.00	2,899,073.00	3,343.56
Accounts receivable	Mianyang Zhongke Miantou Environmental Service Co., Ltd.	1,143,585.33			
Accounts receivable	Mianyang Jianxin Motor Vehicle Inspection Co., Ltd.	566,129.20		723,699.20	
Accounts receivable	Sichuan Menglin Bus Gas Co., Ltd.	101,340.96	1,013.41	36,000.00	
Accounts receivable	Mianyang Furun Water Service Co., Ltd.	14,590.50			
Accounts receivable	Mianyang HKC Optoelectronics Technology Co., Ltd.	4,860.50	24.30	2,741.50	
Accounts receivable	Mianyang Shandian Aviation Food Co., Ltd.	4,716.06	47.16	1,593.51	
Prepayments	Mianyang Xiante Rice Co., Ltd.	1,206,514.66		18,780.00	
Other receivables	MIANYANG SCIENCE & TECHNOLOGY CITY DEVELOPMENT & INVESTMENT (GROUP)	448,545,289.46		1,915,332,496.48	

Item	Related party	Closing amount		Opening amount	
		Book balance	Bad debt provision	Book balance	Bad debt provision
	CO., LTD.				
Other receivables	Sichuan Xingshu Railway Investment Co., Ltd.	638,241.60		638,241.60	
Other receivables	Mianyang Furun Water Service Co., Ltd.	51,233.34	256.17		
Other receivables	Mianyang Shandian Aviation Food Co., Ltd.	39,123.30		29,524.11	
Other receivables	Mianyang Zhongke Miantou Environmental Service Co., Ltd.	11,674.00	1,339.20	11,674.00	
Other receivables	Mianyang Xinyong Water Supply Co., Ltd.	5,344.80	26.72		
Other receivables	Mianyang Jianxin Motor Vehicle Inspection Co., Ltd.	0.01		0.01	
Total		**455,312,441.05**	**60,607.96**	**1,919,693,823.41**	**3,343.56**

(2) Details of related party accounts payable

Item	Related party	Closing balance	Opening balance
Accounts payable	Mianyang Ganghua Puxiang Compressed Natural Gas Co., Ltd.	1,772,846.06	1,250,131.80
Accounts payable	Mianyang Xiante Rice Co., Ltd	1,562,556.10	99,026.85
Accounts payable	Sichuan Menglin Bus Gas Co., Ltd.	381,857.05	111,790.14
Accounts payable	Sichuan Haodong Food Technology Co., Ltd.	271,024.53	729,569.14
Accounts payable	Mianyang Jianxin Motor Vehicle Inspection Co., Ltd.	176,130.00	11,470.00
Accounts payable	Mianyang Xinyong Water Supply Co., Ltd.	500.00	
Other payables	Mianyang HKC Optoelectronics Technology Co., Ltd.	78,758,719.51	78,758,719.51
Other payables	Jiangyou Hongfei Investment (Group) Co., Ltd.	4,300,000.00	102,739.72
Other payables	Mianyang Xiante Rice Co., Ltd.	250,000.00	170,000.00
Other payables	Sichuan Haodong Food Technology Co., Ltd.	200,500.00	200,500.00
Other payables	Mianyang Shandian Aviation Food Co., Ltd.	5,379.72	5,379.72
Other payables	Mianyang Zhongke Miantou Environmental Service Co., Ltd.	0.75	
Contract liabilities	Mianyang Jinjian Investment Engineering Project Management Co., Ltd.	2,696,348.94	21,985,671.65
Contract liabilities	Sichuan Natural Gas Mianyang Gas Co., Ltd.	21,667.92	23,887.74
Contract liabilities	Mianyang Shandian Aviation Food Co., Ltd.	647.50	979.50
Contract liabilities	Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	103.77	
Long-term payables	Sichuan Xingshu Railway Investment Co., Ltd.	462,620,000.00	471,620,000.00
Long-term payables	Sichuan Bashu Grain Warehouse Technology Co., Ltd.	1,817,700.00	1,817,700.00
Total		**554,835,981.85**	**576,887,565.77**

XII. Notes on major items to the parent company's financial statement

1. Accounts receivable

(1) Accounts receivable listed by the provision method for bad debt

Class	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion %	Amount	Expected credit loss rate (%)
Accounts receivable for which bad debt provision is made on an individual basis	1,993,079,805.60	99.76	2,157.18	
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	4,710,028.97	0.24	3,892,517.30	82.64
Total	**1,997,789,834.57**	**100.00**	**3,894,674.48**	

(Continued)

