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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. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States or any other jurisdiction, 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. Accordingly, the Bonds (as defined below) are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act. This announcement and the information contained herein are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States.

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

Notice to Hong Kong investors: The Issuer and the Guarantor (as defined below) confirm that the Bonds (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer and the Guarantor confirm 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

ZHUJI DEVELOPMENT LIMITED

(incorporated in the British Virgin Islands with limited liability)

(the “Issuer”)

US\$520,000,000 3.20 PER CENT. GUARANTEED BONDS DUE 2024

(the “Bonds”, Stock Code: 40881)

UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY



ZHUJI STATE-OWNED ASSETS MANAGEMENT CO., LTD.

(諸暨市國有資產經營有限公司)

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

(the “Guarantor”)

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

China International Capital Corporation

Guotai Junan International

China CITIC Bank International

OCBC Bank

China Zheshang Bank Co., Ltd. (Hong Kong Branch)

Joint Bookrunners and Joint Lead Managers

China Securities International

CNCB Capital

Industrial Bank Co., Ltd. Hong Kong Branch

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

Reference is made to the notice of listing of the Bonds on The Stock Exchange of Hong Kong Limited dated 18 October 2021 published by the Issuer.

The offering circular dated 12 October 2021 in relation to the Bonds is appended to this announcement.

Hong Kong, 19 October 2021

As at the date of this announcement, the sole director of Zhuji Development Limited is Mr. Ma Liang; and the board of directors of Zhuji State-Owned Assets Management Co., Ltd. comprises Mr. Lou Wengang, as Chairman of the board of directors, Mr. Si Lican, Mr. Zhang Zhongliang and Mr. Tang Liming as directors, and Ms. Wu Haiyan as employee director.

Appendix 1 – Offering Circular dated 12 October 2021

IMPORTANT NOTICE

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY INTO THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering circular (the “Offering Circular”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer or the Guarantor (each as defined in the Offering Circular) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE BONDS (THE “BONDS”) AND THE GUARANTEE DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE BONDS AND THE GUARANTEE MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

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

Confirmation of Your Representation:

In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be purchasing the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act. By accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to have represented to the Issuer (as defined herein), the Guarantor (as defined herein) and the Joint Lead Managers (as defined herein) (1) that you and any customers you represent are not, and that the electronic mail address that you gave the Issuer and/or the Guarantor and to which this e-mail has been delivered is not, located in the United States, its territories or possessions, (2) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission, and (3) to the extent you purchase the Bonds, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S thereunder.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or an invitation by or on behalf of any of the Issuer, the Guarantor or the Joint Lead Managers to subscribe or purchase any of the Bonds, in any place where offers or solicitations are not permitted by law and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of any of the Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction. Any Bonds to be issued in respect thereof will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from such registration. Access has been limited so that it shall not constitute a general solicitation in the United States or elsewhere. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the Bonds.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantor, the Joint Lead Managers nor any of their affiliates, directors, officers, employees, representatives, agents and each person who controls any of them accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

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

The Offering Circular is being furnished in connection with an offering in offshore transactions outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Offering Circular.

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

STRICTLY CONFIDENTIAL

Zhuji Development Limited

(incorporated with limited liability in the British Virgin Islands)

U.S.\$520,000,000 3.20 per cent. Guaranteed Bonds due 2024 Unconditionally and Irrevocably Guaranteed by



Zhuji State-owned Assets Management Co., Ltd.

(諸暨市國有資產經營有限公司)

(incorporated with limited liability in the PRC)

Issue Price: 100.00 per cent.

The 3.20 per cent. guaranteed bonds in the aggregate principal amount of U.S.\$520,000,000 due 2024 (the “**Bonds**”) will be issued by Zhuji Development Limited (the “**Issuer**”) and will be unconditionally and irrevocably guaranteed (the “**Guarantee**”) by Zhuji State-owned Assets Management Co., Ltd. (諸暨市國有資產經營有限公司) (the “**Guarantor**”). The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Terms and Conditions of the Bonds (the “**Terms and Conditions**”)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions, at all times rank at least equally with all the Issuer’s other present and future unsecured and unsubordinated obligations.

The Bonds will bear interest on their outstanding principal amount from and including 18 October 2021 (the “**Issue Date**”) at the rate of 3.20 per cent. per annum and such interest will be payable semi-annually in arrear in equal instalments of U.S.\$16.00 per Calculation Amount (as defined in the Terms and Conditions) on 18 April and 18 October in each year (each an “**Interest Payment Date**”), commencing on 18 April 2022. All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes to the extent described under “**Terms and Conditions of the Bonds – Taxation**”.

The Guarantor will enter into a deed of guarantee (the “**Deed of Guarantee**”) on or around the Issue Date. The Guarantor will be required to file or cause to be filed with the State Administration of Foreign Exchange or its local counterpart (“**SAFE**”), the Deed of Guarantee within 15 PRC Business Days (as defined in the Terms and Conditions) after the execution of the Deed of Guarantee in accordance with, the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the “**Cross-Border Security Registration**”). The Guarantor shall use its best endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline (being 90 PRC Business Days after the Issue Date) and comply with all applicable PRC laws and regulations in relation to the issue of the Bonds and the Deed of Guarantee.

Pursuant to the Circular on Promoting the Reform of the Filing and Registration System on the Issuance by Enterprises of Foreign Debt (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 National Development and Reform Commission of the PRC (the “**NDRC**”) on 14 September 2015 which came into effect on the same day, the Guarantor has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 25 August 2021 evidencing such registration and has undertaken to file or cause to be filed the requisite information and documents on the issuance of the Bonds to the NDRC within 10 PRC Business Days after the Issue Date.

Unless previously redeemed, or purchased and cancelled, the Issuer will redeem each Bond at its principal amount on 18 October 2024 (the “**Maturity Date**”). At any time, on giving not less than 30 nor more than 60 days’ notice in accordance with Condition 16 to the Bondholders (as defined below) (which notice shall be irrevocable) and to the Trustee and the Principal Paying Agent in writing, the Issuer may redeem the Bonds in whole, but not in part, at 100 per cent. of their principal amount, together with any interest accrued to but excluding the date fixed for redemption, if (i) the Issuer satisfies the Trustee (as defined in the Terms and Conditions) immediately prior to giving such notice that the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or, in each case, 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 regulation, which change or amendment becomes effective on or after 12 October 2021, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due. At any time following the occurrence of a Relevant Event (as defined in the Terms and Conditions), each holder of Bonds (each a “**Bondholder**”) will have the right, at such Bondholder’s option, to require the Issuer to redeem all but not some only of that Bondholder’s Bonds on the Put Settlement Date (as defined in the Terms and Conditions) at 101 per cent. (in the case of a redemption for a Change of Control (as defined in the Terms and Conditions)) or 100 per cent. (in the case of a redemption for a No Registration Event (as defined in the Terms and Conditions)) of their principal amount, together with any interest accrued to but excluding the Put Settlement Date. See “**Terms and Conditions of the Bonds – Redemption and Purchase**”.

For a more detailed description of the Bonds, see “**Terms and Conditions of the Bonds**” beginning on page 51.

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

Investing in the Bonds involves risks. See “**Risk Factors**” beginning on page 18 for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Bonds and the Guarantee have not been and will not be registered under the United States 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. The Bonds and the Guarantee are being offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds and the Guarantee and the distribution of this Offering Circular, see “**Subscription and Sale**”.

Application will be made to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the listing of, and permission to deal in, the 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 Offering Circular is for distribution to Professional Investors only.

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

The Bonds will not be rated.

The Bonds will be represented initially by interests in 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 18 October 2021, with, a common depositary for 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, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

China International Capital Corporation Guotai Junan International China CITIC Bank International

OCBC Bank China Zhesang Bank Co., Ltd. (Hong Kong Branch)

Joint Lead Managers and Joint Bookrunners

China Securities International CNCB Capital Industrial Bank Co., Ltd. Hong Kong Branch

Offering Circular dated 12 October 2021

NOTICE TO INVESTORS

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

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

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer, the Guarantor or the Group or quality of disclosure in this Offering Circular. Investors are advised to read and understand the contents of the Offering Circular before investing. If in doubt, investors should consult their advisers.

Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that (i) this Offering Circular contains all material information with respect to the Issuer, the Guarantor and their subsidiaries taken as a whole (collectively, the “**Group**”) and the Bonds and the Guarantee which is material in the context of the issue and offering of the Bonds (including all information which, required by applicable laws and according to the particular nature of the Issuer, the Guarantor, the Bonds and the Guarantee, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor and the Group and of the rights attaching to the Bonds and the Guarantee), (ii) the statements of fact contained in this Offering Circular relating to the Issuer, the Guarantor, the Group, the Bonds and the Guarantee are in every material respect true and accurate and not misleading, (iii) the statements of intentions and opinions contained in this Offering Circular are, honestly made or held, and have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all statements relating to the Issuer, the Guarantor, the Group, the Bonds and the Guarantee, (v) this Offering Circular does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading and (vi) the statistical, industry, and market-related data included in this Offering Circular are based on or derived or extracted from sources which each of the Issuer and the Guarantor believes to be accurate and reliable in all material respects.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Bonds and the giving of the Guarantee described in this Offering Circular. The distribution of this Offering Circular, the offering of the Bonds and the giving of the Guarantee in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, China International Capital Corporation Hong Kong Securities Limited, Guotai Junan Securities (Hong Kong) Limited, China CITIC Bank International Limited, Oversea-Chinese Banking Corporation Limited, China Zheshang Bank Co., Ltd.

(Hong Kong Branch), China Securities (International) Corporate Finance Company Limited, CNCB (Hong Kong) Capital Limited and Industrial Bank Co., Ltd. Hong Kong Branch (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 and the giving of the Guarantee 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 Guarantor giving the Guarantee, and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale*”.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any information supplied by the Issuer and the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor or the Joint Lead Managers. 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 Guarantor or the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof.

None of the Joint Lead Managers, the Trustee (as defined in the Terms and Conditions) or the Agents (as defined in the Terms and Conditions) or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents, advisers and affiliates has separately verified the information contained in this Offering Circular. None of the Joint Lead Managers, the Trustee or the Agents, or any of their respective directors, officers, employees, representatives, agents, advisers, representatives or affiliates of any such person, makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information contained in this Offering Circular or any information supplied in connection with the Bonds and the Guarantee. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates 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 Guarantor and the merit and risks involved in investing in the Bonds. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates, (i) accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by a Joint Lead Manager, the Trustee or an Agent, or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or on its behalf, in connection with the Issuer, the Guarantor, the Group, the issue and offering of the Bonds or the giving of the Guarantee, or (ii) undertakes to review the financial condition or affairs of the Issuer or the Guarantor 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 person who controls any of them, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates. Each of the Joint Lead Managers, the Trustee and the Agents and any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. This Offering Circular is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, the Agents or any person who controls any of them that any recipient of this Offering Circular should subscribe for or purchase any Bonds. Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor with its own tax, legal and business advisers as it deems necessary.

This Offering Circular is provided solely for the purpose of enabling the recipient to consider purchasing the Bonds. The investors or prospective investors should read this Offering Circular carefully before making a decision regarding whether or not to purchase the Bonds. This Offering Circular cannot be used for any other purpose and any information in this Offering Circular cannot be disclosed to any other person. This Offering Circular is personal to each prospective investor and does not constitute an offer to any other person or to the public generally to purchase or otherwise acquire the Bonds.

In making an investment decision, the prospective investor must rely on its own judgment and examination of the Issuer and the Guarantor and the Terms and Conditions, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds. None of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates are making any representation regarding the legality of an investment in the Bonds under any law or regulation. The recipient of this Offering Circular should not consider any information in this Offering Circular to be legal, business or tax advice. Any investor or prospective investor should consult his/her/its own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Bonds.

The communication of this Offering Circular and any other document or materials relating to the issue of the Bonds offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Promotion Order, or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any relevant persons. In the United Kingdom, the Bonds offered hereby are only available to, and any investment or investment activity to which this Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Circular or any of its contents.

In connection with Section 309B of the Securities and Future Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulation 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(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 THE ISSUE OF THE BONDS, ANY JOINT LEAD MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER, PROVIDED THAT CHINA CITIC BANK INTERNATIONAL LIMITED SHALL NOT BE ACTING AS THE STABILISATION MANAGER, (THE “STABILISATION MANAGER”), MAY OVER-ALLOT 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. 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 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.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular. Investors are advised to read and understand the contents of the Offering Circular before investing. If in doubt, investors should consult their advisers.

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, the Guarantor or the Guarantor's 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.

WARNING

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

INDUSTRY AND MARKET DATA

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

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains consolidated financial information of the Guarantor as at and for the years ended 31 December 2018, 2019 and 2020 which has been extracted from the audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2019 and 2020 (respectively, the “**2019 Annual Financial Statements**” and the “**2020 Annual Financial Statements**”) included elsewhere in this Offering Circular. The 2019 Annual Financial Statements and the 2020 Annual Financial Statements have been audited by Zhonghui Certified Public Accountants LLP (中匯會計師事務所(特殊普通合夥))(“**Zhonghui**”). The 2019 Annual Financial Statements and the 2020 Annual Financial Statements were prepared and presented in accordance with the Accounting Standards for Business Enterprises in the PRC (“**PRC GAAP**”). PRC GAAP differs in certain respects from the International Financial Reporting Standards (“**IFRS**”). See “*Summary of Certain Differences between PRC GAAP and IFRS*”.

The 2019 Annual Financial Statements and the 2020 Annual Financial Statements have been prepared in Chinese and an English translation of the same has been included in this Offering Circular. In case the English translation does not conform to the Chinese version, the Chinese version shall prevail. None of the Joint Lead Managers, the Trustee and the Agents and any person who controls any of them, and any of their respective directors, officers, employees, representatives, agents, advisers or affiliates have independently verified or checked the accuracy of such translation nor can any of them give any assurance that the information contained in such translation is accurate, truthful or complete. Potential investors must exercise caution when they use such financial information to evaluate the Group’s financial condition and results of operations.

As a result of business combination under common control in relation to Zhuji Yuedu Investment Development Co., Ltd. (諸暨市越都投資發展有限公司, “**Zhuji Yuedu Investment**”) and change in accounting policy in relation to investment properties which occurred in 2020, certain line items of the consolidated financial information of the Guarantor as at and for the year ended 31 December 2019 were restated in the 2020 Annual Financial Statements. For details and impact on the Group of such restatements, see note III.(XXVII) “Changes in accounting policy” and note VI.(II) “Business combination under common control” to the 2020 Annual Financial Statements. **Unless stated otherwise, the consolidated financial information as at and for the year ended 31 December 2019 in this Offering Circular refers to the restated consolidated financial information as at and for the year ended 31 December 2019 extracted from the 2020 Annual Financial Statements.** Potential investors must exercise caution when using the restated consolidated financial information as at and for the year ended 31 December 2019 in the 2020 Annual Financial Statements to evaluate the Group’s financial condition and results of operations. See “*Risk Factors – Risks Relating to Financial Information – The restated consolidated financial information is not necessarily indicative of the Group’s actual financial results in 2019 had the concerned events occurred during that period.*”

The signing person of the Guarantor’s auditors for the Group’s 2019 Audited Financial Statements and 2020 Audited Financial Statements was penalised by the CSRC for its work of another PRC company. See “*Risk Factors – Risks Relating to Financial Information – The Guarantor’s auditors, including the person-in-charge of the Group’s 2019 Audited Financial Statements and 2020 Audited Financial Statements, were penalised by CSRC for its past audit work and have limited international capital markets experience.*”

This Offering Circular includes figures relating to EBITDA. EBITDA is not a standard measure under PRC GAAP or IFRS. EBITDA is a widely used financial indicator of a company’s ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of performance or as an indicator of the Guarantor’s operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, investors should consider, among other things, the components of EBITDA such as operating expenses and the amount by which EBITDA exceeds capital expenditures

and other charges. The Guarantor has included EBITDA because the Guarantor believes that it is a useful supplement to cash flow data as a measure of the Guarantor'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 Guarantor's EBITDA to EBITDA presented by other companies because not all companies use the same definition.

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.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

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 (for the purpose of this Offering Circular, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan), all references to the “United States” and “U.S.” are to the United States of America, all references to “Hong Kong” are to the Hong Kong Special Administrative Region of the People’s Republic of China; all references to “Renminbi”, “RMB” and “CNY” are to the lawful currency of the PRC and all references to “USD”, “U.S.\$” and “U.S. dollars” are to the lawful currency of the United States of America.

This Offering Circular contains translations of certain Renminbi amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise specified, where financial information in Renminbi has been translated into U.S. dollars, it has been so translated, for convenience only, at the rate of RMB6.5250 to U.S.\$1.00 (being the noon buying rate in New York City on 31 December 2020 as set forth in the weekly H.10 statistical release of the Federal Reserve Board of the Federal Reserve Bank of New York (the “**Noon Buying Rate**”). All such translations in this Offering Circular are provided solely for investors’ convenience and no representation is made that the amounts referred to herein have been, could have been or could be converted into U.S. dollars or Renminbi, or vice versa, at any particular rate or at all. Further information regarding exchange rates is set forth in “*Exchange Rates*” in this Offering Circular.

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

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

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

“**GDP**” are to gross domestic product;

- “**MOF**” are to Ministry of Finance of the People’s Republic of China;
- “**PBOC**” are to the People’s Bank of China, the central bank of the People’s Republic of China;
- “**SAT**” are to State Administration of Taxation of the PRC;
- “**SSE**” are to Shanghai Stock Exchange;
- “**State Council**” are to State Council of the People’s Republic of China;
- the “**Zhejiang Government**” are to the People’s Government of Zhejiang Province or local government entities, and instrumentalities thereof, or where the context requires, any of them;
- the “**Zhuji Government**” are to the People’s Government of Zhuji City or local government entities, and instrumentalities thereof, or where the context requires, any of them;
- the “**Zhuji SASAC**” are to the State-owned Assets Supervision and Administration Commission of the People’s Government of Zhuji City, Zhejiang Province; and
- “**VAT**” are to value-added tax.

FORWARD-LOOKING STATEMENTS

The Issuer and the Guarantor have 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, operating revenue and profitability, planned projects and other matters as they relate to the Issuer, the Guarantor 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, the Guarantor 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, the Guarantor 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. Each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group’s expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

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

- the Group’s ability to successfully implement its business plans and strategies;
- the financial condition, performance and business prospects of the Group;
- the Group’s capital expenditure plans and its ability to carry out those plans;
- access and cost of capital and financing;
- changes in the competitive landscape in the industries where the Group operates;
- changes in laws, rules, regulations and policies adverse to the Group’s business;
- general political and economic conditions in the PRC, Zhejiang Province and Zhuji City and macroeconomic measures taken by the PRC government to manage economic growth;
- volatility in interest rates, foreign exchange rates, equity prices or other rates or prices pertaining to the industry and markets in which the Group operates;
- natural disasters, industrial action, terrorist attacks and other events beyond the Group’s control; and
- other factors, including those discussed in “*Risk Factors*”.

Neither the Issuer nor the Guarantor undertakes any obligation to update or revise publicly any of the opinions or forward-looking statements expressed in this Offering Circular as a result of any new information, future events or otherwise.

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SUMMARY

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

OVERVIEW

The Group is the largest and the most important investment, financing, urban construction, state-owned asset management and industrial innovation platform in Zhuji City in terms of total assets, total operating revenue and gross profit in 2020. The Guarantor was established in December 1992 by the Zhuji Government as a holding company wholly-owned by the Zhuji SASAC and is tasked with the equity contribution, project financing and asset management functions in respect of its 103 operating subsidiaries as at 31 December 2020, which carry out the Group’s wide variety of business operations. At the direction of the Zhuji Government and the Zhuji SASAC, the Group acquired all state-owned enterprises owned by the Zhuji SASAC from 2015 to 2021, so as to become the sole state-owned enterprise under the direct ownership and control of the Zhuji SASAC and be responsible for the management of all of the state-owned assets currently under the supervision and administration of the Zhuji SASAC. As such, the Group has enjoyed and will continue to enjoy the competitive advantages of being the sole provider of a number of public services within Zhuji City. In addition, the Group is delegated by the Zhuji SASAC to perform the investor’s responsibilities in municipal state-owned enterprises, optimise the structure of state-owned assets, strengthen state-owned capital operation, improve efficiency, and promote the economic construction and development of social undertakings in Zhuji City.

The Group is a mega state-owned investment enterprise focusing on state-owned capital operation, state-owned equity management and overseas investment, with the goal of securitisation and value maximisation. The Group intends to ensure advancement and retreat of state-owned capital and realisation of the goal of maintaining and increasing value through professional and market-oriented operations. The Group plans to integrate its resources and operate its capital in accordance with the principles of enterprising, marketisation, and specialisation, so as to gradually complete the transformation from asset management model to capital operation model, from government-tasked to market-oriented, and from resource-based to capability-based, as well as to realise the accumulation of capital, talents and experience. The Guarantor strives to build up itself as a mega state-owned investment enterprise with the largest asset scale, the best capital structure, the highest credit rating, and the strongest comprehensive strength in Zhuji City. The Group will accelerate the cultivation and formation of corporate development structure and strategic policies, comprehensively improve its investment planning, capital management and control and brand cultivation capabilities. The Group will focus on its overall investment and operation capabilities to realise cross-regional expansion, continuously enhance its core competitiveness, and gradually improve its brand reputation within its industry across the province, in order to build up a relatively stronger regional influence.

The Group conducts its business in twelve business segments, namely construction, resettlement housing construction, primary land development, water supply, public transportation, media and education, agriculture, security services, commodity trading, film sales, environmental protection equipment parts processing and other business. Set forth below is a summary of each of the Group’s business segments:

- **Construction.** The Group’s construction business covers transportation function-related construction business, such as construction, management and maintenance of urban and rural roads, and urban construction business, including municipal public facilities construction and urban greening and beautification. The Group conducts its construction business through two of its subsidiaries, namely Zhuji Urban & Rural Investment Group Co., Ltd. (諸暨市城鄉投資集團有限

公司, “**Zhuji Urban & Rural Investment**”) and Zhuji Chengdong New City Construction Co., Ltd. (諸暨市城東新城建設有限公司, “**Zhuji Chengdong New City Construction**”). As at the date of this Offering Circular, the Group is the exclusive provider of such construction services to the Zhuji Government and therefore faces limited market competition. Leveraging the ongoing urbanisation and the growing demand for land resources in Zhuji City, as well as its role as the sole provider of such construction services to the Zhuji Government, the Group’s construction business enjoys high growth potential and strong financial support from the Zhuji Government. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s construction business was RMB665.9 million, RMB2,529.9 million and RMB2,385.8 million, which accounted for 14.8 per cent., 33.2 per cent. and 25.0 per cent. of the Group’s total operating revenue, respectively, during the same periods. From 2019 onwards, the Group only adopts the agency construction model in resettlement housing construction and primary land development. Resettlement housing construction and primary land development projects operated under the agency construction model were and will continue to be classified into the construction segment.

- **Resettlement housing construction.** The Group’s resettlement housing construction business involves constructing apartment buildings for persons whose existing residences have been designated for demolition. As the sole state-owned capital operation and management entity and the largest city infrastructure construction and operating entity, the development of the Group’s resettlement housing construction business is expected to receive strong support from the Zhuji SASAC especially in terms of financial subsidies, revenue recovery and new project development allocation. The Group conducts its resettlement housing construction business through three of its subsidiaries, namely Zhuji Urban & Rural Investment, Zhuji New City Investment and Zhuji Chengdong New City Construction, in various parts of Zhuji City including the urban area, the Zhuji Economic Development Zone and eastern new city area. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s resettlement housing construction business was RMB605.0 million, RMB245.6 million and RMB317.3 million, which accounted for 13.4 per cent., 3.2 per cent. and 3.3 per cent. of the Group’s total operating revenue, respectively, during the same periods. The operating income generated from the resettlement housing construction segment in 2018, 2019 and 2020 referred to operating income generated from historical completed projects and will gradually fade out.
- **Primary land development.** The Group’s primary land development business generally involves preparing and consolidating land for further development by demolishing existing buildings and constructing utility and transportation networks. The Group conducts its primary land development business through two of its subsidiaries, namely Zhuji Urban & Rural Investment and Zhuji Chengdong New City Construction, in various parts of Zhuji City. As at the date of this Offering Circular, Zhuji Urban & Rural Investment and Zhuji Chengdong New City Construction are the sole providers of such primary land development to the Zhuji Government. The Group faces limited competition in this business segment due to its monopolistic status in the region. Zhuji Yongxing House Demolition Services Co., Ltd. (諸暨市永興房屋拆遷服務有限公司) (“**Zhuji Yongxing House Demolition Services**”) also provides house demolition services in Zhuji City. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s primary land development business was RMB280.0 million, RMB51.2 million and nil, which accounted for 6.2 per cent., 0.7 per cent. and nil of the Group’s total operating revenue, respectively, during the same periods. The operating income generated from the primary land development segment in 2018 and 2019 referred to operating income generated from historical completed projects and will gradually fade out. Since 2020, the Group has not generated any operating income from its primary land development segment.
- **Water supply.** The Group’s water supply business primarily consists of supplying water to residents and corporate customers in Zhuji City as well as the installation and maintenance of water pipes and water metres in Zhuji City. The Group conducts its water supply business through its subsidiary, Zhuji Water Supply Group Co., Ltd. (諸暨市水務集團有限公司, “**Zhuji Water**”).

Supply”). As at the date of this Offering Circular, the Group is the sole provider of water to Zhuji City and the sole entity responsible for Zhuji City’s water supply network. Due to the natural monopolistic character of its water supply segment, the Group faces limited competition in such business. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s water supply business was RMB286.4 million, RMB397.7 million and RMB410.8 million, which accounted for 6.3 per cent., 5.2 per cent. and 4.3 per cent. of the Group’s total operating revenue, respectively, during the same periods.

- **Public transportation.** As the sole authorised public transportation operator in Zhuji City, the Group’s public transportation business, primarily carried out by Zhuji Traffic Infrastructure Construction Co., Ltd. (諸暨市交通基礎設施建設有限公司, “**Zhuji Traffic Infrastructure Construction**”), mainly includes operating 48 bus routes within the Third Ring (三環) of Zhuji City with a fleet of 350 buses as at 31 December 2020. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s public transportation business was RMB29.1 million, RMB35.9 million and RMB24.2 million, which accounted for 0.6 per cent., 0.5 per cent. and 0.3 per cent. of the Group’s total operating revenue, respectively, during the same periods.
- **Media and education.** The Group’s media and education business primarily includes TV operation, school operation and movie theatre operation and the business segment enjoys a certain degree of regional monopoly. The Group’s media and education business is primarily carried out by Zhejiang Huanjiang Media Group Co., Ltd. (浙江浣江傳媒集團有限公司, “**Zhejiang Huanjiang Media**”), Zhuji Education Development Investment Co., Ltd. (諸暨市教育發展投資有限公司, “**Zhuji Education**”), Zhuji Health Investment Co., Ltd. (諸暨市衛生投資有限公司, “**Zhuji Health**”) and Zhuji Film Co., Ltd. (諸暨市影業有限公司, “**Zhuji Film**”). For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s media and education business was RMB204.6 million, RMB211.0 million and RMB379.2 million, which accounted for 4.5 per cent., 2.8 per cent. and 4.0 per cent. of the Group’s total operating revenue, respectively, during the same periods. From 2019 onwards, the movie theatre operation business under the segment has been classified into the Group’s other business segment due to its insignificant revenue contribution.
- **Agriculture.** The Group’s agriculture business primarily includes its grain reserves business and crop seed sales business, which are carried out by Zhuji Grain Storage Co., Ltd. (諸暨市糧食收儲有限公司, “**Zhuji Grain Storage**”) and Zhuji Yuefeng Seed Industry Co., Ltd. (諸暨市越豐種業有限責任公司, “**Zhuji Yuefeng Seed**”), respectively. The Group is the sole authorised operator for collection, storage and sale of grain reserves and crop seed sale in Zhuji City. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s agriculture business was RMB117.8 million, RMB125.8 million and RMB148.8 million, which accounted for 2.6 per cent., 1.7 per cent. and 1.6 per cent. of the Group’s total operating revenue, respectively, during the same periods.
- **Security services.** Since 2018, the Group’s business has expanded to provision of security services in Zhuji City. The Group’s security services business primarily includes provision of security guard services and unarmoured transportation services, and design, installation, maintenance and/or repair of security systems and security devices. The Group’s security services business is primarily undertaken by its subsidiary, Zhuji Anshun Security Service Co., Ltd. (諸暨市安順保安服務有限公司, “**Zhuji Anshun Security Service**”). For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s security services business was RMB88.6 million, RMB168.2 million and RMB286.1 million, which accounted for 2.0 per cent., 2.2 per cent. and 3.0 per cent. of the Group’s total operating revenue, respectively, during the same periods.

- **Commodity trading.** To further diversify its business and expand its sources of income, the Group commenced its commodity trading business in November 2016, which primarily includes the trading of electrolytic copper and copper rods, through its subsidiary, Feida Group Co., Ltd. (菲達集團有限公司, “**Feida Group**”). For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s commodity trading business was RMB2,093.6 million, RMB2,356.7 million and RMB3,073.7 million, which accounted for 46.4 per cent., 30.9 per cent. and 32.2 per cent. of the Group’s total operating revenue, respectively, during the same periods.
- **Film sales.** Since July 2019, the Group’s business has expanded to film sales, which is primarily carried out by Zhejiang Great Southeast Co., Ltd. (浙江大東南股份有限公司, “**Zhejiang Great Southeast**”). Zhejiang Great Southeast mainly engages in the research and development, production and sales of all kinds of plastic film and new materials. Its main products include cast polypropylene (“**CPP**”) film, biaxially oriented polyethylene terephthalate (“**BOPET**”) film, biaxially oriented polypropylene (“**BOPP**”) capacitive film and optical film. For the years ended 31 December 2019 and 2020, the operating revenue from the Group’s film sales business was RMB819.2 million and RMB1,454.5 million, which accounted for 10.8 per cent. and 15.3 per cent. of the Group’s total operating revenue, respectively, during the same periods.
- **Environmental protection equipment parts processing.** Since 2019, the Group’s business has expanded to environmental protection equipment parts processing, which is primarily carried out by Feida Group and its subsidiary, Jiangsu Feida Baokai Electric Co., Ltd. (江蘇菲達寶開電氣股份有限公司, “**Jiangsu Feida Baokai**”). Jiangsu Feida Baokai is a leading enterprise in production of electric environmental protection equipment in the PRC, as well as a national mega electric environmental protection equipment manufacturing base. For the years ended 31 December 2019 and 2020, the operating revenue from the Group’s environmental protection equipment parts processing business was RMB318.7 million and RMB430.9 million, which accounted for 4.2 per cent. and 4.5 per cent. of the Group’s total operating revenue, respectively, during the same periods.
- **Other business.** The Group’s other business primarily includes sanitation services, property management, property and commercial leasing, lending business for which it receives interest income for funds it lends and tourism. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group’s other main business was RMB20.5 million, RMB130.4 million and RMB456.1 million, which accounted for 0.5 per cent., 1.7 per cent. and 4.8 per cent. of the Group’s total operating revenue, respectively, during the same periods.

For the years ended 31 December 2018, 2019 and 2020, the total operating revenue of the Group was RMB4,511.2 million, RMB7,618.0 million and RMB9,533.2 million, respectively. Subsidies received from the Zhuji Government for the years ended 31 December 2018, 2019 and 2020 amounted to RMB2.9 billion RMB2.2 billion and RMB3.5 billion, respectively. As at 31 December 2020, the Group’s total assets amounted to RMB165,658.2 million.

ZHEJIANG PROVINCE AND ZHUJI CITY

The Group is well-positioned to capitalise on Zhuji City’s geographic advantages and fast-growing economy. Zhejiang Province is one of the richest and most-developed provinces in the PRC. In 2020, Zhejiang Province accounted for 6.36 per cent. of the PRC’s GDP, ranked 4th among provinces in terms of total GDP and ranked 5th in terms of nominal GDP per capita among provinces, municipalities and autonomous regions, according to information published by the National Bureau of Statistics of China.

Zhuji City is located in north-central Zhejiang Province and the centre of the Hangzhou Bay Area, an area which includes the major cities in Zhejiang Province and Shanghai and is characterised by substantive economic integration. Its convenient transportation network links Zhuji City with the four major metropolitan areas in Zhejiang Province, namely Hangzhou City, Ningbo City, Wenzhou City and Jinhua – Yiwu Metropolitan Area, facilitating the free flow of resources and regional coordination. It is

mainly served by Hangjinqi (杭金衢), Zhuyong (諸永), Shaozhu (紹諸) and Raocheng (繞城) expressways, Zhejiang-Jiangxi Railway as well as the Beijing-Hangzhou Grand Canal, and is 60 kilometres from Hangzhou Xiaoshan International Airport and 300 kilometres from Shanghai Pudong International Airport. In addition to its geographic competitiveness, Zhuji City is renowned for its excellent ecological environment with a green coverage rate of over 40 per cent in 2020. In 2016, it was awarded the “PRC Habitat Scroll of Honour Award” (中國人居環境獎) by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) for its work in improving the living conditions in urban centres.

Zhuji City covers an area of 2,311 square kilometres, has jurisdiction over five streets, 17 towns and one township, and is home to a registered population of approximately 1.1 million, according to the Shaoxing Municipal Bureau of Statistics. In 2020, Zhuji City ranked 14th among the top 100 counties and cities in China in terms of comprehensive strength (全國綜合實力百強縣市) by the Small and Medium Cities Development Strategy Research Institute (中小城市發展戰略研究院) and ranked 11th among the top 100 counties in China in terms of comprehensive economic competitiveness (全國縣域經濟綜合競爭力100強) by the Chinese Academy of Social Sciences (中國社會科學院). In 2020, Zhuji City also ranked 10th among the county-level cities in China in terms of overall well-off index (全國縣級市全面小康指數), 5th among the top 100 counties in China in terms of governance capability (中國治理能力百強縣) and 9th among the top 100 innovative counties (cities) in China (中國創新百強縣(市)). In addition, Zhuji City ranked third in the Zhejiang Province in terms of industrial business and ranked second on the index of governmental environment evaluation in 2020. As at the date of this Offering Circular, Zhuji City has 355 national high-tech enterprises, 1,444 provincial science and technology-based small and medium-sized enterprises, 15 domestic and foreign listed enterprises, and is the home to the only world’s top 500 enterprises from Shaoxing city. For the years ended 31 December 2018, 2019 and 2020, the GDP of Zhuji City was RMB122.5 billion, RMB131.2 billion and RMB136.2 billion, representing a year-on-year growth rate of 6.7 per cent., 7.5 per cent. and 3.6 per cent., respectively, accordingly to the Shaoxing Municipal Bureau of Statistics. In 2020, the industry added value of its primary, secondary and tertiary industry was RMB5,091 million, RMB61,762 million and RMB69,383 million, respectively, representing an increase of 2.3 per cent., 2.4 per cent. and 5.3 per cent. since 2019. Its per capita GDP based on registered population for 2020 was RMB125,718, representing an increase of 3.7 per cent. from 2019.

In addition to leveraging on its geographic proximity to Hangzhou City to the north and Jinhua – Yiwu Metropolitan Area to the south, Zhuji City plans to further develop its secondary and tertiary sectors of the economy as well as promote its cultural legacy as the birthplace of the legendary beauty Xi Shi. With respect to its advanced secondary sector, it will continue to focus on its four leading industries including environmental protection and new energy, intelligent equipment manufacturing, copper processing and new materials and fashion while cultivating strategic new strengths in information economy and health manufacturing. Regarding its tertiary sector, it will enhance its advantages in finance and logistics while diversifying into areas such as cultural creativity, sports health and e-commerce. Furthermore, it will carry through the construction of Datang Socks Town, and other characteristic towns including “Zhuji Green Town” and “Zhuji Pearl Town”, which will help create opportunities for industrial and cultural-related businesses.

Zhuji City is also selected as one of the pilot demonstration zones for the “Common Wealth (共同富裕)” initiative by the Zhejiang Province in July 2021. Several major projects were initiated as part of the “Common Wealth” initiative including the Xinyi China Digital Equipment Intelligent Supply Chain Industrial Park Project (新宜中國數字裝備智慧供應鏈產業園項目), the Ouyi Digital Home Appliance Project (歐意數位化家電家居項目) and Jinfeng Zhigu Innovation Technology Park Project (金豐智谷創新科技園項目).

COMPETITIVE STRENGTHS

The Group's business success is largely attributable to the following competitive strengths:

- Strategically important in the development of Zhuji City, the Group is the exclusive provider of some of the key public utilities and construction services
- Strong relationship with the Zhuji Government
- Diversified business portfolio underpinned by stable income
- Diversified sources of financing leading to a moderate debt structure
- Sound corporate governance culture
- Experienced management and operational teams

BUSINESS STRATEGIES

The Group aims to maintain its leading position in carrying out construction, resettlement housing construction, primary land development and water supply in Zhuji City while at the same time diversifying its business portfolio and maintaining synergy effect among its business segments. The Group intends to focus on the following business strategies in achieving such goals:

- Continue to gradually transform from asset management model to capital operation model, from government mission model to market-oriented model, and from resource focused model to capability focused model
- Continue to focus on construction, resettlement housing construction, primary land development, water supply, public transportation and media businesses to support the urbanisation of Zhuji City
- Continue to expand its diversified business portfolio
- Continue to develop diversified financing channels to maintain well-capitalised growth

RECENT DEVELOPMENTS

Issuance of Onshore Debt Securities

On 18 January 2021, the Guarantor issued corporate bonds titled "21 Zhujiao 01 (21諸交01)" in an aggregate principal amount of RMB0.8 billion for a tenor of five years and with a coupon rate of 4.75 per cent. The bonds are listed on the SSE.

On 19 January 2021, the Guarantor issued corporate bonds titled "21 Zhuzi 01 (21諸資01)" in an aggregate principal amount of RMB2.0 billion for a tenor of three years and with a coupon rate of 4.17 per cent. The bonds are listed on the SSE.

On 8 April 2021, the Guarantor issued corporate bonds titled "21 Zhucheng 01 (21諸城01)" in an aggregate principal amount of RMB2.5 billion for a tenor of five years and with a coupon rate of 4.35 per cent. The bonds are listed on the SSE.

On 23 April 2021, the Guarantor issued private placement corporate bonds titled "21 Zhuzi 02 (21諸資02)" in an aggregate principal amount of RMB1.0 billion for a tenor of five years and with a coupon rate of 4.00 per cent. The bonds are listed on the SSE.

On 17 June 2021, the Guarantor issued corporate bonds titled “21 Zhuji New City PPN 001 (21諸暨新城PPN001)” in an aggregate principal amount of RMB1.2 billion for a tenor of five years and with a coupon rate of 4.46 per cent. The bonds are traded on the interbank bond market.

On 24 June 2021, the Guarantor issued private placement corporate bonds titled “21 Zhuzi 03 (21諸資03)” in an aggregate principal amount of RMB1 billion for a tenor of 5 years and with a coupon rate of 3.8 per cent. The bonds are listed on the SSE.

On 23 July 2021, the Guarantor issued corporate bonds titled “21 Zhuji Parking Lot Bond 01 (21諸暨停車場債01)” in an aggregate principal amount of RMB1.6 billion for a tenor of seven years and with a coupon rate of 4.32 per cent. The bonds are listed on the interbank bond market.

On 25 August 2021, the Guarantor issued corporate bonds titled “21 Zhucheng 02 (21諸城02)” in an aggregate principal amount of RMB1 billion for a tenor of five years and with a coupon rate of 3.55 per cent. The bonds are listed on the SSE.

2021 Interim Results

The Group from time to time issues onshore debt securities on the SSE. Pursuant to relevant listing rules and securities regulations in the PRC on debt capital markets, the Group is required to publish its interim and annual financial information on the SSE to satisfy the continuing disclosure obligations related to its outstanding onshore debt securities.

On 31 August 2021, the Group published its unaudited and unreviewed interim financial statements and corporate bond interim report as at and for the six months ended 30 June 2021 on the SSE. For the six months ended 30 June 2021, the Group’s total operating income, operating cost, selling expenses, tax and surcharges and financial expenses increased as compared to the same period in 2020, mainly attributable to increased income and cost from the Group’s various business segments including commodity trading, construction, resettlement housing construction, security service and public transportation business. The substantial increase in total operating income for the six months ended 30 June 2021 was partially offset by a decrease in the operating income generated from its environmental protection equipment parts processing business for the same period. Such decrease was mainly attributable to the general adverse economic condition in the first half of 2021. For the six months ended 30 June 2021, the Group’s financial expenses increased as compared to the same period in 2020 which was mainly attributable to increased financing scale as a result of the consolidation of Zhuji Yuedu Investment into the Group and the Group’s general business expansion, the Group’s other income decreased significantly as compared to the same period in 2020 which was mainly attributable to fluctuation in the Group’s ancillary businesses and the Group’s asset impairment loss increased significantly as compared to the same period in 2020, mainly attributable to the provision for transaction with Zhejiang Hongyuan Automobile Group Co. Ltd. (浙江泓源汽車集團有限公司). For the six months ended 30 June 2021, the Group’s non-operating income increased as compared to the same period in 2020, mainly attributable to increased income from government subsidies. As a result of the foregoing, the Group’s net loss for the six months ended 30 June 2021 increased as compared to the same period in 2020. In addition, certain liabilities of the Group, such as long-term borrowings and notes payable increased as at 30 June 2021 as compared to 31 December 2020, primarily attributable to the new issuances of corporate bonds in the first of 2021.

Typically, these preliminary financial information and operating results are derived from the Group’s management accounts which have not been audited or reviewed by independent auditors and do not provide the same quality of information associated with financial information that has been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the Group’s financial condition and results of operations.

GUARANTOR AND ISSUER AS SOLE OBLIGORS

The Guarantor is wholly-owned by the Zhuji Government with the Zhuji SASAC as its registered shareholder. The Zhuji Government, as the ultimate shareholder of the Guarantor, only has limited liability in the form of its equity contribution in the Guarantor. As such, neither the Zhuji Government nor any other PRC governmental entity has any payment or other obligations under the Bonds or the Guarantee and none of them will provide a guarantee of any kind for the Bonds or the Guarantee. The Bondholders shall have no recourse against the Zhuji Government or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Bonds or the Guarantee. The Bonds are solely to be repaid by the Issuer and the Guarantor each as an obligor under the relevant transaction documents, and the obligations of the Issuer under the Bonds or the Guarantor under the Guarantee shall solely be fulfilled by the Issuer or the Guarantor respectively as independent legal persons.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE GUARANTOR

The Guarantor's consolidated financial information as at and for the years ended 31 December 2018, 2019 and 2020 set forth below has been derived from the Guarantor's audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020. The audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2019 and 2020 were prepared and presented in accordance with PRC GAAP and had been audited by Zhonghui, the independent auditors to the Guarantor.

*As a result of business combination under common control in relation to Zhuji Yuedu Investment and change in accounting policy in relation to investment properties which occurred in 2020, certain line items of the consolidated financial information of the Guarantor as at and for the year ended 31 December 2019 were restated in the 2020 Annual Financial Statements. For details and impact on the Group of such restatements, see note III.(XXVII) "Changes in accounting policy" and note VI.(II) "Business combination under common control" to the 2020 Annual Financial Statements. **Unless stated otherwise, the consolidated financial information as at and for the year ended 31 December 2019 in this Offering Circular refers to the restated consolidated financial information as at and for the year ended 31 December 2019 extracted from the 2020 Annual Financial Statements.** Potential investors must exercise caution when using the restated consolidated financial information as at and for the year ended 31 December 2019 in the 2020 Annual Financial Statements to evaluate the Group's financial condition and results of operations. See "Risk Factors – Risks Relating to Financial Information – The restated consolidated financial information is not necessarily indicative of the Group's actual financial results in 2019 had the concerned events occurred during that period."*

PRC GAAP is substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. For a summary of those differences, see "Summary of Certain Differences between PRC GAAP and IFRS".

The summary financial data below should be read in conjunction with, and is qualified in its entirety by reference to, the Guarantor's consolidated financial statements and the notes thereto included elsewhere in this Offering Circular.