Class	Opening balance			
	Book balance		Bad debt provision	
	Amount	Proportion %	Amount	Expected credit loss rate (%)
Accounts receivable for which bad debt provision is made on an individual basis	5,268,550,560.90	99.93		
Accounts receivable with provision for bad debts based on the portfolio of credit risk characteristics	3,892,206.78	0.07	3,845,866.46	98.81
Total	**5,272,442,767.68**	**100.00**	**3,845,866.46**	

1) Accounts receivable for which bad debt provision is made on an individual basis

Name of debtor	Closing balance				
	Book balance	Bad debt provision	Aging	Expected credit loss rate (%)	Accrual reason
Mianyang City Bureau of Finance	918,269,898.73		1-3 years, more than 5 years		Expected to be recoverable
Mianyang Housing and Urban-rural Development Commission	725,318,623.72		1-2 years, more than 5 years		Expected to be recoverable
Finance Bureau of Mianyang Economic and Technological Development Zone Management Committee	211,281,071.01		Within 1 year, 1-2 years		Expected to be recoverable
Department of Transportation of Mianyang City	115,247,697.88		1-2 years		Expected to be recoverable
Sichuan Jia Lai Construction Engineering Co., Ltd.	16,436,449.70		More than 5 years		Expected to be recoverable
Mianyang Kangju Real Estate Management Co., Ltd.	3,671,850.00		More than 5 years		Expected to be recoverable
Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	2,710,830.00		1-2 years		Expected to be recoverable
Mianyang Miantou Commercial Operation Management Co., Ltd.	114,914.56	2,157.18	Within 1 year	1.88	Expected to be partially recoverable
Finance Bureau of Fucheng District, Mianyang City	24,800.00		More than 5 years		Expected to be recoverable
Mianyang Investment Holding Wanda Resettlement Housing Project	3,670.00		2-3 years, 3-4 years		Expected to be partially recoverable
Total	**1,993,079,805.60**	**2,157.18**			

Note: The balance of accounts receivable with bad debts provided on an individual basis at the end of the year decreased significantly compared with that of the beginning of the year, mainly due to the recovery of accounts receivable from Mianyang City Bureau of Finance and Mianyang Housing and Urban-rural Development Commission amounting to RMB 1.973 billion and RMB 1.422 billion, respectively, in the current year.

(2) Provision for bad debts of accounts receivable by portfolio

1) Aging portfolio

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year	821,492.19	17.44	4,107.46
1-2 years			
2-3 years	158.67		31.73
3-4 years			
4-5 years			
More than 5 years	3,888,378.11	82.56	3,888,378.11
Total	**4,710,028.97**	**100.00**	**3,892,517.30**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year			
1-2 years	1,000.00	0.03	100.00
2-3 years	2,828.67	0.07	565.73
3-4 years			
4-5 years	86,354.84	2.22	43,177.46
More than 5 years	3,802,023.27	97.68	3,802,023.27
Total	**3,892,206.78**	**100.00**	**3,845,866.46**

2. Other receivables

Item	Closing balance	Opening balance
Interest receivable	702,232,844.12	549,686,740.91
Dividends receivable	15,117,782.81	15,117,782.81
Other receivables	16,014,792,778.54	18,859,666,273.45
Total	**16,732,143,405.47**	**19,424,470,797.17**

(1) Interest receivable

Item	Closing balance	Opening balance
People's Government of Fucheng District, Mianyang City	702,232,844.12	544,945,836.80
Industrial and Commercial Bank of China Limited Mianyang Youxian Sub Branch		4,740,904.11
Total	**702,232,844.12**	**549,686,740.91**

(2) Dividends receivable

Company name	Closing balance	Opening balance
Mianyang Fuda Asset Operation Co., Ltd.	11,120,069.39	11,120,069.39
Sichuan Jia Lai Construction Engineering Co., Ltd.	3,997,713.42	3,997,713.42
Total	**15,117,782.81**	**15,117,782.81**

(3) Other receivables

Class	Closing balance			
	Book balance		Bad debt provision	
	Amount	Proportion %	Amount	Expected credit loss rate (%)
Other receivables for which bad debt provision is made on an individual basis	16,105,421,020.18	99.96	94,526,514.76	0.59
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	6,650,830.85	0.04	2,752,557.73	41.39
Total	**16,112,071,851.03**	**100.00**	**97,279,072.49**	

(Continued)

Class	Opening balance			
	Book balance		Bad debt provision	
	Amount	Proportion %	Amount	Expected credit loss rate (%)
Other receivables for which bad debt provision is made on an individual basis	18,948,673,237.70	99.99	89,021,477.55	0.47
Other receivables with provision for bad debts based on the portfolio of credit risk characteristics	2,758,802.81	0.01	2,744,289.51	99.47
Total	**18,951,432,040.51**	**100.00**	**91,765,767.06**	

1) Other receivables for which bad debt provision is made on an individual basis at the end of the year

Name of debtor	Closing balance			
	Book balance	Bad debt provision	Expected credit loss rate (%)	Note
Mianyang Housing and Urban-rural Development Commission	5,123,009,902.55			Expected to be recoverable
Department of Transportation of Mianyang City	1,723,715,039.00			Expected to be recoverable
Fuda Asset Horticultural New District Project	1,357,078,013.72			Expected to be recoverable
Sichuan Jialai Real Estate Co., Ltd.	1,062,300,174.84			Expected to be recoverable
Mianyang Jianyuan Real Estate Development Co., Ltd.	855,303,096.15			Expected to be recoverable
Mianyang City Bureau of Finance	720,539,307.15			Expected to be recoverable
Mianyang Kefa Changtai Industrial Co., Ltd.	501,916,900.00			Expected to be recoverable
Mianyang Science & Technology City Development & Investment (Group) Co., Ltd.	448,545,289.46			Expected to be recoverable
People's Government of Fucheng District	432,055,563.79			Expected to be recoverable
Jiangyou Finance Bureau	431,040,383.34			Expected to be recoverable
Mianyang Jiuhong Real Estate Development Co., Ltd.	398,790,397.15			Expected to be recoverable
Mianyang Construction Engineering Technology Service Center	550,693,707.86			Expected to be recoverable
Mianyang Fuda Asset Operation Co., Ltd.	362,986,963.18			Expected to be recoverable
Mianyang Transportation Service Center (Mianyang Key Highway Construction Headquarters Office)	335,059,063.94			Expected to be recoverable
Chengdu Yechang Enterprise Management Consulting Co., Ltd.	297,818,279.82			Expected to be recoverable
Mianyang Fucheng Investment Group Co., Ltd.	201,423,666.69			Expected to be recoverable
Mianyang Jianan Tourism Development Co., Ltd.	193,954,800.09			Expected to be recoverable
Finance Bureau of Mianyang Economic and Technological Development Zone	179,144,749.97			Expected to be recoverable
Fuda Asset Vehicle Driving Management Center	146,116,510.64			Expected to be recoverable

Name of debtor	Closing balance			
	Book balance	Bad debt provision	Expected credit loss rate (%)	Note
Mianyang Mingyue Real Estate Development Co., Ltd.	130,147,466.17			Expected to be recoverable
Beijing Fuleshan Hotel Co., Ltd.	105,710,589.42	94,526,514.76	89.42	Not expected to be fully recovered
Mianyang Jianwen Real Estate Development Co., Ltd.	88,000,000.00			Expected to be recoverable
Mianyang Zhonglei Investment Development Group Co., Ltd	65,849,999.82			Expected to be recoverable
Water Group Mianyang Qixingba Wastewater Treatment Plant	61,520,000.00			Expected to be recoverable
Mianyang Xinchen Engine Co., Ltd.	59,603,444.46			Expected to be recoverable
Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd.	57,258,017.34			Expected to be recoverable
Other sporadic clients	222,490,524.48	2,752,557.73		Expected to be recoverable
Total	**16,112,071,851.03**	**97,279,072.49**		Expected to be recoverable

(4) Provision for bad debts of other receivables by portfolio

1) Aging portfolio

Aging	Closing balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year	3,909,327.16	58.78	19,546.64
1-2 years			
2-3 years	1,497.00	0.02	299.40
3-4 years			
4-5 years	14,590.00	0.22	7,295.00
More than 5 years	2,725,416.69	40.98	2,725,416.69
Total	**6,650,830.85**	**100.00**	**2,752,557.73**

(Continued)

Aging	Opening balance		
	Book balance		Bad debt provision
	Amount	Proportion (%)	
Within 1 year			
1-2 years	1,497.00	0.05	149.70
2-3 years			
3-4 years	14,590.00	0.53	7,295.00
4-5 years	11,742.00	0.43	5,871.00
More than 5 years	2,730,973.81	98.99	2,730,973.81
Total	**2,758,802.81**	**100.00**	**2,744,289.51**

3. Long-term equity investments

(1) Classification of long-term equity investments

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	22,458,738,364.21		22,458,738,364.21	20,657,347,539.27		20,657,347,539.27
Investment in joint ventures						
Investment in associates	4,202,763,675.13		4,202,763,675.13	4,064,103,111.63		4,064,103,111.63
Subtotal	**26,661,502,039.34**		**26,661,502,039.34**	**24,721,450,650.90**		**24,721,450,650.90**
Less: Long-term equity investment impairment provision						
Total	**26,661,502,039.34**		**26,661,502,039.34**	**24,721,450,650.90**		**24,721,450,650.90**