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

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME DATA OF THE GROUP

	For the year ended 31 December			
	2018	2019	2019	2020
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
	(audited)	(audited)	(audited)	(audited)
		(unrestated)	(restated)	
Operating revenue	4,511,164	6,606,335	7,618,022	9,533,232
Less: Cost of sales	4,140,569	5,928,357	6,777,815	8,440,775
Taxes and surcharges	43,627	77,977	103,460	47,240
Selling expenses	32,245	57,001	70,203	66,682
Administrative expenses	480,014	634,223	759,015	852,276
Research and development costs	3,422	16,884	17,076	44,210
Financial expenses	495,947	1,044,611	1,195,080	1,978,647
Including: interest expenditure	599,398	1,365,731	1,591,168	2,494,579
interest income	138,838	361,899	387,674	415,202
Add: Other income	145,704	411,317	425,865	261,503
Investments income/(loss)	(38,298)	68,149	53,385	44,187
Including: income from investments in				
associates and joint ventures	(67,228)	–	16,788	9,149
Gains/(losses) from changes in fair values	(12,340)	4,259	61,827	56,891
Assets impairment loss	(736)	(227)	(18,512)	(98,806)
Income/(loss) from asset disposal	–	–	(223)	31,904
Operating loss	(667,581)	(718,223)	(782,285)	(1,600,920)
Add: Non-operating income	993,989	1,125,268	1,389,283	2,465,473
Less: Non-operating expenses	32,847	29,974	41,084	48,416
Total profit	293,561	377,070	565,913	816,138
Less: Income tax expenses	70,213	35,196	84,723	183,894
Net profit	223,348	341,874	481,190	632,244
Net profit attributable to owner of parent	239,062	215,157	354,223	393,439
Profit or loss attributable to non-controlling interests	(15,714)	126,717	126,967	238,806

Note:

* Less than 1,000.

SUMMARY CONSOLIDATED BALANCE SHEETS DATA OF THE GROUP

	As at 31 December			
	2018	2019	2019	2020
	(RMB'000) <i>(audited)</i>	(RMB'000) <i>(audited)</i> <i>(unrestated)</i>	(RMB'000) <i>(audited)</i> <i>(restated)</i>	(RMB'000) <i>(audited)</i>
Current assets				
Cash and cash equivalents	8,692,512	10,987,876	12,070,774	11,403,373
Financial assets at fair value through profit or loss . . .	28,320	119,578	119,578	32,043
Notes receivable	–	44,195	44,195	66,385
Accounts receivable	435,408	1,505,809	2,507,580	3,315,690
Prepayments	1,182,151	359,126	408,292	715,950
Other receivables	12,214,973	15,672,746	14,183,024	14,728,687
Inventories	69,752,627	76,379,752	86,671,593	98,838,774
Other current assets	586,796	184,544	185,088	425,038
Total current assets	92,892,788	105,253,626	116,190,123	129,525,940
Non-current assets				
Available-for-sale financial assets	3,007,908	4,193,020	4,203,520	5,036,274
Long-term receivables	193,260	404,456	448,610	460,410
Long-term equity investments	1,155,862	1,397,948	1,397,948	1,353,032
Investment properties	14,905	340,049	3,651,348	6,862,940
Fixed assets	7,559,270	12,048,520	13,451,929	13,497,892
Constructions in progress	5,021,056	2,474,343	2,781,253	4,319,818
Intangible assets	1,191,726	829,972	1,624,258	2,536,803
Goodwill	–	647,905	647,905	647,905
Long-term prepaid expenses	68,558	58,486	82,200	11,306
Deferred tax assets	5,763	16,086	16,040	23,177
Other non-current assets	565,580	577,732	582,732	1,280,731
Total non-current assets	18,783,888	22,988,516	28,887,743	36,132,289
Total assets	111,676,676	128,242,142	145,077,866	165,658,229
Current liabilities				
Short-term borrowings	1,508,653	2,410,007	3,166,007	7,362,646
Notes payable	–	94,211	94,211	20,105
Accounts payable	379,503	886,398	917,444	1,148,165
Advance from customers	883,514	586,530	770,374	740,910
Employee benefits payable	28,908	49,987	55,500	81,835
Taxes payable	475,159	442,386	536,864	623,502
Other payables	8,139,273	5,130,098	5,899,846	6,332,216
Non-current liabilities due within one year	5,335,498	9,437,747	10,923,705	16,558,327
Other current liabilities	–	236,410	236,410	321,170
Total current liabilities	16,750,508	19,273,773	22,600,361	33,188,875
Non-current liabilities				
Long-term borrowings	29,413,700	26,086,400	28,909,000	26,012,302
Bonds payable	11,508,455	17,961,100	18,401,100	26,103,206
Long-term payable	7,654,917	12,891,189	16,022,851	16,886,440
Deferred income	188,737	344,337	346,067	403,219
Deferred tax liabilities	–	–	502,424	953,577
Total non-current liabilities	48,765,809	57,283,026	64,181,442	70,358,744
Total liabilities	65,516,317	76,556,799	86,781,803	103,547,620
Paid-in capital	800,000	800,000	800,000	800,000
Capital reserve	39,254,120	43,081,560	48,454,115	51,166,150
Other comprehensive income	*	164	164	493,765
Surplus reserve	24,774	24,774	24,774	24,774
Retained earnings	4,288,921	4,393,075	5,630,989	6,001,094
Total equity attributable to owners of the parent company	44,367,815	48,299,573	54,910,043	58,485,783
Non-controlling interests	1,792,544	3,385,770	3,386,020	3,624,826
Total owner's equity	46,160,359	51,685,343	58,296,063	62,110,609
Total liabilities and owner's equity	111,676,676	128,242,142	145,077,866	165,658,229

Note:

* Less than 1,000.

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOW DATA OF THE GROUP

	For the year ended 31 December			
	2018	2019	2019	2020
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
	(audited)	(audited)	(audited)	(audited)
		(unrestated)	(restated)	
Net cash flow used in operating activities	(8,063,559)	(2,961,648)	(3,461,456)	(7,768,702)
Net cash flow used in investing activities	(2,734,460)	(5,658,177)	(4,788,590)	(5,526,101)
Net cash flow from financing activities	7,224,241	10,905,616	11,570,601	12,610,107
Effect of foreign exchange rate changes on cash and cash equivalents	(22)	(444)	(444)	(14,068)
Net increase/(decrease) in cash and cash equivalents . .	(3,573,800)	2,285,347	3,320,110	(698,764)
Add: cash and cash equivalents at the beginning of the period	12,009,392	8,435,592	8,483,523	11,803,633
Cash and cash equivalents at the end of the period . .	8,435,592	10,720,939	11,803,633	11,110,869

OTHER FINANCIAL DATA

	As at and for			
	As at and for the year ended 31 December			
	2018	2019	2019	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(unrestated)	(restated)	
	(RMB in millions, except percentages)			
EBITDA ⁽¹⁾	1,262	2,160	2,650	4,070
Interest expense ⁽²⁾	2,515	3,944	4,038	5,304
EBITDA/Interest expense	0.5x	0.5x	0.7x	0.8x
Total indebtedness ⁽³⁾	50,651	64,766	72,018	89,933
Net debt ⁽⁴⁾	42,215	54,045	60,214	78,822
Total owners' equity	46,160	51,685	58,296	62,111
Total indebtedness/Total capitalisation ⁽⁵⁾	52.3%	55.6%	55.3%	59.1%
Net debt/Total capitalisation	43.6%	46.4%	46.2%	51.8%
Non-current indebtedness ⁽⁶⁾ /Total indebtedness	86.5%	81.3%	80.1%	73.0%
Total liabilities/Total assets	58.7%	59.7%	59.8%	62.5%

Notes:

- (1) EBITDA for any period is calculated as net profit adjusted for adjusted income tax expenses, interest expenses under financial expenses, accumulated amount of interest capitalisation, depreciation, amortisation of intangible assets and amortisation of long-term deferred 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 or any other measure of performance or as an indicator of the Group's operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, the Group believes that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. The Group has included EBITDA because the Group believes that it is a useful supplement to the cash flow data as a measure of the Group's performance and the Group's 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 definitions.
- (2) Interest expenses equals the sum of financial expenses and capitalised interest.
- (3) Total indebtedness consists of all short-term borrowings, non-current liabilities due within one year, other current liabilities, long-term borrowings, bonds payable and long-term payable.
- (4) Net debt equals total indebtedness less cash and cash equivalents.
- (5) Total capitalisation equals the sum of total indebtedness and total owners' equity.
- (6) Non-current indebtedness consists of long-term borrowings, bonds payable and long-term accounts payable.

THE OFFERING

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

Issuer	Zhuji Development Limited.
Guarantor	Zhuji State-owned Assets Management Co., Ltd. (諸暨市國有資產經營有限公司).
Group	Guarantor together with its subsidiaries, including without limitation, the Issuer.
The Bonds	U.S.\$520,000,000 3.20 per cent. Guaranteed Bonds due 2024.
Guarantee	The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. Its obligations in that respect are contained in the Deed of Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Issue Price	The Bonds will be issued at 100.00 per cent. of their principal amount.
Form and Denomination	The Bonds will be issued in registered form in the specified denomination of U.S.\$200,000 and higher integral multiples of U.S.\$1,000 in excess thereof.
Issue Date	18 October 2021.
Interest	The Bonds will bear interest on their outstanding principal amount from and including 18 October 2021, at the rate of 3.20 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$16.00 per Calculation Amount on 18 April and 18 October in each year, commencing on 18 April 2022.
Calculation Amount	Interest in respect of the Bond shall be calculated per U.S.\$1,000 in principal amount of the Bonds.
Maturity Date	18 October 2024.

Status of the Bonds	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (<i>Negative Pledge</i>) of the Terms and Conditions) unsecured obligations of the Issuer which shall at all times rank <i>pari passu</i> 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) (<i>Negative Pledge</i>) of the Terms and Conditions, at all times rank at least equally with all the Issuer’s other present and future unsecured and unsubordinated obligations.
Status of the Guarantee	The payment obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) (<i>Negative Pledge</i>) of the Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Negative Pledge	The Bonds will contain a negative pledge provision as further described in Condition 4(a) (<i>Negative Pledge</i>) of the Terms and Conditions.
Use of Proceeds	See “ <i>Use of Proceeds</i> ”.
Events of Default	The Bonds will contain certain events of default as further described in Condition 9 (<i>Events of Default</i>) of the Terms and Conditions.
Cross-Default.	The Bonds are subject to a cross-default provision in respect of present or future indebtedness for or in respect of moneys borrowed or raised or any guarantee and/or indemnity thereof of the Issuer or the Guarantor or any of their respective Subsidiaries in aggregate equals or exceeds U.S.\$25,000,000 or its equivalent. See Condition 9(c) (<i>Cross-Default</i>) of the Terms and Conditions.
Taxation	All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee 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 or within the British Virgin Islands or the PRC or, in each case, any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or the Guarantor, as the case may be, shall pay (except in certain circumstances set out in Condition 8 (<i>Taxation</i>) of the Terms and 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 “ <i>Terms and Conditions of the Bonds – Taxation</i> ”.
Final Redemption.	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date. The Bonds may not be redeemed at the option of the Issuer other than in accordance with Condition 6 (<i>Redemption and Purchase</i>) of the Terms and Conditions. See “ <i>Terms and Conditions of the Bonds – Redemption and Purchase</i> ”.

Redemption for Relevant Events

At any time following the occurrence of a Relevant Event, a Bondholder will have the right, at such Bondholder’s option, to require the Issuer to redeem all but not some only of such Bondholder’s Bonds on the Put Settlement Date (as defined in Condition 6(c) (*Redemption for Relevant Events*) of the Terms and Conditions) 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 interest accrued up to but excluding the Put Settlement Date.

A “**Change of Control**” occurs when:

- (i) the PRC Government Entities (as defined in Condition 6(c) (*Redemption for Relevant Events*) of the Terms and Conditions) together cease to directly or indirectly hold or own 100 per cent. of the issued share capital of the Guarantor; or
- (ii) the Guarantor ceases to hold or own, whether directly or indirectly, 100 per cent. of the issued share capital of the Issuer; or
- (iii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor’s assets to any other person or persons, acting together, except where such person(s) is/are Controlled by the PRC Government Entities;

A “**No-Registration Event**” occurs when the Registration Documents (as defined in the Terms and Conditions) are not delivered to the Trustee in accordance with Condition 4(d) (*Notification of Completion of the NDRC Post-issue Filing and the Cross-Border Security Registration*) of the Terms and Conditions on or before the Registration Deadline (as defined in the Terms and Conditions).

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 the Issuer giving not less than 30 nor more than 60 days’ notice in accordance with Condition 16 (*Notices*) of the Terms and Conditions to the Bondholders (which notice shall be irrevocable) and to the Trustee and the Principal Paying Agent in writing, at their principal amount, (together with any interest accrued to but excluding the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 12 October 2021, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, as further described in “*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Taxation Reasons*”.

Further Issues	The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the first payment of interest on them and the timing for compliance with the requirements set out in Terms and Conditions in relation to the NDRC Post-Issue Filing and the Cross-Border Security Registration) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds, as the case may be, as further described in “ <i>Terms and Conditions of the Bonds – Further Issues</i> ”.
Trustee	Citicorp International Limited.
Principal Paying Agent and Transfer Agent. . .	Citibank, N.A., London Branch.
Registrar.	Citibank, N.A., London Branch.
Clearing Systems	The Bonds will be represented initially by beneficial 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. 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 in this Offering Circular, certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate.
Notices and Payment . . .	So long as the Global Certificate is held on behalf of Euroclear and Clearstream, any notice to the holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream, for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Terms and Conditions and shall be deemed to have been given on the date of delivery to such clearing system.
Governing Law and Jurisdiction	English law; Hong Kong courts with exclusive jurisdiction.
Listing	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only and it is expected that the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange will commence on or about 19 October 2021.
Selling Restrictions	The Bonds and the Guarantee will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See “ <i>Subscription and Sale</i> ”.
Ratings	The Bonds will not be rated.

ISIN XS2385309203.

Common Code 238530920.

Issuer's Legal Entity

Identifier (LEI) 3003004LZJ550ZJ4CD15.

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 or the Guarantor 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, the Guarantor and the Group or the value of the Bonds. The Issuer and the Guarantor believe that the risk factors described below represent the principal risks inherent in investing in the Bonds, but the ability of the Issuer and/or the Guarantor 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 and/or the Guarantor 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 and the Guarantor are 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 and the Guarantor do 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

The Group's business, financial condition, results of operations and prospects depend heavily on the level of economic development in the PRC, Zhejiang Province and Zhuji City.

The Group's businesses and assets are highly concentrated in Zhejiang Province and Zhuji City of the PRC. Therefore, its business, financial condition, results of operations and prospects depend heavily on the level of economic development in the PRC, Zhejiang Province and Zhuji City. Although the PRC economy continues to grow at a faster rate than that of many countries, the rate of growth has slowed down in recent years, primarily as a result of the coronavirus (COVID-19) pandemic. In 2018, 2019 and 2020, the PRC's GDP grew 6.7 per cent., 6.1 per cent. and 2.3 per cent., respectively, according to the National Bureau of Statistics of China. Zhejiang Province and Zhuji City has similarly experienced a slowing economic growth in recent years. In 2018, 2019 and 2020, Zhejiang Province's GDP grew 7.1 per cent., 6.8 per cent. and 3.6 per cent., respectively, according to the Zhejiang Provincial Bureau of Statistics, and Zhuji City's GDP grew 6.7 per cent., 7.5 per cent. and 3.6 per cent., respectively, according to the Shaoxing Municipal Bureau of Statistics. Although the PRC government has implemented a number of policies and measures to address the slowdown in the growth of the PRC economy, there can be no assurance that the policies and measures adopted by the PRC government will be successful or effective in stimulating the growth of the PRC economy. It is difficult to predict how economic development in Zhejiang Province and Zhuji City will be affected by such slowdown. The level of economic development in the PRC, Zhejiang Province and Zhuji City may not continue to grow at the same rates as in the past. Any slowdown in the economic development in the PRC, Zhejiang Province or Zhuji City may reduce the demand for the Group's services and products and thereby adversely affect its business, financial condition, results of operations and prospects.

Reductions, modifications or discontinuance of government support could materially and adversely affect the Group's business, financial condition and results of operations.

As the largest investment, financing, and urban construction platform in Zhuji City, the Group has benefited from and relied on various forms of government support in the form of asset and capital injections, subsidies and grants:

- At the direction of the Zhuji Government and the Zhuji SASAC, the Guarantor has acquired most of the other state-owned enterprises in Zhuji City through equity transfers and asset injections.
- Subsidies received from the Zhuji Government for the years ended 31 December 2018, 2019 and 2020 amounted to RMB2.9 billion RMB2.2 billion and RMB3.5 billion, respectively. Please see “*Description of the Group – Competitive Strengths – Strong relationship with the Zhuji Government*” for further details.

However, the Zhuji Government may not continue to provide such support to the Group or may adjust the levels or types of support as a result of changes in government policies or priorities. Any reduction or discontinuation of government support to the Group would materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Zhuji Government may not act in the best interest of the Group.

The Guarantor is directly and wholly-owned by the Zhuji SASAC, which also has the power to appoint two members of the Guarantor's five-member board of directors. As a result, the Zhuji Government, which controls the Zhuji SASAC, is in a position to influence the Group's development plans, strategies and key business decisions in a manner intended to benefit Zhuji City as a whole but which may not be in the best interest of the Group. For example, in 2017 the Zhuji Government directed the Group to transfer its tourism business to another state-owned enterprise as part of a consolidation of state-owned tourism assets. Furthermore, the subsidies the Group receives for its price-controlled public transportation business do not cover all costs which contributed to the losses the Group experienced in its public transportation business for the years ended 31 December 2018, 2019 and 2020. In addition, changes to the Zhuji Government's policies, budget, development plans, projections, forecasts and opinions could have a material effect on the Group's business and prospects.

The Group's main business segments may not generate sufficient profit.

The Group's conducts its business in twelve business segments, namely commodity trading, construction, film sales, environmental protection equipment parts processing, water supply, media and education, resettlement housing construction, security services, agriculture, public transportation, primary land development and other business. In 2018, 2019 and 2020, the Group sustained operating loss of RMB667.6 million, RMB782.3 million and RMB1,600.9 million, respectively, mainly attributable to (i) continuous loss incurred by public transportation business; (ii) insufficient operating revenue from the Group's media and education business as it was at preliminary development stage; and (iii) relatively low gross profit margin of certain business segments, such as commodity trading, agriculture and primary land development. If the Group's business segments fail to generate sufficient profit in the future, the Group's business, financial condition, results of operations and debt repayment abilities may be materially and adversely affected.

The Group faces risks associated with contracting with public bodies.

The majority of the Group's revenue comes from contracts with government bodies, agencies and entities, in particular, the Zhuji Government and its agencies. However, the Zhuji Government and other local government agencies and entities may (i) have economic or business interests or considerations that are inconsistent with the Group's best interests; (ii) take actions which are contrary to the Group's requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) encounter

financial difficulties; or (v) have disputes with the Group as to contractual terms or other matters. Such counterparties may not perform their contractual obligations in a timely manner, if at all, or may, without prior notice, change existing policies and project plans for various reasons such as changes in government budgets. The occurrence of any such event may require the Group to adjust its business operations and development plans, which could adversely affect its operating results. If there is any material disagreement between the Group and such government agencies or entities, the Group may not be able to successfully resolve the disagreement in a timely manner, if at all. Disputes with public bodies may last for a considerably longer period than those with private sector counterparties, and payments due to the Group may be delayed as a result. Although the Group believes that it currently maintains a productive working relationships with its government agency and entity counterparties, such relationships may not continue. If any of the above factors materialise they may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group is exposed to risks relating to its high level of inventories.

According to the Group's business model and relevant accounting policies, it generally recognises its inventories as it incurs costs in connection with its infrastructure projects, resettlement housing projects and primary land development projects. Similar to its industry peers, the Group maintains a high level of inventories, which is primarily attributable to the Group's extended project buyback periods which on average are approximately 20 years. As at 31 December 2018, 2019 and 2020, the value of the Group's inventories was RMB69,752.6 million, RMB86,671.6 million and RMB98,838.8 million, respectively, representing 62.5 per cent., 59.7 per cent. and 59.7 per cent. of the Group's total assets as at the corresponding dates.

A high level of inventories may limit the Group's ability to respond to changing economic, financial and investment conditions and may cause the Group to have to make provisions for the impairment of the fair value of inventories. Any failure to effectively manage the Group's inventory level could have a material impact on the Group's cash flow and adversely affect its ability to carry on ordinary business activities and to serve its outstanding indebtedness, including interest payments on the Bonds.

The Group has high receivables. If the Group is unable to recover them effectively, the Group's liquidity and financial condition will be adversely affected.

The Group has a significant amount of receivables in connection with its infrastructure projects, resettlement housing projects and primary land development projects. As at 31 December 2018, 2019 and 2020, the Group's accounts receivable were RMB435.4 million, RMB2,507.6 million and RMB3,315.7 million, respectively, representing 0.5 per cent., 2.2 per cent. and 2.6 per cent. of the Group's total current assets as at the corresponding dates. Furthermore, as at 31 December 2018, 2019 and 2020, the Group's other receivables were RMB12,215.0 million, RMB14,183.0 million and RMB14,728.7 million, respectively, representing 13.1 per cent., 12.2 per cent. and 11.4 per cent. of the Group's total current assets as at the corresponding dates.

According to the Group's business model and relevant accounting policies, it generally recognises its receivables when it submits its construction costs to the Zhuji Government and applies for an annual buyback. There can be no assurance however that the Zhuji Government will make payment in full and/or in a timely manner. Delays in receiving payments for which the Group has already incurred significant costs and expenditures can materially and adversely affect the Group's working capital and cash flows and reduce its financial resources that would otherwise be available to fund other projects.

The Group has incurred substantial indebtedness and may incur additional indebtedness in the future.

To fund its projects and other businesses, the Group has incurred a large amount of indebtedness mainly through short-term and long-term bank loans, issuance of debt securities, trust financing and financial leasing in the PRC. As at 31 December 2018, 2019 and 2020, the Group's total indebtedness (comprising short-term borrowings, non-current liabilities due within one year, other current liabilities,

long-term borrowings, bonds payable and long-term payable) amounted to RMB50,651.1 million, RMB72,018.5 million and RMB89,933.4 million, respectively. See “*Capitalisation and Indebtedness*”. The Group may incur additional indebtedness in the future, including the issuance of debt securities and entering into of financing or other loan arrangements. The high level of existing indebtedness and incurrence of further indebtedness could have adverse consequences to the Group’s business, including:

- increasing the Group’s vulnerability to adverse general economic and industry conditions;
- requiring the Group to dedicate a substantial portion of its cash flow from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limiting the Group’s ability to capture investment and acquisition opportunities and inhibiting its ability to grow and expand its business or react to changes in the businesses and industries in which it operates;
- increasing the costs of additional financing; and
- reducing the Group’s competitiveness compared to its competitors that have less debt.