(2) Investment in subsidiaries

Investee	Opening balance (Book value)	Opening balance of impairment provision	Increase or decrease in the current year				Closing balance (Book value)	Impairment provision Closing balance
			Increase in capital	Decrease in capital	Provision for impairment	Others		
Mianyang Communications Development Group Co., Ltd.	8,093,843,564.45						8,093,843,564.45	
Mianyang Talent Development Group Co., Ltd.	1,727,296,697.29						1,727,296,697.29	
Mianyang Jiayuan Ruihua Real Estate Development Co., Ltd.	1,600,000,000.00		1,800,000,000.00				3,400,000,000.00	
Mianyang Fuda Asset Operation Co., Ltd.	1,574,221,150.46						1,574,221,150.46	
Mianyang Cultural & Tourism Group Co., Ltd.	1,391,266,294.33						1,391,266,294.33	
Mianyang Kangju Real Estate Management Co., Ltd.	1,353,264,681.05						1,353,264,681.05	

Investee	Opening balance (Book value)	Opening balance of impairment provision	Increase or decrease in the current year				Closing balance (Book value)	Impairment provision Closing balance
			Increase in capital	Decrease in capital	Provision for impairment	Others		
Sichuan Jia Lai Construction Engineering Co., Ltd.	861,663,498.86		961,227,356.98				1,822,890,855.84	
Mianyang Miantou Land Co., Ltd.	798,507,138.03		8,000,000.00	806,507,138.03				
Mianyang Jiachuang Incubator Management Co., Ltd.	566,026,500.00						566,026,500.00	
Mianyang Grain and Oil Group Co., Ltd.	377,206,385.07						377,206,385.07	
Mianyang Financial Holding Investment Management Co., Ltd.	376,830,479.00			376,830,479.00				
Mianyang Sanjiang Medical Investment Co., Ltd.	315,000,000.00						315,000,000.00	
Mianyang Jinkong Microfinance Co., Ltd.	292,731,000.00						292,731,000.00	
Mianyang Jialai Asset Operation Management Co., Ltd.	261,638,894.84			261,638,894.84				
Mianyang Water (Group) Co., Ltd.	214,732,290.88						214,732,290.88	
Mianyang Mianzhou Jialai Conference Service Co., Ltd.	192,245,968.83						192,245,968.83	
Sichuan Longwei Security Service Co., Ltd.	158,460,390.69						158,460,390.69	
SINOTRUK Mianyang SPECIAL VEHICLE Co., Ltd.	124,646,200.00						124,646,200.00	
Mianyang Miantai Industrial Co., Ltd.	70,000,000.00						70,000,000.00	
Mianyang Fuleshan Jiuzhou International Hotel Co., Ltd.	65,566,778.88						65,566,778.88	
Mianyang Water Conservancy Planning and Design Institute Co., Ltd.	61,695,271.12						61,695,271.12	
Mianyang Science and Technology City Kexin Medical Development Co., Ltd.	53,295,000.00						53,295,000.00	
Sichuan Xijin Logistics Co., Ltd.	46,470,324.80		376,830,479.00				423,300,803.80	

Investee	Opening balance (Book value)	Opening balance of impairment provision	Increase or decrease in the current year				Closing balance (Book value)	Impairment provision Closing balance
			Increase in capital	Decrease in capital	Provision for impairment	Others		
Sichuan Yuewanglou Culture Communication Co., Ltd.	17,621,800.00		25,029,719.78				42,651,519.78	
Sichuan Youyue Culture Media Co., Ltd.	10,940,000.00						10,940,000.00	
Mianyang City Parking Management Co., Ltd.	10,000,000.00						10,000,000.00	
Mianyang Jianan Tourism Development Co., Ltd.	10,000,000.00						10,000,000.00	
Mianyang Jiuhong Real Estate Development Co., Ltd.	8,000,000.00						8,000,000.00	
Mianyang Jianyuan Real Estate Development Co., Ltd.	8,000,000.00			8,000,000.00				
Mianyang Mingsheng Real Estate Development Co., Ltd.	5,000,000.00		3,000,000.00				8,000,000.00	
Mianyang Kanglai Property Management Co., Ltd.	4,720,218.95			4,720,218.95				
Mianyang Mingyue Real Estate Development Co., Ltd.	4,200,000.00						4,200,000.00	
Mianyang Automobile Experimental Driving Technology School Co., Ltd.	2,257,011.74						2,257,011.74	
Mianyang Miantou Commercial Operation Management Co., Ltd.			35,000,000.00				35,000,000.00	
Mianyang Miantou Jiangfa Industrial Co., Ltd.			50,000,000.00				50,000,000.00	
Total	**20,657,347,539.27**		**3,259,087,555.76**	**1,457,696,730.82**			**22,458,738,364.21**	