In incurring indebtedness and liabilities from time to time, members of the Group may create security such as pledges or mortgages over their assets in favour of each of their own respective creditors and/or the creditors of other members of the Group. As at 31 December 2020, members of the Group had loans secured by mortgages in favour of their own creditors of RMB6,118.4 million, loans secured by pledges in favour of their own creditors of RMB16,533.3 million, loans secured by mortgages in favour of creditors of other members of the Group of RMB135.0 million and loans secured by pledges in favour of creditors of other members of the Group of RMB290.0 million. Assets of the Group which have been provided as security mainly include receivables from its projects and land use rights. Should any of such secured indebtedness become immediately due and payable as a result of any default under the relevant secured indebtedness, the relevant secured creditor would be entitled to take enforcement actions against such secured assets, such as applying for the disposal of the secured assets so as to be repaid using the proceeds of such disposal. In such an event, the value of the Group’s asset portfolio will diminish and fewer assets will be available for distribution to unsecured creditors (such as the Bondholders). Such enforcement action could also have a material and adverse effect on the Group’s business operations.

In addition, the Group guarantees the indebtedness of unrelated entities from time to time. As at 31 December 2020, the Group had such external guarantees of approximately RMB624.2 million, which were mostly provided in favour of large state-owned entities operating within Zhuji City. If any such entity defaults in paying its indebtedness, the relevant member of the Group would be jointly liable for such indebtedness or obliged to pay the shortfall according to the provisions of the relevant guarantee, which would in turn have an adverse effect on the Guarantor’s or, as the case may be, the Group’s financial condition. Similarly, members of the Group also from time to time guarantee the indebtedness of other entities within the Group. If any member of the Group defaults on its guaranteed borrowings, the relevant lender may exercise its right under the guarantee to demand repayment from the relevant guarantor within the Group, which would in turn have an adverse effect on the Guarantor’s or, as the case may be, the Group’s business, financial condition, results of operations and prospects.

Negative operating cash flows may expose the Group to liquidity risk.

For the years ended 31 December 2018, 2019 and 2020, the Group had net cash outflows from operating activities of approximately RMB8,063.6 million, RMB3,461.5 million and RMB7,768.7 million, respectively. The Group’s negative operating cash flows for the relevant periods were primarily caused by the Group’s substantial operating costs. While the Group believes that it has sufficient funds to finance its current working capital requirements, its cash flows may be adversely affected by a variety of competitive, macroeconomic and other related factors that are beyond its control. The Group’s future

liquidity, the payment of its other payables and accruals, as well as the repayment of its outstanding indebtedness when due, will primarily depend on its ability to maintain adequate cash inflows from operating activities and external financing. In the event that the Group is unable to generate sufficient cash from its operations to pay its operating and capital expenditures, its operations will have to be funded by other financing activities. Increased financing costs associated with such debt obligations could materially and adversely affect the Group's profitability.

PRC regulations on the administration of local government debts restrict the Group's financing model.

The PRC government has in recent years issued multiple regulations intended to restrict the ability of local governments to use state-owned enterprises to incur debt that should be directly incurred by government bodies. These regulations include: the 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) released by the State Council in September 2014 (“**Circular 43**”), the Circular on Further Regulating the Debt Financing Behaviours of Local Governments (關於進一步規範地方政府舉債融資行為的通知) jointly issued by the MOF, the NDRC, the Ministry of Justice, the People's Bank of China, the CBRC and the China Securities Regulatory Commission on 26 April 2017 (“**Circular 50**”), the Notice of the Ministry of Finance on Issues concerning Regulating the Investment and Financing Behaviours of Financial Enterprises 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) issued by the MOF on 28 March 2018 (“**Circular 23**”), 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) jointly issued by the NDRC and the MOF on 11 May 2018 (“**Circular 706**”), the Guiding Opinion on Strengthening the Asset and Liability Constraints of State-Owned Enterprises (中共中央辦公廳、國務院辦公廳《關於加強國有企業資產負債約束的指導意見》) jointly issued by the General Office of the Central Committee of the Communist Party of China and the State Council on 13 September 2018 (the “**Joint Opinion**”) and the Circular of the General Office of the National Development and Reform Commission on Relevant Requirements for Record-filing and Registration of Issuance of Foreign Debts by Local State-owned Enterprises (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知(發改辦外資[2019]666號)) (“**Circular 666**”) issued by the NDRC on 6 June 2019 (Circular 43, Circular 50, Circular 23, Circular 706, the Joint Opinion and Circular 666, together, the “**Debt Control Circulars**”).

Circular 50 reaffirmed the Circular 43 policy that local governments are not permitted to use any means other than bonds for debt financing and are prohibited from requesting or ordering enterprises to issue debt on their behalf. Circular 23 and Circular 706 established policies for foreign debt issuance including exclusions on public assets being listed as enterprise assets and restrictions on making disclosure in offering circulars that imply government endorsement of the issuance or an association with the government's credit. The Joint Opinion, consistent with Circular 43 and Circular 50, bans local governments from engaging in “disguised” borrowing by using state-owned enterprises to issue corporate debt on their behalf. For further details on the Debt Control Circulars see “*PRC Regulations – Regulations on the Administration of Local Government Debt*”.

The Group believes that the PRC government will continue to implement the Debt Control Circulars to control local government debts. Accordingly, the Group should rely on the cashflow generated from its operations and external borrowings for financing its operating activities and to satisfy its cash needs for servicing its outstanding indebtedness. Pursuant to the terms of the Bonds and as required by the Debt Control Circulars, neither the Zhuji Government nor any other PRC governmental entity has any obligation to repay any amount under the Bonds and will not provide a guarantee of any kind for the Bonds. The Bonds are solely to be repaid by the Issuer and the Guarantor, and the obligations of the Issuer and the Guarantor under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer and the Guarantor as independent legal persons. The liability of the Zhuji Government is limited to its equity

contribution in the Guarantor. If the Issuer or the Guarantor does not fulfil its obligations under the Bonds and the Trust Deed, the Bondholders will only have recourse against the Issuer and/or the Guarantor, and not the Zhuji Government or any other PRC governmental entity.

While the Group believes that it does not have any assets that qualify as public assets under Circular 706 and intends to ensure that the issue of the Bonds does not conflict with or result in a breach or violation of the Debt Control Circulars, the PRC government may continue to release new policies or amend existing regulations intended to control increases in local government debts in the PRC. The Group may be required to further change its financing model and business model in response to such regulations, which may have a material impact on its business, financial condition, results of operations and prospects.

The Group consists of a large number of companies operating in multiple business lines.

The Group has a number of portfolio companies operating in multiple industries and as such is exposed to business, market and regulatory risks relating to different industries and markets. Successful operation of a number of portfolio companies requires an effective management system that is capable of remaining familiar with, and monitoring changes in, different operating environments. As the Group continues to grow its businesses and expand into various industries, the Group's operations may become more complex, which will increase the difficulty of implementing its management system.

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

Further, the Group's portfolio companies in different business segments may expand too quickly or attempt to pursue new business ventures which may not be successful or may not generate the synergies expected, if any. If the Group's portfolio companies fail to complete such business ventures or such ventures prove to be unsuccessful, the Group's business segments involved may be adversely affected.

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

The Group from time to time considers investment and acquisition opportunities that may complement its core business portfolio and assist in expanding the market share of its core and other business operations. The ability of the Group's operations to grow by means of investments and acquisitions is dependent upon, and may be limited by, the requirements of the Zhuji Government, the availability of attractive projects, the existence of satisfactory commercial, technical and financing terms and the successful attainment of any required regulatory approvals. When analysing a potential acquisition, the Group considers various factors, including the quality of the target business (including its management), estimated costs associated with the acquisition, prevailing market conditions and intensity of competition. The Group may not identify suitable investments and acquisition targets, may not complete the investments and acquisitions on satisfactory terms, if at all, or may not conduct sufficient due diligence with respect to any possible or actual acquisition.

Furthermore, completed investments and acquisitions may not achieve the Group's strategic objectives or anticipated levels of profitability because of various challenges and difficulties including:

- diversion of management's attention;

- increases in the Group's debt, expenses and working capital requirements;
- challenges of operating in markets and industries in which the Group does not have substantial experience;
- exposure to unanticipated contingent liabilities; and
- difficulties in integrating acquired businesses or investments into the Group's existing operations.

The Group is unable to predict whether or when there will be any targets suitable for acquisition or whether or not such investments or acquisitions will be successful, any of which could have an adverse impact on the Group's business, profitability and prospects.

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

In furtherance of Zhuji City's state-owned assets consolidation and reform and at the direction of the Zhuji Government, the Group is currently undergoing certain organisational restructuring, which mostly involves combining related subsidiaries and resources to create synergies and improve efficiencies. Such restructuring has not involved but may in the future involve disposal by the Group of certain subsidiaries or affect whether certain subsidiaries of the Guarantor will be included in the Guarantor's consolidated financial statements. Further, such organisational restructuring may not always generate the cost reductions or improved operating efficiencies originally intended and may therefore potentially have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may not be able to successfully or fully execute its business strategy with respect to assets, projects or companies in which the Group has minority interests or joint ventures.

The Group invests in a number of assets, projects or companies in which the Group has a minority interest or which use a joint venture structure. The Group may not be able to successfully manage or successfully or fully execute its business strategy with respect to these assets, projects or companies. The Group's involvement with such assets, projects, companies and joint ventures is generally subject to the terms of applicable agreements and arrangements. The Group may not have any board representation, veto power or power to exercise control over the management, policies, business and affairs of such companies. If any of the Group's other partners in such companies or joint ventures fails to perform their respective obligations or otherwise breaches the terms and conditions of the relevant agreements and arrangements, or if the Group has different views or strategies with its partners, it could have a material adverse effect on the Group's business, financial condition or results of operations. Any actual or perceived deterioration in the reputation of the Group's joint venture partners could also have an adverse impact on the Group's business, profitability and prospects.

The Group is subject to extensive regulatory requirements.

The Group is subject to extensive laws, policies and regulatory requirements issued by relevant governmental authorities in the PRC. The Group and its operations are also subject to the supervision of a number of government ministries and departments, including the Zhuji SASAC, the NDRC, the MOF, the Ministry of Health of the PRC, the Ministry of Housing and Urban-Rural Development and the State Administration of Work Safety. Any breach of the laws or regulations to which the Group is subject may result in the imposition of fines and penalties, the suspension or closure of relevant operations or the suspension or revocation of relevant licences or permits. For instance, certain of the Guarantor's subsidiaries, including Zhuji Urban & Rural Investment, Zhuji Chengdong New City Construction, Zhuji Water Supply, Zhuji Transportation Investment and Zhuji New City Investment, have received 37 administrative penalties imposed by the Zhuji Bureau of Land and Resources for their wrongful occupation of land in the last 10 years, for which the Group paid fines in the aggregate amount of

RMB4.2 million. Although the Group makes every effort to ensure its operations at all times comply with applicable laws, policies and regulatory requirements, given the magnitude and complexity of the laws and regulations to which the Group is subject, compliance with such laws and regulations or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. Although the Group is obliged to comply with all applicable laws and regulations, given the changing nature and the increased complexity of the regulations in the PRC, the Group may not be in compliance at all times. Any failure to comply with applicable laws and regulations could subject the Group to, among other things, civil liabilities and penalties.

The Group faces competition in the markets in which it operates.

The Group enjoys certain advantages as a state-owned enterprise and as the largest investment, financing, and urban construction platform in Zhuji City. Members of the Group receive government support in their various business operations, certain of which are conducted as the sole provider either to or within Zhuji City. In the business segments where the Group is not the sole provider of a specific service, the Group's market position depends on its ability to anticipate and respond to various competitive factors, including pricing strategies adopted by competitors, changes in customer preferences, availability of capital and financing resources and the introduction of new or improved products and services. There can be no assurance that the Group's current or potential competitors will not offer services or products comparable or superior to those that it offers at the same or lower prices or adapt more quickly than the Group does to evolving industry trends or changing market conditions. The Group may lose its customers to its competitors if, among other things, it fails to keep its prices at competitive levels or to sustain and upgrade its capacity and technology. Increased competition may result in price reductions, reduced profit margins and loss of market share.

The Group may fail to maintain adequate risk management, internal control and financial reporting systems.

Certain areas within the Group's risk management, internal control and financial reporting systems require constant monitoring, maintenance and continual improvements by the Group's senior management and staff. The Group's business, financial condition, results of operations and prospects may be materially and adversely affected if the Group's efforts to maintain and improve these systems prove to be ineffective or inadequate. The Group's risk management, internal control and financial reporting systems may contain inherent limitations caused by employee inexperience or errors in judgment. As a result, there is no assurance that the Group's risk management, internal control and financial reporting systems will at all times be adequate or effective, which could result in investigations and disciplinary actions or even prosecution being initiated against the Group or its employees, disruption to the Group's risk management system, and result in a material adverse effect on the Group's financial condition and results of operations. In addition, as the Group continues to grow through acquisitions of businesses in an increasing number of different industries, its operations will become more widespread and complex, which will create further challenges and increase the difficulty of implementing the Group's management and internal control system. In particular, it will become increasingly difficult for the Group to direct and monitor the day-to-day operations of its businesses, to prevent and detect fraud and to protect the Group's assets, both physical and intangible.

Information technology system limitations or failures could adversely affect the Group's business, financial condition and results of operations.

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

not experienced any material malfunction of its information technology systems, any malfunction of these systems or any inadequacy in the Group's controls could cause the relevant information to become unreliable, inaccurate or permanently lost, which could have an adverse effect on the Group's relevant business segments and, consequently, its operating revenues and results of operations.

Increased labour, materials or equipment costs may adversely affect the Group's profit margin and results of operations.

Most of the Group's construction contracts are made under an agency model, pursuant to which the contractor is responsible for the wages of its workers and the cost of materials and equipment. As a result of economic growth in the PRC, wages for construction workers and the prices of construction materials and building equipment have substantially increased in recent years. Although the Group's contractors bear the risk of fluctuations in wages and construction material and equipment prices during the term of the relevant contract, the Group is exposed to such increasing costs to the extent that it periodically enters into new or renews existing construction contracts during the life of a project, which may span over several years, or if it has contractually agreed to directly hire the construction workers or directly purchase the construction materials or equipment. The Group is also exposed to the price volatility of building equipment and materials used in the properties it develops because members of the Group usually procure such equipment and materials themselves. Furthermore, to the extent the Group pre-sells properties prior to their completion, the Group will be unable to pass on to the purchasers any increase in costs that occur subsequent to the time of such presale. There can be no assurance as to future increases in labour costs or movements of the prices of construction materials or equipment required by the Group and its contractors, and any future increases, in particular, those which the Group is unable to pass on to its customers, could have a material adverse effect upon the Group's financial condition and results of operations.

The Group may not be able to detect and prevent fraud or other misconduct committed by its employees, 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 governmental sanctions, which in turn could affect its reputation. Such misconduct could include:

- hiding unauthorised or unsuccessful activities or material facts, resulting in unknown and unmanaged risks or losses;
- failing to perform necessary due diligence procedures designed to identify potential risks; improperly using or disclosing confidential information;
- conducting transactions that exceed authorised limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products, including recommending products, services or transactions that are not suitable for the Group's customers and engaging in unauthorised or excessive transactions to the detriment of the Group's customers;
- misappropriating funds, conducting any insider dealing, making or accepting bribes or any similar unauthorised payments; 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 noncompliance or suspicious transactions in a timely manner, if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct. The precautions that the Group takes to

prevent and detect such activities may not be effective, and there is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity for the Group and could result in a material and adverse effect on the Group's reputation and business.

The Group may not be able to fully detect money laundering, sanctions violations or other illegal or improper activities in its business operations.

The Group is required to comply with applicable laws and regulations related to anti-money laundering, anti-terrorism and sanctions enforcement in the PRC and other relevant jurisdictions. The Group may not detect all instances where the Group may be used by other parties to engage in money laundering or other illegal activities. Furthermore, although the Group's business is conducted entirely in one province of the PRC, the Group may fail to detect or may be unaware that a business counter-party is subject to the economic sanctions programmes implemented by the European Union, the United States, the United Nations Security Council or other relevant jurisdictions. In the event that the Group fails to detect money laundering, sanctions violations or other illegal or improper activities or fails to fully comply with applicable laws and regulations, relevant government agencies may impose fines or other penalties on the Group, certain of which could materially and adversely affect the Group's reputation, financial condition and results of operations.

The Group is subject to various environmental, energy saving, safety and health regulations.

The Group is required to comply with extensive environmental, energy saving, safety and health regulations in the PRC. For example, the particular environmental laws and regulations that apply to any given project development site vary according to the site's location, the site's environmental condition, the present and former uses of the site and the nature and former uses of adjoining properties. Failure to comply with these regulations may result in fines or suspension or revocation of the Group's licences or permits. Given the volume and complexity of these regulations, compliance may involve significant financial and other resources, may cause delays in timetables, or may prohibit or severely restrict project development or construction activities in specific regions or areas. For example, the Group is required to obtain approval of the environmental impact assessment report for a construction project before construction commences and comply with the terms of such approval. After completion of the construction, the competent environmental protection authority will carry out an environmental protection acceptance process. If it concludes that the construction project has met the requirements for environmental protection, the Group will receive an environmental protection completion acceptance report. There is no assurance that the Group will be able to comply with all applicable environmental, energy saving, safety and health regulations or obtain all the required approvals and permits on a timely basis, if at all. In addition, the relevant PRC laws and regulations are constantly evolving, and there may be potential material liabilities, in particular environmental damage or remediation liabilities, of which the Group is unaware. The PRC government may also promulgate additional or stricter laws or regulations, which may increase the compliance costs of the Group.

The Group may be subject to legal or regulatory disputes.

From time to time during the ordinary course of business the Group may be involved in disputes with various parties such as residents, contractors, customers and property management companies, and the Group may become responsible for the disputes of an acquisition target that are ongoing at the time of the acquisition. These disputes may lead to legal proceedings which could result in damage to the Group's reputation and operations, substantial costs and diversion of management's attention. In addition, the Group may in the course of its operations have disagreements or compliance issues with regulatory bodies which may subject it to administrative proceedings and unfavourable administrative decisions that may result in liabilities and project delays.

The Group's insurance coverage may not adequately protect the Group against all operational risks.

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:

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

The Group maintains insurance policies that provide different types of risk coverage, which the Group believes to be compliant with applicable laws and regulations in the PRC and in line with industry practice. 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. Certain types of losses (such as from wars, acts of terrorism or acts of God, business interruption, property risks and third-party (public liability)) are not insured in the PRC because they are either unavailable or are not available at commercially viable prices. To the extent that the Group suffers loss or damage that is not covered by insurance or that exceeds the limit of its insurance coverage, its business, financial condition, results of operations and cash flow may be materially and adversely affected.

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

The success of the Group's business depends, to a large extent, on the strategic vision of its board of directors, the continued service of key managerial personnel and the ability to attract and retain highly skilled personnel. As the Group's business continues to grow, the Group's need to employ, train and retain additional suitable skilled and qualified employees increases accordingly. If the Group is not successful in recruiting, training or retaining its key managers and employees, its operations may be adversely affected. In addition, any failure by employees to observe and perform their obligations under their service agreements, or any labour unrest and disruption to the operations of the Group (coupled with any increase in labour costs resulting from such dispute) may have a material adverse effect on the Group's results of operations and profits.

The Group's businesses may be affected by an outbreak, or threatened outbreak, of any severe contagious disease, including the COVID-19 pandemic, and occurrence of natural disasters which may in turn significantly reduce demand for its products and services and have an adverse effect on its financial condition and results of operations.

The Group's business is subject to general economic and social conditions in the PRC, Zhejiang Province and Zhujiaji City. Natural disasters, epidemics and other force majeure events which are beyond the Group's control may adversely affect the economy and livelihood of the PRC population. Some regions in the PRC are under the threat of earthquakes, sandstorms, snowstorms, fires, droughts, or epidemics such as Severe Acute Respiratory Syndrome (SARS), H5N1 avian flu, human swine flu (also known as Influenza A (H1N1)), or H7N9 avian flu, Middle East Respiratory Syndrome (MERS), Ebola

virus disease or COVID-19. For instance, two serious earthquakes hit Sichuan Province in May 2008 and April 2013, respectively resulting in significant loss of lives and destruction of assets in the region. The outbreak of COVID-19 in the PRC since late 2019 have adversely impacted the PRC economy and growth in 2020. Furthermore, COVID-19 spread around the world in early 2020 and was declared a pandemic on 11 March 2020 by the World Health Organization. In particular, the outbreak of COVID-19 across the PRC and around the world has resulted in a global health crisis and has restricted the level of business activity in affected areas. Stringent measures, including mandatory quarantines and travel restrictions, were imposed in numerous regions across the PRC in an effort to contain the outbreak, causing a noticeable reduction in regional and national economic activities. Government restrictions imposed around the world to limit the spread of COVID-19 resulted in a sharp contraction in global economic activity during 2020. At the same time, governments also took steps designed to soften the extent of the damage to investment, trade and labour markets. Economic activity recovered unevenly in the second half of 2020 as some jurisdictions imposed renewed restrictions in the fourth quarter in response to a resurgence in COVID-19 cases. While a number of vaccine candidates have announced high efficacy rates, raising hopes of widespread immunisation from COVID-19 being achieved by the end of 2021 and government restrictions being eased, the rollout of vaccination programmes could be uneven across markets, hampering the global pace of recovery even as individual markets return to pre-pandemic levels of activity. The further outbreak of COVID-19, a recurrence of SARS or an outbreak of any other epidemics in the PRC especially in the region where the Group has operations, may result in material influence on its related business, which in turn may adversely affect its financial condition and results of operations. Any period of sustained disruption to the Group's operation may have an adverse effect on its business, financial condition and results of operations.

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

This Offering Circular contains facts and statistics relating to the economy of the PRC, Zhejiang Province and Zhuji City. While each of the Issuer and the Guarantor has taken reasonable care to select reputable and reliable information sources and ensure that the facts and statistics relating to the relevant economies presented are accurately extracted from such sources, such facts and statistics have not been independently verified by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, the Agents or their respective advisers and, therefore, none of them makes any representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the PRC. Due to ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon.

Public corporate disclosure about the Issuer and the Guarantor may be limited.

As the Issuer and the Guarantor are both companies not listed on any stock exchange, there may be less publicly available information about them than is regularly made available by other listed companies.

RISKS RELATING TO THE GROUP'S CONSTRUCTION, RESETTLEMENT HOUSING CONSTRUCTION AND PRIMARY LAND DEVELOPMENT BUSINESSES

The Group's business operations are capital intensive.

The Group's business operations, especially those concerning its construction business, resettlement housing construction business and primary land development business, require substantial capital resources. For most of its projects, the Group is required to use its own cash and other resources to finance the given project. The Group has historically met its capital requirements primarily through revenues generated from its operations, receipt of various government subsidies or financial support and financing such as bank loans and issuances of debt securities. However, such funding sources may not continue to provide the Group with sufficient capital, and additional financing, if available, may not be

available on terms acceptable to the Group or within the limitations imposed by the Group's existing financing arrangements. The Group's ability to arrange external financing and the cost of such financing are dependent on numerous factors, including political and economic conditions, interest rates, credit availability from lenders, investor confidence and applicable provisions of tax, securities and other relevant laws. Any failure to obtain sufficient capital on acceptable terms or in a timely manner may adversely affect the Group's projects and its ability to repay its debts, which may in turn adversely affect the Group's business, financial condition and prospects.

The Group's projects may experience cost overruns and delays.

There are a number of construction, financing, operating and other risks associated with construction and land development projects in the PRC. Municipal infrastructure projects, resettlement housing projects and primary land development projects require substantial capital expenditures prior to and during the construction phase, and on average require 20 years for the Group to recover all its construction costs from its counterparties. The progress of and the costs involved in completing a construction or land development project can be adversely affected by many factors, including:

- adjustments in construction plans;
- an economic downturn or changes in market conditions;
- delays in obtaining necessary licenses, permits or approvals;
- relocation of existing residents;
- increases in the market price of raw materials;
- shortages of materials, equipment, contractors and/or skilled labour;
- environmental damage requiring remediation;
- unforeseen engineering, design, environmental or geographic problems;
- labour disputes or disputes with sub-contractors;
- changes in government practices and policies, including reclamation of land for public works or facilities; and
- accidents, natural disasters, adverse weather conditions and other unforeseen or unforeseeable problems or circumstances.

Any of these factors could give rise to delays and cost overruns. Although nearly all of the Group's infrastructure projects, resettlement housing projects and primary land development projects have been completed on schedule or with only minor delays, there can be no assurance that ongoing and future projects will be completed on time, or at all. The failure to complete construction according to timelines and projections may result in lower financial returns for the Group, increased costs and reduced efficiencies.

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

In the PRC, infrastructure projects, resettlement housing projects and primary land development projects require numerous government authorisations and approvals, many of which relate to land use rights, and the Group's other businesses require specific authorisations, approvals, permits, licences and certificates. The Group may not obtain such authorisations, approvals, permits, licences or certificates in accordance with the terms applied for or in a timely manner or at all. Non-compliance may result in sanctions, fines,

penalties or punishments. For instance, as at the date of this Offering Circular, certain members of Group did not possess the necessary authorisations, approvals, permits, licences or certificates including, but not limited, to the following:

- Zhuji New City Investment Development Group Co., Ltd. (諸暨市新城投資開發集團有限公司, “**Zhuji New City Investment**”) has not obtained the property ownership certificate for two of its completed property development projects which may potentially result in disputes with third-parties, lead to restrictions on the sale, mortgage, lease or other use of such properties and/or otherwise affect the Group’s ability to dispose of such properties;
- Zhuji New City Investment and Zhejiang Huanjiang Media in aggregate have not obtained the land use certificates for certain properties, which may potentially result in disputes with third-parties, lead to restrictions on the sale, mortgage, lease or other use of such properties and/or otherwise affect the Group’s ability to dispose of such properties;
- Zhuji Urban & Rural Investment, Zhuji Chengdong New City Construction and Zhuji New City Investment have not obtained real estate development enterprise qualification certificates, which may result in them being ordered to take corrective action and pay fines ranging from RMB50,000 to RMB100,000; and if they fail to correct the deficiency their business licenses may be revoked;
- Zhuji Urban & Rural Investment, Zhuji Chengdong New City, Zhuji Traffic Infrastructure Construction Co., Ltd. (諸暨市交通基礎設施建設有限公司, “**Zhuji Traffic Infrastructure Construction**”), Zhuji Rural Development Investment Co., Ltd. (諸暨市農村發展投資有限公司), Zhuji Transportation Investment and Zhuji New City Investment have not obtained the relevant Qualifications Certificate of Enterprises in Construction Industry, which may result in fines, business license revocation and confiscation of any illegal income;
- Zhejiang Huanjiang Media has not obtained a radio and television program production and operation license, which may result in the revocation of its business license, fines, and confiscation of special-purpose tools, equipment and programme carriers used in any activities deemed illegal;
- Zhuji Urban & Rural Investment, Zhuji Traffic Infrastructure Construction, Zhuji City Cultural Tourism Group Co., Ltd. (諸暨市文化旅遊集團有限公司), Zhuji Yuedu Investment and Zhuji Huanjiang International Trade City Development Co., Ltd. (諸暨浣江國際商貿城開發有限公司) have not obtained certain certificates and permits for certain construction projects (including project approvals, environmental assessment approvals, construction land planning permits, construction project planning permits and construction permits); the lack of such certificates or permits may lead to fines or orders to cease construction or to rectify the deficiency within specified periods;
- Zhuji Traffic Infrastructure Construction, Zhuji Transportation Investment and Zhuji New City Investment have not obtained road transport business permits for their freight transport station (site) businesses, which may result in fines of two to 10 times the amount of any illegal gains and potential criminal liability;
- Zhuji Transportation Investment Group has not obtained a highway maintenance engineering qualification certificate, which may adversely affect its ability to bid on certain projects; and
- Feida Group and Zhejiang Feida Jinyuan Metal Material Co., Ltd. (浙江菲達金源金屬材料有限公司) have not obtained the registration forms for recording a foreign trade business and the customs declaration unit registration certificates, the lack of which may lead to the customs authorities halting international shipments, confiscating illegal income and fines.

Furthermore, as the Group develops and operates some of its projects through equity joint ventures, the acquisition or transfer of interests in such projects is also usually subject to government approval, which can impact on the Group's ability to dispose of such projects.

In addition, many of the Group's approvals, permits and licences require periodic renewal. If the Group fails to renew all necessary approvals, permits and licences on a timely basis, or at all, it may be exposed to sanctions, fines, penalties, revocation of licences or other punitive actions, which could include the suspension of the Group's business operations or restrictions on certain business activities, any of which could materially and adversely affect the Group's business, results of operations and prospects.

Any failure of the Group's key contractors may have an adverse effect on the Group's business.

The Group engages contractors for the provision of various services, including certain construction work for its infrastructure projects, resettlement housing projects and primary land development projects. The construction contracts between the Group and such third-party contractors stipulate specific quality requirements which the contractors must satisfy. There can be no assurance that the services rendered by the contractors will always be satisfactory or up to the standard specified in the relevant contracts. In addition, the Group's contractors may from time to time need to adjust the scope of their work in order to satisfactorily perform under the relevant contract, and the Group may have to bear the additional costs as a result. In addition, if any of the Group's current contractors terminate their contracts or do not renew their contracts as expected, the Group may not be able to find suitable alternative contractors at commercially reasonable terms, if at all. This may result in delays in the completion of the Group's projects or incurrence of additional costs. If any of the Group's key contractors fails to perform their contractual obligations, or if the Group is unable to locate or replace key contractors, the Group's business, financial condition and results of operations may be materially and adversely affected.

The resettlement housing construction business is subject to claims under statutory quality warranties.

Under relevant regulations, all property development companies in the PRC must provide certain quality warranties for the properties they construct or sell. The Group is required to provide these warranties in carrying out its resettlement housing construction business. The relevant subsidiaries within the Group have accumulated extensive project development and management experience, and also have various project management and quality control measures in place. Furthermore, the Group generally receives quality warranties from its third-party contractors with respect to its project development projects. However, there are many factors which may adversely affect the quality of a constructed property. Any deficiency in project management or quality control may result in defects in the construction, design and overall quality of a property. If a significant number of warranty claims are brought against the Group and if it is unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, or if the moneys retained by it to cover its payment obligations under the quality warranties are not sufficient, the Group could incur significant expenses to resolve such claims or face delays in correcting the related defects, which could in turn harm its reputation and have a material and adverse effect on its business, financial condition and results of operations.

The Group may incur unforeseen costs or face unexpected delays resulting from the resettlement of existing residents.

The Group's primary land development projects may involve the demolition of older structures. Prior to demolition, existing residents must re-locate (for instance into resettlement housing). While local government agencies are responsible for carrying out such resettlement, the Group may be required to provide the funds used by the local government authorities as demolition compensation for existing owners or residents, some of whom may disagree with the compensation arrangements or refuse to relocate. The administrative process to settle the amount of compensation may significantly delay the

timetable for the affected development and lead to an increase in demolition and resettlement costs associated with the Group's projects, which may materially and adversely affect its business, results of operation and financial condition.

RISKS RELATING TO THE GROUP'S WATER SUPPLY AND OTHER BUSINESSES

Water shortages and restrictions on the use or supply of water could adversely affect the Group's water supply business.

The Group's fresh water supply business relies on a consistent source of raw water. In the event of an upstream water shortage, additional costs may be incurred in order to provide an emergency supply of water. In addition, government restrictions on the use of water or increased quality standards may adversely affect the Group's turnover and, in very extreme circumstances, may lead to significant compensation becoming due to customers because of water deemed unsafe for consumption or interruptions to supply, either of which could adversely affect the Group's business, financial condition and results of operations.

The Group's water supply business is subject to tariff payments and adjustments.

Revenue from the Group's water supply business consists primarily of tariff payments under the relevant concession agreements. Adjustments to tariffs are generally subject to approvals by the relevant government authorities in the PRC and applications for upward adjustments to the tariffs may usually be made only in the case of a substantial increase in costs, including raw material prices, labour costs and electricity charges. There is no assurance that, in the event that there is any increase in such key costs, the relevant government authorities will approve the Group's application for a tariff increase. Furthermore, even if the relevant government authorities agree to increase the tariffs, there is no assurance that such an increase will fully and timely reflect the increase in the Group's actual costs.

Pollution may have adverse effects on the Group's water supply business.

Water is a resource and a raw material in the water industry, and the quality of raw water has a significant impact on the Group's water supply business. Recently, there has been an increase in water pollution in certain cities in the PRC. Such water pollution is caused by various factors, including the discharge of untreated sewage directly into bodies of water that feed into public water supply networks. In the event that the water in Chencai Reservoir, the Group's primary source of raw water, is contaminated by pollutants, the Group is required to undertake additional technical procedures to treat such raw water, which will result in increased production costs. In the event that the raw water is contaminated by pollutants that the Group is unable to treat, the Group will not be able to deliver sanitised water to its customers, which could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

The Group's commodity trading business is subject to price fluctuation and counterparty risk.

As of the date of this Offering Circular, the Group primarily trades electrolytic copper and copper rods, the prices of which may be influenced by macroeconomic factors and market supply and demand. In the event that the prices of electrolytic copper and copper rod fluctuate in the future, the Group's trading business will be adversely affected. Commodity trading also carries the risk of non-performance by suppliers and customers. Such counterparty risk may occur in a range of situations, including the following:

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

- a significant reduction in commodity prices resulting in customers being unwilling or unable to honour their contractual commitments to purchase commodities from the Group at pre-agreed prices; and
- suppliers accepting advance payment from the Group and then not fulfilling their delivery obligations due to financial distress or other reasons.

Although commodity trading is not the Group's primary business, revenue from the Group's commodity trading business for the years ended 31 December 2018, 2019 and 2020 accounted for 46.4 per cent., 30.9 per cent. and 32.2 per cent., respectively, of the Group's total revenue in the relevant periods. Any occurrence of the above price fluctuation and counterparty risks could therefore have a material adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATING TO FINANCIAL INFORMATION

Historical consolidated financial information of the Group is not indicative of future results.

The historical financial information of the Group included in this Offering Circular is not indicative of its future financial results. Such financial information is not intended to represent or predict the results of operations of any future periods of the Group. The future results of operations of the Group may change materially if its future growth deviates from historical trends which can happen for various reasons beyond its control, such as changes in the economic environment, PRC rules and regulations (environmental and otherwise) and the competitive landscape of the industries in which the Group operates.

The Group's financial statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP, which differs from IFRS in certain respects.

The Group's financial statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications. Please see "*Summary of Certain Differences between PRC GAAP and IFRS*" for details.

Each investor should consult its own professional advisers for an understanding of the differences between PRC GAAP and IFRS or other generally accepted accounting principles, and how those differences might affect the financial information contained in this Offering Circular.

The restated consolidated financial information is not necessarily indicative of the Group's actual financial results in 2019 had the concerned events occurred during that period.

The restated consolidated financial information as at and for the year ended 31 December 2019 presented in this Offering Circular includes certain adjustments to the operating results in 2019 as a result of business combination under common control and change in accounting policy. See "*Presentation of Financial Information*". In preparing the restated consolidated financial information, the Guarantor's management has made certain assumptions. The Guarantor may not have precisely quantified and reflected the impact of the business combination on the Group's financial condition and results of operations in 2019 prior to the occurrence of such business combination. Due to these uncertainties, the restated consolidated financial information is not necessarily indicative of the results that would have been reported had the concerned events actually occurred on the dates specified, nor is it necessarily indicative of the Group's future results of operations.

Investors should not place any reliance on unreviewed or unaudited financial information.

The Guarantor publishes annual, semi-annual and quarterly consolidated financial information in the PRC to satisfy its continuing disclosure obligations relating to its debt securities issued in the PRC according to applicable PRC regulations and rules of the stock exchanges or the markets on which the

relevant securities are listed. The semi-annual and quarterly consolidated financial information of the Guarantor in such filings is derived from the Guarantor's management accounts and is normally not audited or reviewed by independent auditors. Such financial information does not form part of this Offering Circular and should not be referred to or relied upon by potential investors to provide the same quality of information associated with any audited or reviewed financial information. Such financial information is not an indicator or representation of the Guarantor's full-year performance. Neither the Issuer nor the Guarantor is responsible to holders of the Bonds for the financial information from time to time published in the PRC and therefore investors should not place any reliance on any such financial information.

The Guarantor's auditors, including the person-in-charge of the Group's 2019 Audited Financial Statements and 2020 Audited Financial Statements, were penalised by CSRC for its past audit work and have limited international capital markets experience.

The Guarantor's current independent auditors, Zhonghui, is a registered member of the Chinese Institute of Certified Public Accountants. Although it has significant audit experience in the PRC, it has limited international capital markets experience. Prospective investors should consider these factors prior to making any investment decision.

In recent years, as part of an effort to improve effective regulatory oversight, PRC regulators have increased their examinations of PRC public accountants. The CSRC's investigations by China Securities Regulatory Commission ("CSRC") are mainly focused on the independence of the auditors, the appropriateness of the implementation of accounting standards, the adequacy of professional scepticism in the audit process and the reasonableness of the judgement made by the auditors.

The Group's current independent auditor, Zhonghui, was previously investigated by CSRC in connection with its provision of audit services to certain PRC companies. As a result of such investigations, CSRC has issued administrative penalties to Zhonghui and certain Zhonghui partners and/or employees. In particular, in December 2019, Zhonghui received the Administrative Penalty Decision Letter No. [2019] 8 (行政處罰決定書 [2019]8號)(the "**Decision**") from CSRC, regarding its audit of the 2016 and 2017 financials, Zhejiang Great Southeast Corp., Ltd. (浙江大東南股份有限公司)("Great Southeast"). Pursuant to the Decision, CSRC issued an administrative penalty to Zhonghui and the individual auditors involved, including Mr. Wu Chenghang and Mr. Wu Xingguang, in connection with certain of its breaches of PRC securities law during the course of its audit of Great Southeast's financial statements as at and for the years ended 31 December 2016 and 2017 ("**Great Southeast Audit**") Mr. Wu Chenghang was the signing certified public accountant for the 2019 Audited Financial Statements and 2020 Audited Financial Statements.

Zhonghui has confirmed that as at the date of this Offering Circular, (i) Zhonghui has adopted more stringent audit procedures on monetary funds and implemented enhanced training on monetary fund audit, (ii) CSRC has not made any further adverse decision or imposed any penalty on Zhonghui, Mr. Wu Chenghang and/or Mr. Wu Xingguang, (iii) the Decision does not affect the practising qualification of Mr. Wu Chenghang and/or Mr. Wu Xingguang, and (iv) such administrative penalty imposed by CSRC does not have any impact on Zhonghui's audit work and Zhonghui's audit opinions for the Group's financial statements as at and for the years ended 31 December 2018, 2019 and 2020 as included in this Offering Circular are valid and effective.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

The PRC has experienced a slowdown in its economic development and the future performance of the PRC economy is uncertain.

A slowdown in the growth of the PRC's GDP since 2013 has raised market concerns that the historic rapid growth of the economy of the PRC over the last 30 years may not be sustainable. The PRC's GDP growth rates of 6.6 per cent., 6.1 per cent. and 2.3 per cent. in 2018, 2019 and 2020, respectively, were

the three lowest in the last 30 years according to the National Bureau of Statistics of China. There have been growing concerns about volatility in the PRC economy. COVID-19 has also had a significant impact on the growth of the PRC economy. Given the continuous spread of COVID-19 globally and the evolving impact of the pandemic on global economy, the full recovery of the PRC's economic growth remains uncertain. In May 2017 and September 2017, Moody's Investors Service, Inc. ("**Moody's**") and S&P Global Ratings ("**S&P**"), respectively, downgraded the PRC's long-term sovereign credit citing increasing economic and financial risks. A recent increase in bond defaults by PRC corporate issuers is a further indication of the slowdown in the growth of the PRC economy. On 29 June 2020, S&P affirmed the PRC's credit rating at "A+" with a stable outlook, stating that the PRC is likely to maintain above-average economic growth performance relative to other middle-income economies in the next few years. On 14 September 2020, Moody's affirmed the PRC's long-term local currency and foreign currency issuer ratings at A1 with a stable outlook, citing the strength of the country's institutions and governance in mitigating credit risks. However, the growth of the PRC economy is likely to come under the pressure of uncertainties over the COVID-19 pandemic, U.S.-China tensions and ongoing efforts to restructure the economy and reduce financial risks.

The PRC economy is also exposed to material changes in the global economic and political environment as well as the performance and policies of certain developed economies and governments in the world, such as the United States and the European Union. For example, the United Kingdom withdrew from the European Union on 31 January 2020 ("**Brexit**"), but continued to participate in certain European Union organizations (such as the customs union) during a transition period that ended on 31 December 2020. With Brexit taking full effect, there remains uncertainty about the future relationship between the United Kingdom and the European Union. Although a new trade and cooperation agreement between the United Kingdom and European Union was agreed upon on 24 December 2020 and formally entered into effect on 1 May 2021, it is unclear how Brexit would ultimately affect the fiscal, monetary and regulatory landscape within the United Kingdom, the European Union and the rest of the world. The political, social and macroeconomic impact of post-Brexit is uncertain, which could potentially lead to volatility in the global markets. In addition, any change in the trade policies of the PRC's major trading partners, including tightening regulatory restrictions, industry-specific quotas, tariffs, non-tariff barriers and taxes, may have an adverse effect on the PRC economy. In 2018 and 2019, the U.S. government imposed several rounds of tariffs on cumulatively U.S.\$550 billion worth of Chinese products. In retaliation, the Chinese government responded with tariffs on cumulatively US\$185 billion worth of U.S. products. In 2019, the U.S. government restricted certain Chinese technology firms from exporting certain sensitive U.S. goods. The Chinese government lodged a complaint in the World Trade Organization against the U.S. over the import tariffs in the same year. The trade war created substantial uncertainties and volatilities to global markets. The U.S. government and the Chinese government had been renegotiating their trade relationships and reached the phase one deal in early 2020. However, China and the United States have not launched the phase two negotiation yet and whether the trade disputes between China and the United States will be fully solved remains uncertain. It is also unclear the foreign policies the U.S. President Joe Biden and his administration will take towards China. Failure of trade negotiations between the United States and China may lead to additional costs and unexpected consequences on the Group's business. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact China's economy, which in turn could adversely impact the Group's business, financial condition and results of operations. Therefore, there exists continued uncertainty over the overall prospects for the global and the PRC economies going forward. Furthermore, any future escalation of the ongoing trade war between the United States and China or ongoing impact of the coronavirus may negatively impact the growth in both the PRC economy and global economy as a whole.

Changes in PRC government policies could affect the Group's business and prospects.

The economy of the PRC differs from the economies of most developed countries in many respects, including with respect to government involvement, level of development, economic growth rate, control of foreign exchange and allocation of resources. In order to further transition the economy of the PRC

from a planned economy to a more market-oriented economy, the PRC government has in recent years implemented a series of measures emphasising market forces, the reduction of state ownership of productive assets, deleveraging the economy by reducing borrowing levels and the establishment of sound corporate governance in business enterprises. However, a large portion of the productive assets in the PRC remain owned by the PRC government. The PRC government continues to play a significant role in regulating industrial development, the allocation of resources, production, pricing and management, and there can be no assurance that the PRC government will continue to pursue economic reforms or that any such reforms will not have an adverse effect on the Group's business.

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

The Group's operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes. Prior court decisions can be cited for reference but do not have precedential value. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, the PRC has not developed a fully integrated legal system and existing laws and regulations may not cover all aspects of economic activities in the PRC. In particular, because many laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations can involve significant uncertainties. In addition, the PRC legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all and some of which may be enforced with a retroactive effect). As a result, the Group may not be aware of a violation of a policy or rule until sometime after the violation. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management's attention. It may also be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of a judgment by a court of another jurisdiction. These uncertainties relating to the interpretation and implementation of PRC laws and regulations may adversely affect the legal protections and remedies that are available to the Group in its operations and to the holders of the Bonds.

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

The members of the Group other than the Issuer are incorporated in the PRC, and the Group's assets are located in the PRC. In addition, the Issuer's and the Guarantor's directors, supervisors and members of its senior management reside within the PRC, and the assets of the Issuer's and the Guarantor's directors and officers may be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon the Issuer's and the Guarantor's directors, supervisors and members of senior management. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many countries, including Japan, the United States and the United Kingdom. Therefore, it may be difficult for investors to enforce any judgments obtained from foreign courts against the Issuer, the Guarantor, the Group, or the Issuer's and the Guarantor's directors, supervisors or members of senior management in the PRC.

Government control of currency conversion may adversely affect the value of investors' investments.