(3) Investment in joint ventures and associates

Investee	Opening balance	Increase or decrease in the current year								Closing balance
		Increase in capital	Decrease in capital	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other equity changes	Declared distribution of cash dividends or profit	Provision for impairment	Others	
I. Joint ventures										
II. Associates	**4,064,103,111.63**			**138,660,563.50**						**4,202,763,675.13**
Mianyang Science and Technology City Major Industry Equity Investment Fund Partnership (Limited Partnership)	1,000,000.00									1,000,000.00
Other investees	4,063,103,111.63			138,660,563.50						4,201,763,675.13
Total	**4,064,103,111.63**			**138,660,563.50**						**4,202,763,675.13**

4. Operating income and operating costs

(1) Details of operating income and operating costs

Item	Amount incurred in current year		Amount incurred in the prior year	
	Income	Cost	Income	Cost
Income from principal activities	195,354,358.12	200,745,764.64	2,730,106,516.01	2,408,187,195.48
Income from other operating activities	20,722,759.02	6,557,259.33	24,658,361.39	7,294,571.23
Total	**216,077,117.14**	**207,303,023.97**	**2,754,764,877.40**	**2,415,481,766.71**

(2) Details of income from principal activities

Detail	Amount incurred in current year		Amount incurred in the prior year	
	Income	Cost	Income	Cost
Municipal infrastructure construction		3,929,334.22	1,778,842,402.21	1,440,597,173.43
Land Consolidation income	29,182,638.09	61,226,136.00	812,652,320.07	897,973,696.00
Real estate sales	166,171,720.03	135,590,294.42	138,611,793.73	69,616,326.05
Total	**195,354,358.12**	**200,745,764.64**	**2,730,106,516.01**	**2,408,187,195.48**

(3) Details of income from other operating activities

Detail	Amount incurred in current year		Amount incurred in the prior year	
	Income	Cost	Income	Cost
Rental income	1,161,242.13	-12,679.25	12,481,692.02	1,120,388.33
Service income	11,242,474.67	2,466,259.66	2,693,329.16	224,000.00
Other income	8,319,042.22	4,103,678.92	9,483,340.21	5,950,182.90
Total	**20,722,759.02**	**6,557,259.33**	**24,658,361.39**	**7,294,571.23**

5. Investment income

Item	Amount incurred in current year	Amount incurred in the prior year
Long term equity investment income measured at cost method	11,650,309.06	6,202,619.93
Long term equity investment income measured at equity method	138,660,563.50	-4,164,663.69
Investment income from disposal of long-term equity	545,278,005.16	33,962.28
Investment income obtained during the holding period of debt investments		3,982,222.67
Total	**695,588,877.72**	**6,054,141.19**

XIII. Approval of financial statements

The financial statements were approved by the board of directors of the Company.

Mianyang Investment Holding (Group) Co., Ltd.

April 28th, 2024

营业执照

(副 本)

统一社会信用代码 91510100052546574C

名　　称　信永中和会计师事务所（特殊普通合伙）成都分所

类　　型　特殊普通合伙企业分支机构

营业场所　成都市高新区交子大道88号2幢8层801号

负 责 人　宋朝学

成立日期　2012年9月14日

营业期限　2012年9月14日至永久

经营范围　审查企业会计报表、出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其它业务（以上经营范围凭相关审批文件经营）。

登记机关　成都市工商行政管理局

2016 年 04 月 07 日

仅限于出具报告使用
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会计师事务所分所

执业证书

名　　称：信永中和会计师事务所（特殊普通合伙）成都分所

负 责 人：宋朝学

经营场所：成都市高新区交子大道88号2幢8层801号

分所执业证书编号：110101365101

批准执业文号：川财会[2005]48号

批准执业日期：2005年8月11日

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说　明

1. 《会计师事务所分所执业证书》是证明会计师事务所经财政部门依法审批，准予持证分所执行业务的凭证。
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3. 《会计师事务所分所执业证书》不得伪造、涂改、出租、出借、转让。
4. 会计师事务所分所终止或执业许可注销的，应当向财政部门交回《会计师事务所分所执业证书》。

发证机关：四川省财政厅

2022 年 5 月 10 日

中华人民共和国财政部制

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