The Group's operating revenues are denominated in Renminbi, which is also its reporting currency. Renminbi is not a freely convertible currency. A portion of the Group's cash may be required to be converted into other currencies in order to meet the Group's foreign currency needs, including payments of interest, principal and premium on the Bonds. However, the PRC government may at its discretion restrict future access to foreign currencies for current account transactions. If this were to occur, the

Group might not be able to make payments in foreign currencies, which may include payments of interest, principal and premium to the holders of the Bonds. On the other hand, foreign exchange transactions under capital accounts in the PRC continue to be not freely convertible and require the approval of the SAFE. These limitations could affect the Group's ability to obtain foreign currencies through equity financing, or to obtain foreign currencies for capital expenditures.

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

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

The payment of dividends by the Guarantor's subsidiaries and associates in the PRC is subject to restrictions under PRC laws.

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

Certain PRC regulations governing PRC companies are less developed than those applicable to companies incorporated in more developed countries.

All members of the Group except for the Issuer are established in the PRC and are subject to PRC regulations governing PRC companies. These regulations contain certain provisions that are required to be included in the joint venture contracts, articles of association and all other major operational agreements of these PRC companies and are intended to regulate the internal affairs of these companies. These regulations, in general, and the provisions for protection of shareholders' rights and access to information in particular, are less developed than those applicable to companies incorporated in Hong Kong, the United States, the United Kingdom and other developed countries or regions.

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

The PRC Labour Contract Law (中華人民共和國勞動合同法) became effective on 1 January 2008 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, an employer is required to make a payment, to a fixed-term contract employee when the term of their employment contract expires, equal to the employee's monthly salary multiplied by the number of full years that the employee has worked for the employer, unless the employee does not agree to renew the contract on terms the same as or better than those in the current employment contract. 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. Furthermore, under the PRC Labour Contract Law, not only must an employer compensate a terminated employee based on their length of service as described above, but in addition the employer

may not be able to efficiently terminate non-fixed-term employment contracts without cause. In the event the Group decides to significantly change or decrease its workforce, the PRC Labour Contract Law could adversely affect its ability to effect these changes in a cost-effective manner or in the manner that the Group desires, which could result in an adverse impact on the Group's business, financial condition and results of operations.

RISKS RELATING TO THE BONDS AND THE GUARANTEE

The Zhuji Government or any other PRC governmental entity has no legal obligations under the Bonds or the Guarantee.

The Guarantor is established by the Zhuji Government and wholly-owned and controlled by the Zhuji SASAC. Any ownership or control by the PRC Government (including the Zhuji Government and the Zhuji SASAC) does not necessarily correlate to, or provide any assurance as to, the Issuer's and/or the Guarantor's financial condition. If the Issuer and/or, as the case may be, the Guarantor does not fulfil its obligations under the Bonds and the Trust Deed, the Bondholders will only have recourse against the Issuer and the Guarantor, and not the PRC Government. Similar to other companies beneficially owned or controlled by the PRC Government, the Issuer and the Guarantor may be generally perceived to have access to liquidity support from its beneficial controlling shareholder in light of its ownership structure and the nature of its beneficial controlling shareholder, particularly in the event that the Issuer and/or the Guarantor becomes financially distressed. However, neither the Zhuji Government nor any other PRC governmental entity is an obligor. The Zhuji Government and any other PRC governmental entity shall under no circumstances have any obligation arising out of or in connection with the Bonds or the Guarantee in lieu of the Issuer or the Guarantor. This position has been reinforced by Circular 23 and Circular 706. The liability of the Zhuji SASAC as the shareholder of the Guarantor shall be limited to its agreed obligation to contribute to the Guarantor's registered capital. As such, the PRC government does not have any payment obligations under the Bonds or the Guarantee. The Bonds are solely to be repaid by the Issuer or the Guarantor, each as an obligor under the relevant transaction documents and as an independent legal person.

As a holding company, the Guarantor has only limited sources of funding in order to meet its debt obligations.

As a holding company, the Guarantor operates its business mainly through its subsidiaries. Accordingly, the Guarantor has limited sources of funding available to it to service its debts and its ability to meet the obligations under its debt obligations. These mainly include dividends and repayments on intercompany loans received from its subsidiaries, as well as divestments of investment assets and obtaining external financing.

With respect to dividends and repayments of intercompany loans from its subsidiaries, if a Group's subsidiary incurs any debt, such debt may impair the Group's subsidiary from distributing dividends or making other distributions to the Guarantor ultimately. In addition, PRC laws require that dividends can only be paid out of the net income calculated according to PRC GAAP and financial regulations in the PRC. In addition, the PRC laws require the companies incorporated in the PRC to set aside part of their net income as statutory reserves. These statutory reserves are not available for distribution as cash dividends. Such restrictions may have an adverse effect on the Guarantor's ability to service its debts and its ability to meet its debt obligations as the Guarantor relies heavily on dividends and repayments from its subsidiaries.

The insolvency laws of the British Virgin Islands and 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 is incorporated under the laws of the British Virgin Islands and the Guarantor is incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer and the Guarantor would likely involve insolvency laws of the British Virgin Islands or the PRC, as applicable, 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 trading market for the Bonds may not develop.

The Bonds are a new issue of securities for which there is currently no trading market. There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. Although application will be made for the listing of the Bonds on the Hong Kong Stock Exchange, such listing can give no assurance as to the liquidity of, or trading market for, the Bonds. None of the Joint Lead Managers are obligated to make a market in the Bonds, and if any Joint Lead Manager does so it may discontinue such market-making activity at any time without notice. Further, the Bonds may be allocated to a limited number of investors, in which case liquidity may be limited. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, the holders of the Bonds will only be able to resell the 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 the obligation of investors to ensure that offers and sales of the Bonds within relevant countries comply with applicable securities laws. Please see "*Subscription and Sale*". Neither the Issuer nor the Guarantor can 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 and payable 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 neither the Issuer nor the Guarantor has any 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 rate 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.

International financial markets and world economic conditions 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 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 sub-prime mortgage crisis in 2008, international financial markets have experienced significant volatility. In particular, changes in interest rates in the United States can increase the uncertainties relating to the trading price of bonds denominated in U.S. dollars. In December 2016, the US Federal Reserve raised interest rates for only the second time since the 2008 financial crisis and subsequently in 2017 raised interest rates an additional three times. The US Federal Reserve made four further raises in 2018. In 2019, the US Federal Reserve lowered interest rates three times. Due to the global outbreak of COVID-19, the US Federal Reserve further lowered the interest rate range to 0 per cent. to 0.25 per cent. The

global outbreak of COVID-19 has also caused significant volatility in the international financial markets and ongoing global economic recession. If the international financial markets continue to experience significant volatility in the future, the market price of the Bonds could be adversely affected.

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

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in each of the Group's revenue, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies or any adverse change in the credit rating, revenues, earnings or results of operations 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.

Restrictive covenants contained in debt agreements of the Group may limit the Group's ability to incur additional indebtedness and restrict its future operations, and failure to comply with these restrictive covenants may result in defaults under the terms of these agreements, or the Bonds, and may also adversely affect the Group's liquidity, financial condition and results of operations.

Certain debt agreements entered into by members of the Group contain operational and financial restrictions that prohibit such member of the Group from incurring additional indebtedness, restrict such member of the Group from creating security or granting guarantees or prohibit such member of the Group from changing its business and corporate structure, or amending its articles of association, in each case without the lender's prior consent. If any member of the Group is unable to comply with its current or future obligations under the agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the lenders could terminate their commitments to lend, accelerate repayment of the debts, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the debt agreements entered into by members of the Group, including the Bonds, contain (or may in the future contain) cross-acceleration or cross-default provisions. The default by the relevant member of the Group under one debt agreement may cause the acceleration of repayment of debt or result in a default under its other debt agreements, including the Bonds. As a result, these restrictions in the debt agreements may potentially negatively affect the ability of the relevant member of the Group to respond to changes in market conditions, pursue the business opportunities the Group believes to be desirable, obtain future financing, fund capital expenditures, or withstand a continuing or future downturn in its business. There can also be no assurance that in the event of occurrence of any acceleration of repayment or default, the relevant member of the Group will have sufficient assets and cash flows to repay in full all of their indebtedness, or that such member would be able to find alternative financing. Even if alternative financing could be obtained, there can be no assurance that it would be on terms that are favourable or acceptable to the Group. Any of these factors could materially and adversely affect the Group's ability to satisfy its obligations under outstanding financial obligations, including the Bonds.

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

The Terms and Conditions provide that the Trustee may, without the consent of Bondholders, agree to any modification (except as mentioned in the Trust Deed and the Deed of Guarantee) of the Terms and Conditions, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement which in the opinion of the Trustee will not be materially prejudicial to the interests of Bondholders and to any modification of the Terms and Conditions, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law.

In addition, the Trustee may, without the consent of the Bondholders, authorise or waive any proposed breach or actual breach of, or any failure to comply with, any of the provisions of the Bonds, Terms and Conditions, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement (other than a proposed breach, or a breach relating to the subject of certain reserved matters) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

The Terms and Conditions contain provisions for calling meetings of the Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. There is a risk that such modifications, waivers or decisions may be adverse to the interests of individual or minority Bondholders, and in such circumstance, the recourse available to the minority Bondholders may be limited.

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

In certain circumstances (including, without limitation, giving of notice to the Issuer and the Guarantor pursuant to Condition 9 of the Terms and Conditions and taking steps and/or actions and/or institute proceedings pursuant to Condition 13 of the Terms and Conditions), the Trustee may (at its sole discretion) request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or institute proceedings on behalf of the Bondholders. The Trustee shall not be obliged to take any such steps and/or actions and/or institute any such proceedings if not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed constituting the Bonds 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 Bondholders to take such steps and/or actions and/or institute such proceedings directly.

The Issuer may be treated as a PRC resident enterprise for PRC tax purposes which may subject the Issuer to PRC income taxes on its worldwide income and interest payable by the Issuer or the Guarantor to foreign investors in respect of the Bonds or under the Guarantee may be subject to withholding taxes under PRC tax law.

Under the Enterprise Income Tax Law of the PRC (the “EIT Law”) and its implementing rules effective on 1 January 2008 and as amended on 24 February 2017, enterprises established outside the PRC whose “de facto management bodies” are located in the PRC are considered “resident enterprises” for PRC tax purposes.

The implementation rules define the term “de facto management body” as a management body that exercises full and substantial control and management over the business, personnel, accounts and properties of an enterprise. The Notice of the State Administration of Taxation on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) issued by the SAT on 22 April 2009, as revised in 2013 and 2017 (“Circular 82”) provides that a foreign enterprise controlled by a PRC company or a PRC company group will be treated as a “resident enterprise” with a “de facto management body” located within the PRC if all of the following requirements are satisfied at the same time: (i) the senior management and core management departments in charge of daily operations are located mainly within the PRC; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) major assets, accounting books, company seals and minutes and files of board and

shareholders' meetings are located or kept within the PRC; and (iv) at least half of the enterprise's directors with voting rights or senior management frequently reside within the PRC. On 27 July 2011, the SAT issued the Provisional Administrative Regulations of Enterprise Income Taxation of a Chinese-Controlled Foreign Resident Enterprise (境外註冊中資控股居民企業所得稅管理辦法(試行)), as revised in 2015, 2016 and 2018 (“**Circular 45**”), to further prescribe the rules concerning the recognition, administration and taxation of a foreign enterprise “controlled by a PRC enterprise or PRC enterprise group”. Circular 45 identifies and defines two ways in which a foreign enterprise “controlled by a PRC enterprise or a PRC enterprise group” would be treated as a resident enterprise: first, the foreign enterprise may decide on its own whether its de facto management body is located in the PRC based on the criteria set forth in Circular 82, and, if it makes such determination, it shall apply to the competent tax bureau to be treated as a resident enterprise; second, the tax authority may determine that such foreign enterprise is a resident enterprise after its active investigation.

Most of the Issuer's directors and senior management are currently based inside the PRC and it may keep its books of account inside the PRC. The above elements may be relevant for the tax authorities to determine whether the Issuer is a PRC resident enterprise for tax purposes. However, there is no clear standard published by the tax authorities for making such a determination.

Although it is unclear under PRC tax law whether the Issuer has a “de facto management body” located in the PRC for PRC tax purposes, the Group takes the position that the Issuer is not a PRC resident enterprise for tax purposes. There is no assurance that the tax authorities will agree with the Group's position. If the Issuer is deemed to be a PRC resident enterprise for EIT purposes, the Issuer would be subject to the PRC enterprise income tax at the rate of 25 per cent. on its worldwide taxable income. Furthermore, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities, the Issuer may be obligated to withhold PRC income tax of up to 7 per cent. on payments of interest and certain other amounts on the Bonds to investors that are Hong Kong resident enterprises or 10 per cent. on payments of interest and other amounts on the Bonds to investors that are not Hong Kong resident enterprises, provided that there are no tax treaties between the PRC and those countries which exempt or reduce such withholding tax, because the interest and other amounts may be regarded as being derived from sources within the PRC. Similarly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities, payments of interest and certain other amounts on the Bonds to a non-resident individual holder may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. pursuant to the Individual Income Tax Law of the PRC, as revised in 2011 and 2018 (“**IIT Law**”) and its implementation rules, provided that there are no tax treaties between the PRC and those countries or regions which exempt or reduce such withholding tax. Further, the payments of the interest and other interest like earnings on the Bonds to a non-resident enterprise or a non-resident individual holder may be subject to withholding of PRC enterprise income tax or individual income tax in the event that the Guarantor is required to discharge its obligations under the Guarantee, subject to applicable tax treaties between the PRC and those countries or regions which exempt or reduce such withholding of tax. In addition, if the Issuer or the Guarantor fails to do so, it may be subject to fines and other penalties.

Pursuant to the Circular of Full Implementation of Business Tax to VAT Reform (關於全面推開營業稅改征增值稅試點的通知)(Caishui [2016] No. 36) issued by the MOF and the SAT on 23 March 2016 and revised on 11 July 2017 and 25 December 2017, as supplemented by the Notice on Clarification of VAT Policies for Finance, Real Estate Development, Education Support Services etc. (財政部、國家稅務總局關於明確金融房地產開發教育輔助服務等增值稅政策的通知) jointly issued by the MOF of the PRC and the SAT on 21 December 2016 and effective retroactively (excluding Article 17 thereof) as at 1 May 2016 (together, “**Circular 36**”) and other related rules and regulations, income derived from the provision of financial services which previously was subject to business tax is after 1 May 2016 subject only to VAT which replaced the business tax. According to Circular 36, entities and individuals providing services within the PRC shall be subject to VAT. The services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is

further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Bonds is likely to be treated as the holders of the Bonds providing loans to the Issuer. VAT is unlikely to apply to the Issuer’s payments of interest and other amounts on the Bonds to investors who are located outside of the PRC but there is uncertainty as to the applicability of VAT as this will depend on how the PRC tax authorities interpret, apply or enforce the Circular 36 and its implementation rules. However, the payments of the interest and other interest like earnings may be subject to VAT at the rate of 6 per cent. in the event that the Guarantor is required to discharge its obligations under the Guarantee as the Guarantor is located in the PRC. In addition, pursuant to the Interim Regulation of the PRC on City Maintenance and Construction Tax (中華人民共和國城市維護建設稅暫行條例(2011修訂)), Interim Provisions on the Collection of Educational Surcharges (徵收教育費附加的暫行規定(2011修訂)), Notice of the Ministry of Finance on the Relevant Matters regarding Unifying the Policies on Local Education Surcharges (財政部關於統一地方教育附加政策有關問題的通知), certain surcharges on VAT may also be applicable and will be required to be withheld by the Issuer or the Guarantor, as the case may be, if the Issuer or the Guarantor is required to withhold PRC VAT from interest payments made to the holders of the Bonds who are located outside of the PRC.

If the Issuer or the Guarantor is required under the EIT Law, IIT law, Circular 36 or other related PRC tax laws to withhold PRC income tax or VAT or related surcharges on VAT from interest payments made to the holders of the Bonds who are “non-resident enterprises” or who are located outside of the PRC, the Issuer will be required to pay such additional amounts as will result in receipt by a holder of the Bonds of such amounts as would have been received by the holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Bonds, and could have a material adverse effect on its ability to pay interest on, and repay the principal amount of, the Bonds, as well as its profitability and cash flow. It is unclear whether, if the Issuer is considered a PRC “resident enterprise”, holders of the Bonds might be able to claim the benefit of income tax treaties or agreements entered into between the PRC and other countries or areas.

Gains on the transfer of the Bonds may be subject to income tax or VAT 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 EIT 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. In the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities, capital gain realised by a non-resident enterprise from the transfer of the Bonds may be regarded as being derived from sources within the PRC and, accordingly, may be subject to a PRC tax of up to 10 per cent., provided that there are no tax treaties between the PRC and those countries or regions which exempt or reduce such withholding tax. Similarly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities, any capital gain realised by a non-resident individual holder from transfer of the Bonds may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. pursuant to the IIT Law, provided that there are no tax treaties between the PRC and those countries or regions which exempt or reduce such withholding tax. There remains uncertainty as to whether the gains realised from the transfer of the Bonds between entities or individuals located outside of the PRC 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. If such gains are subject to PRC income tax, the 10 per cent. EIT 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, 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.

Under the Circular 36, VAT is applicable where the entities or individuals provide services within the PRC. VAT is unlikely to apply to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to apply to gains realised upon such transfers, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 and laws and regulations pertaining to VAT are relatively new, and there is uncertainty as to the applicability of Circular 36 as this will depend on how the PRC tax authorities interpret, apply or enforce the Circular 36 and its implementation rules.

If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax or VAT or related surcharges on VAT 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.

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

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

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Bonds, the merits and risks of investing in the relevant Bonds and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant 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 relevant Bonds;
- understand thoroughly the terms of the relevant 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 scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Bonds which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

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

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

The Terms and Conditions and the transaction documents are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken. Under the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排), judgments of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have agreed to submit to the exclusive jurisdiction of Hong Kong courts. However, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC or meets other circumstances specified by the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area. Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the Bondholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the Bondholders' ability to initiate a claim outside of Hong Kong will be limited.

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

The Bonds will initially be represented by a Global Certificate. Such Global Certificate will be deposited with a common depository for Euroclear and Clearstream. Except in the circumstances described in the Bonds represented by the Global Certificate, investors will not be entitled to receive definitive bonds. The relevant clearing system will maintain records of the beneficial interests in Bonds represented by 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 common depository for Euroclear and Clearstream for distribution to their account holders. A holder of a beneficial interest in the Bonds represented by the 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.

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

The Bonds and the Guarantee are unsecured obligations.

The Bonds and the Guarantee are unsecured obligations of the Issuer and the Guarantor, respectively. The repayment of the Bonds and payment under the Guarantee may be adversely affected if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;

- there is a default in payment under the Issuer's or the Guarantor's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

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

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 100 per cents. of their principal amount, together with any 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 (or if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions), as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions.

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

The Issuer may not be able to meet its outstanding obligations under the Bonds.

The Issuer is a wholly-owned subsidiary of the Guarantor. The Issuer is a special purpose vehicle which has no business operations other than issuing the Bonds and engaging in related transactions in accordance with the Terms and Conditions and will be dependent upon payments from the Guarantor and its subsidiaries to meet its respective obligations under the Bonds. The net proceeds from the issuance of the Bonds will be used for refinancing of offshore debts of the Group as described in "*Use of proceeds*". Bondholders' recourse to the Issuer is limited as the Issuer has only limited assets. The Issuer's ability to make payments on the Bonds is dependent directly on payments (in the form of capital injections, intercompany loans or otherwise) to the Issuer by the Guarantor and its subsidiaries, which will depend on a number of factors, some of which may be beyond the control of the Guarantor and/or the Issuer. If the Guarantor or any of the Guarantor's subsidiaries is unable to make timely payments to the Issuer, the Issuer will not have any other source of funds to meet its payment obligations under the Bonds.

The Issuer may (and at maturity, will) be required to redeem all of the Bonds. If such an event were to occur, the Issuer may not have sufficient cash on 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 in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by or on behalf of the Issuer may constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's other indebtedness.

The Issuer may issue additional Bonds in the future.

The Issuer may, from time to time, and without prior consultation with the Bondholders create and issue further bonds (see "*Terms and Conditions of the Bonds – Further Issues*") or otherwise raise additional capital through such means and in such manner as the Group 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 Guarantee given by the Guarantor needs to be registered with SAFE before it can be considered enforceable under PRC law, and there may be logistical hurdles for cross-border payment under the Guarantee if such registration is not completed within the prescribed timeframe.

The Guarantor, as a PRC-incorporated company giving guarantee to its foreign incorporated subsidiary, is required to complete registration within the required period after the creation and issuance of the Bonds pursuant to the Provisions on the Foreign Exchange Administration of Cross-Border Guarantee (跨境擔保外匯管理規定) promulgated by the SAFE on 12 May 2014 (the “**Foreign Exchange Cross-Border Guarantee Rules**”), the Operational Guidelines on Foreign Exchange Administration of Cross-border Guarantee (跨境擔保外匯管理操作指引) promulgated by SAFE on 12 May 2014 (the “**SAFE Guidelines**”), and other relevant regulations.

There is no assurance that the Guarantor will be able to complete the registration of the Guarantee with SAFE within the prescribed timeframe or at all. Under the Terms and Conditions, Bondholders may require the Issuer to redeem their Bonds in the event that the Guarantee is not registered within a specified timeframe. Bondholders who do not exercise such redemption option should note that before requisite registrations of the Guarantee given by the Guarantor are completed, it is uncertain whether the Guarantee given by the Guarantor can be enforced in practice. Although the failure to register does not render the Guarantee ineffective or invalid under PRC law, SAFE may impose penalties on the Guarantor if the Guarantor fails to complete the SAFE registration. Further, there may be hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee) as domestic banks may require evidence of SAFE registration in connection with the Guarantee in order to effect such remittance. Prior to the performance or discharge of its obligations under the Guarantee, the Guarantor is also required to complete a verification process with banks for each remittance under the Guarantee.

The interpretation of the Foreign Exchange Cross-Border Guarantee Rules and the SAFE Guidelines may involve significant uncertainty, and may adversely affect the practical enforceability of the Guarantee given by the Guarantor in the PRC. In addition, the administration of the Foreign Exchange Cross-border Guarantee Rules and SAFE Guidelines may be subject to a certain degree of executive and policy discretion by the SAFE.

The NDRC Circular is a recent regulation and its interpretation may involve significant uncertainty, which may adversely affect the Bonds and/or the investor of the Bonds.

On 14 September 2015, the NDRC promulgated the NDRC Circular. According to the NDRC Circular, if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue bonds outside of the PRC with a maturity of more than one year, the enterprise must, prior to issuing such bonds, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issue (the “**Pre-issuance Registration**”). Such enterprise must also notify certain details of the bonds to the NDRC within 10 business days of the completion of the bond issuance (the “**Post-issuance Notification**”). As at the date of the Offering Circular, the Guarantor has received a registration certificate from the NDRC in respect of the issuance of the Bonds on 25 August 2021, and the Guarantor intends to comply with the post-issuance notification requirements of the NDRC Circular.

As the NDRC Circular is a new regulation, it is still uncertain how the NDRC will interpret, implement and enforce the NDRC Circular. The Post-issuance Notification is generally regarded as a procedural process which involves the reporting of certain post-issuance information in respect of the Bonds by the Guarantor or the NDRC, rather than a substantive approval or consent process. There is a risk that such Post-issuance Notification cannot be completed in time or at all. The NDRC Circular does not set forth the legal consequences of non-compliance with the Pre-issuance Registration and Post-issuance Notification. Additional guidance has been issued by the NDRC (the “**NDRC Circular Guidelines**”) in December 2015, which states that companies, investment banks, law firms and other intermediaries

involved in debt securities issuance which do not comply with the registration requirement under the NDRC Circular will be subject to blacklist and sanctions. The NDRC Circular does not set forth as to how such blacklist will be implemented or the exact sanctions that will be enacted by the NDRC. There is no assurance that the Guarantor will not be subject to any penalties if it fails to (including for reasons outside of the Guarantor's control) complete the Post-issuance Notification within the required timeframe. In the worst-case scenario, such non-compliance with the Post-issuance Notification requirement under the NDRC Circular may result in it being unlawful for the Group to perform or comply with any of its obligations under the Bonds and the Bonds might be subject to enforcement as provided in Condition 9 (Events of Default) of the Terms and Conditions.

In addition, the administration of the NDRC Circular may be subject to a certain degree of executive and policy discretion by the NDRC. There is also a risk that the registration approval with the NDRC may be revoked or amended in the future or that future changes in PRC laws and regulations may have a negative impact on the Bonds in the PRC. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions.

The obligations of the Guarantor under the Guarantee are structurally subordinated to the liabilities and obligations of its subsidiaries.

The Guarantor's ability to perform their obligations under the Guarantee is effectively dependent on the cash flow of its subsidiaries. Any claim by the Trustee against the Guarantor in relation to the Guarantee will be effectively subordinated to all existing and future obligations of the Guarantor's subsidiaries (which have not provided the Guarantee), and all claims by creditors of such subsidiaries will have priority to the assets of such entities over the claims of the Trustee under the Guarantee.

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

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

EXCHANGE RATES

PRC

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. 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 Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. Following the introduction of the managed floating exchange rate system, 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, PBOC widened the floating band against the U.S. dollar to 2.0 per cent and on 11 August 2015 authorised market-makers to provide central parity quotations to the China Foreign Exchange Trading Centre daily before the opening of the interbank foreign exchange market with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates. In 2018, Renminbi has largely depreciated in value against the U.S. dollar. The PRC government may in the future adopt further reforms of its exchange rate system, including making Renminbi freely convertible.

The following table sets forth information concerning exchange rates between Renminbi and the U.S. dollar for the periods presented:

Period	Renminbi per U.S. dollar Noon Buying Rate ⁽¹⁾			
	End	Average ⁽²⁾	High	Low
	(CNY per U.S.\$1.00)			
2016	6.9430	6.6549	6.9580	6.4480
2017	6.5063	6.7350	6.9575	6.4773
2018	6.8755	6.6292	6.9737	6.2649
2019	6.9618	6.9014	7.1786	6.6822
2020	6.5250	6.8878	7.1681	6.5208
2021				
April	6.4749	6.5186	6.5645	6.4710
May	6.3674	6.4321	6.4749	6.3674
June	6.4566	6.4250	6.4811	6.3796
July	6.4609	6.4763	6.5104	6.4562
August	6.4604	6.4768	6.5012	6.4604
September	6.4434	6.4563	6.4702	6.4320

Notes:

- (1) Exchange rates between Renminbi and the U.S. dollar represent the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board of the Federal Reserve Bank of New York.
- (2) Annual averages have been calculated from the month-end rate. Monthly averages have been calculated using the average of the daily rates during the relevant period.

TERMS AND CONDITIONS OF THE BONDS

The following, subject to modification and other than the words in italics is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:

The issue of the U.S.\$520,000,000 3.20 per cent. guaranteed bonds due 2024 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith) was authorised by the written resolutions of the sole director of Zhuji Development Limited (the “**Issuer**”) passed on 17 September 2021 and the Guarantee (as defined in Condition 3(a)) was authorised by a written resolution of the board of directors of Zhuji State-owned Assets Management Co., Ltd. (諸暨市國有資產經營有限公司) (the “**Guarantor**”). The Bonds are constituted by a Trust Deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated 18 October 2021 (the “**Issue Date**”) between the Issuer, the Guarantor and Citicorp International Limited (the “**Trustee**” which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the Bondholders. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bonds have the benefit of a deed of guarantee (as amended and/or supplemented from time to time, the “**Deed of Guarantee**”) dated on or about the Issue Date executed by the Guarantor and the Trustee, such deed being executed in favour of the Trustee (for itself and the Bondholders). An agency agreement (as amended and/or supplemented from time to time, the “**Agency Agreement**”) dated the Issue Date relating to the Bonds has been entered into between the Issuer, the Guarantor, the Trustee, Citibank, N.A., London Branch as the principal paying agent (the “**Principal Paying Agent**”, which expression shall include its successor(s)) and as transfer agent (the “**Transfer Agent**”, which expression shall include any other transfer agent appointed in connection with the Bonds), Citibank, N.A., London Branch as the registrar (the “**Registrar**”, which expression shall include its successor(s) and any other agents named in it.

Copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement are available for inspection at all reasonable times during usual business hours at the principal office of the Trustee (presently at the Issue Date at 20th Floor, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong) and at the specified office of the Principal Paying Agent. References herein to “**Agents**” means the Principal Paying Agent, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Guarantee and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

All capitalised terms that are not defined in these terms and conditions (the “**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 higher integral multiples of U.S.\$1,000 in excess thereof.

The Bonds are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bond shall be deemed to be and may be treated as its absolute owner for all

purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate (other than the endorsed form of transfer) representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

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

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

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

2. Transfers of Bonds

- (a) **Transfer:** A holding of Bonds may, subject to Condition 2(e), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred 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.

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

- (b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) shall be made available for delivery within seven business days of receipt of a duly completed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), “**business day**” means a day, other than a Saturday or Sunday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar(as the case may be).

- (c) **Transfer or Exercise Free of Charge:** Certificates, on transfer, exercise of an option or redemption of the Bonds, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the Registrar or the relevant Transfer Agent may require).
- (d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, (ii) during the period of 15 days prior to (and including) any date on which Bonds may be called for redemption by the Issuer at its option pursuant to Condition 6(c), (iii) after any such Bond has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7).
- (e) **Regulations:** All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Bondholder following written request and proof of holding satisfactory to the Registrar.

3. Guarantee and Status

- (a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. Its obligations in that respect (the “**Guarantee**”) are contained in the Deed of Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- (b) **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.

4. Negative Pledge; Undertakings relating to the Guarantee

- (a) **Negative Pledge:** So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and 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 (x) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (y) such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Bondholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.
- (b) **Undertakings relating to the Guarantee:** The Guarantor undertakes to file or cause to be filed with the State Administration of Foreign Exchange or its local counterpart (“**SAFE**”), the Deed of Guarantee within 15 PRC Business Days after the execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the “**Cross-Border Security Registration**”). The

Guarantor shall use its best endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the issue of the Bonds and the Deed of Guarantee.

- (c) **Undertaking relating to NDRC:** The Guarantor undertakes to file or cause to be filed with the National Development and Reform Commission of the PRC or its local counterparts (the “NDRC”) the requisite information and documents within 10 PRC Business Days after the Issue Date in accordance with the Circular on Promoting the Reform of the Filing and Registration System on the Issuance by Enterprises of Foreign Debt (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) issued by the NDRC and which came into effect on 14 September 2015, and any implementation rules as issued by the NDRC from time to time (the “NDRC Post-issue Filing”).
- (d) **Notification of Completion of the NDRC Post-issue Filing and the Cross-Border Security Registration:** The Guarantor shall on or before the Registration Deadline provide the Trustee with (i) a certificate in English substantially in the form set out in the Trust Deed signed by an Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the completion of the NDRC Post-issue Filing and the Cross-Border Security Registration; and (ii) copies of the relevant documents evidencing due filing with the NDRC and the relevant SAFE registration certificates, any other document evidencing the completion of registration issued by SAFE and the particulars of registration, each certified in English by an Authorised Signatory of the Guarantor as being a true and complete copy of the original (the items specified in (i) and (ii) together, the “Registration Documents”).

In addition, the Guarantor shall procure that, within 10 PRC Business Days after the documents comprising the Registration Documents are delivered to the Trustee, the Issuer gives notice to the Bondholders (in accordance with Condition 16) confirming the completion of the NDRC Post-issue Filing and the Cross-Border Security Registration.

The Trustee shall have no obligation or duty to monitor or ensure or assist with the NDRC Post-issue Filing or the registration of the Deed of Guarantee with SAFE on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-issue Filing or the Cross Border Security Registration and/or the Registration Documents or any translation thereof or to give notice to the Bondholders confirming the completion of the NDRC Post-issue Filing or the Cross-Border Security Registration, and shall not be liable to Bondholders or any other person for not doing so.

- (e) **Issuer Activities:** The Issuer shall not, and the Guarantor will procure that the Issuer will not, carry on any business activity whatsoever other than in connection with the issue of the Bonds or any other securities and any other activities reasonably incidental thereto (such activities shall, for the avoidance of doubt, include the on-lending of the proceeds of the issue of the Bonds or any other securities to the Guarantor and any other Subsidiaries of the Guarantor).
- (f) **Financial Statements:** So long as any Bond remains outstanding, the Guarantor shall furnish the Trustee with (A) a Compliance Certificate of the Guarantor (on which the Trustee may rely conclusively as to such compliance and shall not be liable to any Bondholder or any other person for such reliance) and a copy of the relevant Guarantor Audited Financial Reports within 150 calendar days of the end of each Relevant Period prepared in accordance with PRC GAAP (audited by a nationally or internationally recognised firm of independent accountants) and if such statements shall be in the Chinese language, together with an

English translation of the same translated by (x) a nationally or internationally recognised firm of accountants or (y) a professional translation service provider and checked by a nationally or internationally recognised firm of accountants, together in each such case with a certificate in English signed by an Authorised Signatory of the Guarantor certifying that such translation is complete and accurate; and (B) a copy of the Guarantor Unaudited Financial Reports within 90 calendar days of the end of each Relevant Period prepared on a basis consistent with the Guarantor Audited Financial Reports and if such statements shall be in the Chinese language, together with an English translation of the same and translated by (x) a nationally or internationally recognised firm of accountants or (y) a professional translation service provider and checked and confirmed by a nationally or internationally recognised firm of accountants, together in each such case with a certificate in English signed by an Authorised Signatory of the Guarantor certifying that such translation is complete and accurate.

(g) **Definitions:**

In these Conditions:

- (i) **“Compliance Certificate”** means a certificate of each of the Issuer or the Guarantor signed by any Authorised Signatory of the Issuer or, as the case may be, the Guarantor stating that, having made all reasonable enquiries, to the best knowledge, information and belief of the Issuer or, as the case may be, the Guarantor as at a date (the **“Certification Date”**) not more than five days before the date of the certificate that:
 - (A) no Relevant Event (as defined in Condition 6(c)), Event of Default (as defined in Condition 9) or Potential Event of Default (as defined in the Trust Deed) has occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and
 - (B) each of the Issuer and the Guarantor has complied with all its covenants and obligations under the Trust Deed, the Bonds and (in the case of the Guarantor) the Deed of Guarantee.
- (ii) **“Guarantor Audited Financial Reports”** means, for a Relevant Period, the annual audited consolidated profit and loss, balance sheet and cash flow statements of the Guarantor, together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them, prepared in accordance with PRC GAAP;
- (iii) **“Guarantor 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 profit and loss, balance sheet and cash flow statements of the Guarantor, together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them (if any), prepared in accordance with PRC GAAP;
- (iv) **“PRC”** means the People’s Republic of China, and for the purpose of these Conditions only, excluding the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
- (v) **“PRC Business Day”** means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business in Beijing and Hong Kong;

- (vi) “**PRC GAAP**” means the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC from time to time;
- (vii) “**Registration Deadline**” means the day falling 90 PRC Business Days after the Issue Date;
- (viii) “**Relevant Indebtedness**” means any indebtedness issued 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 (which for the avoidance of doubt does not include bilateral loans, syndicated loans, club loans or any other form of bank borrowings or loans);
- (ix) “**Relevant Period**” means: (A) in relation to the Guarantor Audited Financial Reports, each period of twelve months ending on the last day of the Guarantor’s financial year (being, as at the Issue Date, 31 December of that financial year) and (B) in relation to the Guarantor Unaudited Financial Reports for a semi-annual report, each period of six months ending on the last day of the first half of the Guarantor’s financial year (being, as at the Issue Date, 30 June of that financial year); and
- (x) “**Subsidiary**” means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer or the Guarantor.

5. Interest

The Bonds bear interest on their outstanding principal amount from and including 18 October 2021 at the rate of 3.20 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$16.00 per Calculation Amount (as defined below) on 18 April and 18 October in each year (each an “**Interest Payment Date**”) commencing on 18 April 2022.

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 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 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 holders 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 18 October 2024. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(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 the Issuer giving not less than 30 nor more than 60 days' notice in accordance with Condition 16 to the Bondholders (which notice shall be irrevocable) and to the Trustee and the Principal Paying Agent in writing, at their principal amount, (together with any interest accrued to but excluding the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of British Virgin Islands (in the case of a payment by the Issuer) or the PRC (in the case of a payment by the Guarantor) or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 12 October 2021, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due.

Prior to the publication by the Issuer of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee:

- (A) a certificate signed by an Authorised Signatory of the Issuer (or by an Authorised Signatory of the Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it; and
- (B) an opinion, addressed to and in form and substance satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment or statement.

The Trustee shall be entitled 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, in which event the same shall be conclusive and binding on the Bondholders. All Bonds in respect of which any notice of redemption is given under this Condition 6(b) shall be redeemed on the date specified in such notice in accordance with this Condition 6(b).

- (c) **Redemption for Relevant Events:** At any time following the occurrence of a Relevant Event, 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 that 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 with any interest accrued to but excluding such Put Settlement Date. In order to exercise such right, the holder of the relevant Bond must deposit at the specified office of the Principal Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of the Principal 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 14th day (in the case of a redemption for a Change of Control) or the fifth day (in the case of a redemption for a No Registration Event) after the expiry of such period of 30 days as referred to above. A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

The Issuer shall give notice in writing to Bondholders in accordance with Condition 16 and to the Trustee and the Principal Paying Agent in writing by not later than 14 days (in the case of a redemption for a Change of Control) or five days (in the case of a redemption for a No Registration Event) following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 6(c).

In this Condition 6(c):

a “**Change of Control**” occurs when:

- (i) the PRC Government Entities together cease to directly or indirectly hold or own 100 per cent. of the issued share capital of the Guarantor; or
- (ii) the Guarantor ceases to hold or own, whether directly or indirectly, 100 per cent. of the issued share capital of the Issuer; or
- (iii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor’s assets to any other person or persons, acting together, except where such person(s) is/are Controlled by the PRC Governmental Entities;

“**Control**” means (i) the ownership, acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of a person or (ii) the right to appoint and/or remove 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, the possession of voting rights, contract or otherwise; the term “**Controlled**” has a meaning correlative to the foregoing;

a “**No Registration Event**” occurs when the Registration Documents are not delivered to the Trustee in accordance with Condition 4(d);

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);

a “**Relevant Event**” means a Change of Control or a No Registration Event;

“**PRC Government Entities**” means one or more of the following:

- (i) any agency, bureau, authority, central bank, department, government, legislature, minister, ministry, official or public or statutory person of, or of the government of, the PRC or any regional or local authority thereof; and
- (ii) any person which is directly or indirectly Controlled by any one or more entities specified in subclause (i) above.

- (d) **Purchase:** The Issuer, the Guarantor and their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for, among other things, the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 9, 12(a) and 13.
- (e) **Cancellation:** All Certificates representing Bonds purchased by or on behalf of the Issuer, the Guarantor and their respective Subsidiaries shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.
- (f) **Notices of Redemption:** All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date 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.

7. Payments

(a) Method of Payment:

- (i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii) below.
- (ii) Interest on each Bond shall be paid to the person shown on the Register at the close of business on the Payment Business Day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Bond shall be made in U.S. dollars by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, or at the option of the relevant Agent making such payment, such payment of interest may be made by transfer to the registered account of the Bondholder. For the purposes of this Condition 7(a), a Bondholder’s “registered account” means the U.S. dollar denominated account maintained by or on behalf of it with a bank, details of which appear on the Register at the close of business on the Record Date.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested 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.

*Notwithstanding the foregoing, 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 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 payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

- (b) **Payments subject to Fiscal Laws:** All payments are subject in all cases (i) to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Section 1471 through Section 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:** Where payment is to be made by transfer to an account in U.S. dollars, payment instructions (for value the due date, or if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that date is not a Payment Business Day, on the first following day which is a Payment Business Day) or, in the case of payments of principal 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 the Guarantor their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer and the Guarantor reserve the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that the Issuer and the Guarantor shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar outside the United Kingdom, (iii) a Transfer Agent, and (iii) such other agents as may be required by any other stock exchange on which the Bonds may be listed, in each case as approved in writing by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to 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, or 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 business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business and settlement of U.S. dollar payment in New York City, Hong Kong and the place in which the specified office of the Registrar is located and the relevant place of presentation.

8. Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee 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 or within the British Virgin Islands or the PRC or, in each case, 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 Guarantor by or within the PRC at the rate of up to and including rate applicable on 12 October 2021 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate or (ii) by or within the British Virgin Islands, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the 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:

- (a) **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the British Virgin Islands or the PRC other than the mere holding of the Bond; or
- (b) **Surrender** more than 30 days after the Relevant Date: in respect of which the Certificate representing it is presented 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.

“**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, the Guarantor, 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 any of the following events (each an “**Event of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by Bondholders of at least 25 per cent. in 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 been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer and the Guarantor that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

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

- (b) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed or under the Deed of Guarantee (other than where it gives rise to a right to redeem pursuant to a No Registration Event) which default is, in the opinion of the Trustee, incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantor (as the case may be) by the Trustee; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or the Guarantor or any of their respective Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual 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 the Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any 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.\$25,000,000 or its equivalent in any other currency; or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against material part of the property, assets or revenues of the Issuer or the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within 60 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor or any of the Principal Subsidiaries on the whole or any material part of their respective 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 60 days; or
- (f) **Insolvency:** the Issuer or the Guarantor or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type 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 substantial part of (or of a particular type of) the debts of the Issuer or the Guarantor or any of the Principal Subsidiaries; or
- (g) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any of the Principal Subsidiaries, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) a voluntary and solvent winding up of any of the Principal Subsidiaries or (iii) a disposal on an arm's length basis where the assets of any of the Principal Subsidiaries resulting from such disposal or the consideration received for such disposal are transferred to or otherwise vested in the Issuer or the Guarantor or another of the Subsidiaries; or
- (h) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a substantial part of the assets of the Issuer or the Guarantor or any of the Principal Subsidiaries; or

- (i) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds, the Trust Deed and the Deed of Guarantee, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Trust Deed and the Deed of Guarantee 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 or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed; or
- (k) **Unenforceability of Guarantee:** except as permitted under the Deed of Guarantee, any part of the Guarantee is unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Guarantor; or
- (l) **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(h) (both inclusive).

In this Condition 9, “**Principal Subsidiary**” means any Subsidiary of the Guarantor:

- (i) 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 three per cent. of the consolidated total revenue as shown by the latest published audited consolidated income statement of the Guarantor; or
- (ii) 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 three per cent. of the consolidated net profit as shown by the latest published audited consolidated income statement of the Guarantor; or
- (iii) 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 three per cent. of the consolidated total assets of the Guarantor and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Guarantor; or
- (iv) 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 (x) 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 (y) on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Guarantor 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 (i), (ii) or (iii) above of this definition,

provided that, in relation to paragraphs (i), (ii) and (iii) above of this definition:

- (A) 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 Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor 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 Guarantor adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

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

if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (A) above) are not consolidated with those of the Guarantor, 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 Guarantor.

10. Prescription

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

11. Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in 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 may require (provided that the requirement is reasonable in light of prevailing market practice) or as the Registrar or the relevant Transfer Agent (as the case may be) may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. Meetings of Bondholders, Modification, Waiver and Substitution

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or the Deed of the Guarantee. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Trustee if requested in writing to do so by Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity 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, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or cancel the Deed of

Guarantee (subject to Condition 12(b)), in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted for or against such resolution).

The Trust Deed provides that a resolution in writing signed or (ii) consent given by way of electronic consents through the relevant clearing system(s), in either case, by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) **Modification and Waiver:** The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Deed of Guarantee that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any 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, the Agency Agreement and/or the Deed of Guarantee that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, any modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable.
- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions (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, the Guarantor 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 discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Bonds and/or the Deed of Guarantee, 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 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 or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking proceedings to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related (directly or indirectly) to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Bondholders, the Issuer, the Guarantor or any other person on any report, confirmation, certificate or information from or any advice or opinion of any legal counsel, accountants, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Bondholders and (if such report, confirmation, certificate, information, advice or opinion is provided by the Issuer or the Guarantor) the Issuer and the Guarantor.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Deed of Guarantee 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 Guarantor, 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, the Guarantor and any other person appointed by the Issuer and/or the Guarantor 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 or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed. Neither the Trustee nor any of the Agents shall be under any obligation to ascertain whether any Event of Default, Potential Event of Default or Relevant Event has occurred or monitor compliance by the Issuer or the Guarantor with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions.

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, the Guarantor and their respective Subsidiaries, 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 may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the first payment of interest on them and the timing for compliance with the requirements set out in these Conditions in relation to the NDRC Post-issue Filing and the Cross-Border Security Registration) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any further bonds issued pursuant to this Condition 15 and consolidated and forming a single series with the Bonds. Any further bonds consolidated and forming a single series with the outstanding Bonds shall be constituted by a deed supplemental to the Trust Deed and shall be guaranteed by the Guarantor pursuant to a deed supplemental to the Deed of Guarantee.

16. Notices

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

So long as the Global Certificate is held in its entirety on behalf of Euroclear and Clearstream, any notice to the holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream, for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by these Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

17. Contracts (Rights of Third Parties) Act 1999

Save as contemplated in Condition 13, no person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed 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 jurisdiction to settle any disputes that may arise out of or in connection with the Bonds or the Deed of Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Bonds or the Deed of Guarantee (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of such courts.
- (c) **Agent for Service of Process:** Each of the Issuer and the Guarantor has irrevocably appointed in the Trust Deed, Cogency Global (HK) Limited at Unit B, 1/F, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong as its authorised agent in Hong Kong to receive service of process in any Proceedings in Hong Kong based on any of the Bonds, the Deed of Guarantee or the Trust Deed. If for any reason the Issuer and/or the Guarantor ceases to have such an agent in Hong Kong, the Issuer and/or, as the case may be, the Guarantor shall promptly appoint a new agent in Hong Kong to accept service of process and 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:** Each of the Issuer and the Guarantor has waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

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 set out in this Offering Circular. The following is a summary of certain of those provisions.

Terms defined in the Terms and Conditions set out in this Offering Circular have the meaning in the paragraphs below.

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

Under the Global Certificate, the Issuer, for value received, will promise 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 Terms and Conditions.

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system (an “**Alternative Clearing System**”) through which the Bonds are held is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

The individual definitive Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate. 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 whatsoever nature which may be levied or imposed in connection with such exchange.

The Issuer will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

In addition, the Global Certificate will contain provisions which modify the Terms and 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 represented 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 25 December and 1 January.

CALCULATION OF INTEREST

So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Bonds 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 Terms and Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by such Global Certificate.

NOTICES

So long as the Bonds are represented 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 Terms and Conditions.

MEETINGS

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) 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.

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

BONDHOLDER'S REDEMPTION

The Bondholder's redemption option in Condition 6(c) (*Redemption for Relevant Events*) of the Terms and 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 Terms and Conditions.

ISSUER'S REDEMPTION

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

TRANSFERS

Transfers of interests in the Bonds 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 by the Issuer following its redemption or purchase by the Issuer or its respective Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

TRUSTEE'S POWERS

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

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

USE OF PROCEEDS

The Issuer estimates that the net proceeds from the offering of the Bonds, after deducting commissions payable to the Joint Lead Managers and other estimated expenses payable in connection with the offering of the Bonds, will be approximately U.S.\$518.5 million. The net proceeds will be used for refinancing of offshore debts of the Group.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated total indebtedness (both current and non-current portions), total equity and total capitalisation of the Group as at 31 December 2020 (i) on an actual basis and (ii) on an adjusted basis to give effect to the issue of the Bonds before deducting the commissions and other estimated expenses payable by the Issuer in connection with the offering of the Bonds. The following table should be read in conjunction with the 2020 Annual Financial Statements and the notes to those statements, which are included elsewhere in this Offering Circular:

	As at 31 December 2020			
	Actual		As Adjusted	
	RMB	U.S.\$ ⁽¹⁾	RMB	U.S.\$ ⁽¹⁾
	(audited)		(unaudited)	
	('000)			
Current indebtedness				
Short-term borrowings	7,362,646	1,128,375	7,362,646	1,128,375
Non-current liabilities due within one year	16,558,327	2,537,675	16,558,327	2,537,675
Other current liabilities	321,170	49,221	321,170	49,221
Total current indebtedness	24,242,143	3,715,271	24,242,143	3,715,271
Non-current indebtedness				
Long-term borrowings	26,012,302	3,986,560	26,012,302	3,986,560
Bonds payable	26,103,206	4,000,491	26,103,206	4,000,491
Long-term payable	13,575,699	2,080,567	13,575,699	2,080,567
Bonds to be issued ⁽²⁾	—	—	3,393,000	520,000
Total non-current indebtedness	65,691,207	10,067,618	69,084,207	10,587,618
Total indebtedness⁽³⁾	89,933,350	13,782,889	93,326,350	14,302,889
Total owners' equity	62,110,609	9,518,867	62,110,609	9,518,867
Total capitalisation⁽⁴⁾	152,043,959	23,301,756	155,436,959	23,821,756

Notes:

- (1) U.S. dollar translations are provided for indicative purposes only and are unaudited. These translations were calculated based on an exchange rate of RMB6.5250 to U.S.\$1.00 on 31 December 2020 as set forth in the H.10 statistical release of the Federal Reserve Board of the Federal Reserve Bank of New York.
- (2) This amount represents the aggregate principal amount of the Bonds to be issued, before deducting the commissions and other estimated expenses payable by the Issuer in connection with the offering of the Bonds.
- (3) Total indebtedness equals the sum of current indebtedness and non-current indebtedness.
- (4) Total capitalisation equals the sum of total indebtedness and total owners' equity.

Since 31 December 2020, the Group has entered into additional financing arrangements and incurred indebtedness to replenish its working capital, to finance its business development and for other general corporate purposes. For details, see “*Description of the Group – Recent Developments – Issuance of Onshore Debt Securities*”.

Except as otherwise disclosed in this Offering Circular, there has been no material change in the consolidated capitalisation and indebtedness of the Group since 31 December 2020.

DESCRIPTION OF THE ISSUER

OVERVIEW

The Issuer, which is a wholly-owned subsidiary of the Guarantor, was incorporated as a BVI business company with limited liability on 23 October 2018 in the British Virgin Islands under the BVI Business Companies Act. The Issuer's registration number is 1995618. Its registered office is located at the offices of Maples Corporate Services (BVI) Limited, Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands.

CORPORATE ACTIVITIES

The Issuer was established pursuant to the objects and powers set out in its memorandum of association. As at the date of this Offering Circular, the Issuer does not carry and has not carried on any business other than entering into arrangements for the issue of debt securities, including the Bonds, and the on-lending of the proceeds thereof to the Guarantor or its subsidiaries. It has no outstanding debt and no contingent liabilities, except for the 7.00 per cent. guaranteed bonds due 2021 in the aggregate principal amount of U.S.\$500 million which was unconditionally and irrevocably guaranteed by the Guarantor. As at the date of this Offering Circular, the Issuer does not have any employees and has no subsidiary.

DIRECTOR

The sole director of the Issuer is Mr. Ma Liang.

SHARE CAPITAL

The maximum number of shares the Issuer is authorised to issue is 50,000 shares of one class of no par value. As at the date of this Offering Circular, one share has been issued to the Guarantor. None of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

FINANCIAL INFORMATION

Under British Virgin Islands laws, the Issuer is not required to prepare or publish condensed or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements. The Issuer is, however, required to keep proper books of account as are necessary to give a true and fair view of the state of the Issuer's affairs and to explain its transactions.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is the largest and the most important investment, financing, urban construction, state-owned asset management and industrial innovation platform in Zhuji City in terms of total assets, total operating revenue and gross profit in 2020. The Guarantor was established in December 1992 by the Zhuji Government as a holding company wholly-owned by the Zhuji SASAC and is tasked with the equity contribution, project financing and asset management functions in respect of its 103 operating subsidiaries as at 31 December 2020, which carry out the Group's wide variety of business operations. At the direction of the Zhuji Government and the Zhuji SASAC, the Group acquired all state-owned enterprises owned by the Zhuji SASAC from 2015 to 2021, so as to become the sole state-owned enterprise under the direct ownership and control of the Zhuji SASAC and be responsible for the management of all of the state-owned assets currently under the supervision and administration of the Zhuji SASAC. As such, the Group has enjoyed and will continue to enjoy the competitive advantages of being the sole provider of a number of public services within Zhuji City. In addition, the Group is delegated by the Zhuji SASAC to perform the investor's responsibilities in municipal state-owned enterprises, optimise the structure of state-owned assets, strengthen state-owned capital operation, improve efficiency, and promote the economic construction and development of social undertakings in Zhuji City. The Zhuji SASAC appoints the directors, supervisors and senior management of the Guarantor to strictly supervise and manage the Group's decision-making and operation.

The Group is a mega state-owned investment enterprise focusing on state-owned capital operation, state-owned equity management and overseas investment, with the goal of securitisation and value maximisation. The Group intends to ensure advancement and retreat of state-owned capital and realisation of the goal of maintaining and increasing value through professional and market-oriented operations. The Group plans to integrate its resources and operate its capital in accordance with the principles of enterprising, marketisation, and specialisation, so as to gradually complete the transformation from asset management model to capital operation model, from government-tasked to market-oriented, and from resource-based to capability-based, as well as to realise the accumulation of capital, talents and experience. The Guarantor strives to build up itself as a mega state-owned investment enterprise with the largest asset scale, the best capital structure, the highest credit rating, and the strongest comprehensive strength in Zhuji City. The Group will accelerate the cultivation and formation of corporate development structure and strategic policies, comprehensively improve its investment planning, capital management and control and brand cultivation capabilities. The Group will focus on its overall investment and operation capabilities to realise cross-regional expansion, continuously enhance its core competitiveness, and gradually improve its brand reputation within its industry across the province, in order to build up a relatively stronger regional influence.

The Group conducts its business in twelve business segments, namely construction, resettlement housing construction, primary land development, water supply, public transportation, media and education, agriculture, security services, commodity trading, film sales, environmental protection equipment parts processing and other business. Set forth below is a summary of each of the Group's business segments:

- **Construction.** The Group's construction business covers transportation function-related construction business, such as construction, management and maintenance of urban and rural roads, and urban construction business, including municipal public facilities construction and urban greening and beautification. The Group conducts its construction business through two of its subsidiaries, namely Zhuji Urban & Rural Investment and Zhuji Chengdong New City Construction. As at the date of this Offering Circular, the Group is the exclusive provider of such construction services to the Zhuji Government and therefore faces limited market competition. Leveraging the ongoing urbanisation and the growing demand for land resources in Zhuji City, as well as its role as the sole provider of such construction services to the Zhuji Government, the Group's construction business enjoys high growth potential and strong financial support from the Zhuji Government. For the years ended 31 December 2018, 2019 and 2020, the operating revenue

from the Group's construction business was RMB665.9 million, RMB2,529.9 million and RMB2,385.8 million, which accounted for 14.8 per cent., 33.2 per cent. and 25.0 per cent. of the Group's total operating revenue, respectively, during the same periods. From 2019 onwards, the Group only adopts the agency construction model in resettlement housing construction and primary land development. Resettlement housing construction and primary land development projects operated under the agency construction model were and will continue to be classified into the construction segment.

- **Resettlement housing construction.** The Group's resettlement housing construction business involves constructing apartment buildings for persons whose existing residences have been designated for demolition. As the sole state-owned capital operation and management entity and the largest city infrastructure construction and operating entity, the development of the Group's resettlement housing construction business is expected to receive strong support from the Zhuji SASAC especially in terms of financial subsidies, revenue recovery and new project development allocation. The Group conducts its resettlement housing construction business through three of its subsidiaries, namely Zhuji Urban & Rural Investment, Zhuji New City Investment and Zhuji Chengdong New City Construction, in various parts of Zhuji City including the urban area, the Zhuji Economic Development Zone and eastern new city area. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's resettlement housing construction business was RMB605.0 million, RMB245.6 million and RMB317.3 million, which accounted for 13.4 per cent., 3.2 per cent. and 3.3 per cent. of the Group's total operating revenue, respectively, during the same periods. The operating income generated from the resettlement housing construction segment in 2018, 2019 and 2020 referred to operating income generated from historical completed projects and will gradually fade out.
- **Primary land development.** The Group's primary land development business generally involves preparing and consolidating land for further development by demolishing existing buildings and constructing utility and transportation networks. The Group conducts its primary land development business through two of its subsidiaries, namely Zhuji Urban & Rural Investment and Zhuji Chengdong New City Construction, in various parts of Zhuji City. As at the date of this Offering Circular, Zhuji Urban & Rural Investment and Zhuji Chengdong New City Construction are the sole providers of such primary land development to the Zhuji Government. The Group faces limited competition in this business segment due to its monopolistic status in the region. Zhuji Yongxing House Demolition Services also provides house demolition services in Zhuji City. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's primary land development business was RMB280.0 million, RMB51.2 million and nil, which accounted for 6.2 per cent., 0.7 per cent. and nil of the Group's total operating revenue, respectively, during the same periods. The operating income generated from the primary land development segment in 2018 and 2019 referred to operating income generated from historical completed projects and will gradually fade out. Since 2020, the Group has not generated any operating income from its primary land development segment.
- **Water supply.** The Group's water supply business primarily consists of supplying water to residents and corporate customers in Zhuji City as well as the installation and maintenance of water pipes and water metres in Zhuji City. The Group conducts its water supply business through its subsidiary, Zhuji Water Supply. As at the date of this Offering Circular, the Group is the sole provider of water to Zhuji City and the sole entity responsible for Zhuji City's water supply network. Due to the natural monopolistic character of its water supply segment, the Group faces limited competition in such business. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's water supply business was RMB286.4 million, RMB397.7 million and RMB410.8 million, which accounted for 6.3 per cent., 5.2 per cent. and 4.3 per cent. of the Group's total operating revenue, respectively, during the same periods.

- **Public transportation.** As the sole authorised public transportation operator in Zhuji City, the Group's public transportation business, primarily carried out by Zhuji Traffic Infrastructure Construction, mainly includes operating 48 bus routes within the Third Ring (三環) of Zhuji City with a fleet of 350 buses as at 31 December 2020. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's public transportation business was RMB29.1 million, RMB35.9 million and RMB24.2 million, which accounted for 0.6 per cent., 0.5 per cent. and 0.3 per cent. of the Group's total operating revenue, respectively, during the same periods.
- **Media and education.** The Group's media and education business primarily includes TV operation, school operation and movie theatre operation and the business segment enjoys a certain degree of regional monopoly. The Group's media and education business is primarily carried out by Zhejiang Huanjiang Media, Zhuji Education, Zhuji Health and Zhuji Film. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's media and education business was RMB204.6 million, RMB211.0 million and RMB379.2 million, which accounted for 4.5 per cent., 2.8 per cent. and 4.0 per cent. of the Group's total operating revenue, respectively, during the same periods. From 2019 onwards, the movie theatre operation business under the segment has been classified into the Group's other business segment due to its insignificant revenue contribution.
- **Agriculture.** The Group's agriculture business primarily includes its grain reserves business and crop seed sales business, which are carried out by Zhuji Grain Storage and Zhuji Yuefeng Seed, respectively. The Group is the sole authorised operator for collection, storage and sale of grain reserves and crop seed sale in Zhuji City. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's agriculture business was RMB117.8 million, RMB125.8 million and RMB148.8 million, which accounted for 2.6 per cent., 1.7 per cent. and 1.6 per cent. of the Group's total operating revenue, respectively, during the same periods.
- **Security services.** Since 2018, the Group's business has expanded to provision of security services in Zhuji City. The Group's security services business primarily includes provision of security guard services and unarmoured transportation services, and design, installation, maintenance and/or repair of security systems and security devices. The Group's security services business is primarily undertaken by its subsidiary, Zhuji Anshun Security Service. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's security services business was RMB88.6 million, RMB168.2 million and RMB286.1 million, which accounted for 2.0 per cent., 2.2 per cent. and 3.0 per cent. of the Group's total operating revenue, respectively, during the same periods.
- **Commodity trading.** To further diversify its business and expand its sources of income, the Group commenced its commodity trading business in November 2016, which primarily includes the trading of electrolytic copper and copper rods, through its subsidiary, Feida Group. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's commodity trading business was RMB2,093.6 million, RMB2,356.7 million and RMB3,073.7 million, which accounted for 46.4 per cent., 30.9 per cent. and 32.2 per cent. of the Group's total operating revenue, respectively, during the same periods.
- **Film sales.** Since July 2019, the Group's business has expanded to film sales, which is primarily carried out by Zhejiang Great Southeast. Zhejiang Great Southeast mainly engages in the research and development, production and sales of all kinds of plastic film and new materials. Its main products include CPP film, BOPET film, BOPP capacitive film and optical film. For the years ended 31 December 2019 and 2020, the operating revenue from the Group's film sales business was RMB819.2 million and RMB1,454.5 million, which accounted for 10.8 per cent. and 15.3 per cent. of the Group's total operating revenue, respectively, during the same periods.

- **Environmental protection equipment parts processing.** Since 2019, the Group's business has expanded to environmental protection equipment parts processing, which is primarily carried out by Feida Group and its subsidiary, Jiangsu Feida Baokai. Jiangsu Feida Baokai is a leading enterprise in production of electric environmental protection equipment in the PRC, as well as a national mega electric environmental protection equipment manufacturing base. For the years ended 31 December 2019 and 2020, the operating revenue from the Group's environmental protection equipment parts processing business was RMB318.7 million and RMB430.9 million, which accounted for 4.2 per cent. and 4.5 per cent. of the Group's total operating revenue, respectively, during the same periods.
- **Other business.** The Group's other business primarily includes sanitation services, property management, property and commercial leasing, lending business for which it receives interest income for funds it lends and tourism. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's other main business was RMB20.5 million, RMB130.4 million and RMB456.1 million, which accounted for 0.5 per cent., 1.7 per cent. and 4.8 per cent. of the Group's total operating revenue, respectively, during the same periods.

For the years ended 31 December 2018, 2019 and 2020, the total operating revenue of the Group was RMB4,511.2 million, RMB7,618.0 million and RMB9,533.2 million, respectively. Subsidies received from the Zhuji Government for the years ended 31 December 2018, 2019 and 2020 amounted to RMB2.9 billion RMB2.2 billion and RMB3.5 billion, respectively. As at 31 December 2020, the Group's total assets amounted to RMB165,658.2 million.

ZHEJIANG PROVINCE AND ZHUJI CITY

The Group is well-positioned to capitalise on Zhuji City's geographic advantages and fast-growing economy. Zhejiang Province is one of the richest and most-developed provinces in the PRC. In 2020, Zhejiang Province accounted for 6.36 per cent. of the PRC's GDP, ranked 4th among provinces in terms of total GDP and ranked 5th in terms of nominal GDP per capita among provinces, municipalities and autonomous regions, according to information published by the National Bureau of Statistics of China.

Zhuji City is located in north-central Zhejiang Province and the centre of the Hangzhou Bay Area, an area which includes the major cities in Zhejiang Province and Shanghai and is characterised by substantive economic integration. Its convenient transportation network links Zhuji City with the four major metropolitan areas in Zhejiang Province, namely Hangzhou City, Ningbo City, Wenzhou City and Jinhua – Yiwu Metropolitan Area, facilitating the free flow of resources and regional coordination. It is mainly served by Hangjinqi (杭金衢), Zhuyong (諸永), Shaozhu (紹諸) and Raocheng (繞城) expressways, Zhejiang-Jiangxi Railway as well as the Beijing-Hangzhou Grand Canal, and is 60 kilometres from Hangzhou Xiaoshan International Airport and 300 kilometres from Shanghai Pudong International Airport. In addition to its geographic competitiveness, Zhuji City is renowned for its excellent ecological environment with a green coverage rate of over 40 per cent in 2020. In 2016, it was awarded the "PRC Habitat Scroll of Honour Award" (中國人居環境獎) by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) for its work in improving the living conditions in urban centres.

Zhuji City covers an area of 2,311 square kilometres, has jurisdiction over five streets, 17 towns and one township, and is home to a registered population of approximately 1.1 million, according to the Shaoxing Municipal Bureau of Statistics. In 2020, Zhuji City ranked 14th among the top 100 counties and cities in China in terms of comprehensive strength (全國綜合實力百強縣市) by the Small and Medium Cities Development Strategy Research Institute (中小城市發展戰略研究院) and ranked 11th among the top 100 counties in China in terms of comprehensive economic competitiveness (全國縣域經濟綜合競爭力100強) by the Chinese Academy of Social Sciences (中國社會科學院). In 2020, Zhuji City also ranked 10th among the county-level cities in China in terms of overall well-off index (全國縣級市全面小康指數), 5th among the top 100 counties in China in terms of governance capability (中國

治理能力百強縣) and 9th among the top 100 innovative counties (cities) in China (中國創新百強縣(市)). In addition, Zhuji City ranked third in the Zhejiang Province in terms of industrial business and ranked second on the index of governmental environment evaluation in 2020. As at the date of this Offering Circular, Zhuji City has 355 national high-tech enterprises, 1,444 provincial science and technology-based small and medium-sized enterprises, 15 domestic and foreign listed enterprises, and is the home to the only world's top 500 enterprises from Shaoxing city. For the years ended 31 December 2018, 2019 and 2020, the GDP of Zhuji City was RMB122.5 billion, RMB131.2 billion and RMB136.2 billion, representing a year-on-year growth rate of 6.7 per cent., 7.5 per cent. and 3.6 per cent., respectively, according to the Shaoxing Municipal Bureau of Statistics. In 2020, the industry added value of its primary, secondary and tertiary industry was RMB5,091 million, RMB61,762 million and RMB69,383 million, respectively, representing an increase of 2.3 per cent., 2.4 per cent. and 5.3 per cent. since 2019. Its per capita GDP based on registered population for 2020 was RMB125,718, representing an increase of 3.7 per cent. from 2019.

In addition to leveraging on its geographic proximity to Hangzhou City to the north and Jinhua – Yiwu Metropolitan Area to the south, Zhuji City plans to further develop its secondary and tertiary sectors of the economy as well as promote its cultural legacy as the birthplace of the legendary beauty Xi Shi. With respect to its advanced secondary sector, it will continue to focus on its four leading industries including environmental protection and new energy, intelligent equipment manufacturing, copper processing and new materials and fashion whiling cultivating strategic new strengths in information economy and health manufacturing. Regarding its tertiary sector, it will enhance its advantages in finance and logistics while diversifying into areas such as cultural creativity, sports health and ecommerce. Furthermore, it will carry through the construction of Datang Socks Town, and other characteristic towns including “Zhuji Green Town” and “Zhuji Pearl Town”, which will help create opportunities for industrial and cultural-related businesses.

Zhuji City is also selected as one of the pilot demonstration zones for the “Common Wealth (共同富裕)” initiative by the Zhejiang Province in July 2021. Several major projects were initiated as part of the “Common Wealth” initiative including the Xinyi China Digital Equipment Intelligent Supply Chain Industrial Park Project (新宜中國數字裝備智慧供應鏈產業園項目), the Ouyi Digital Home Appliance Project (歐意數位化家電家居項目) and Jinfeng Zhigu Innovation Technology Park Project (金豐智谷創新科技園項目).

COMPETITIVE STRENGTHS

The Group's business success is largely attributable to the following competitive strengths:

Strategically important in the development of Zhuji City, the Group is the exclusive provider of some of the key public utilities and construction services

As the exclusive entity responsible for constructing and maintaining various facilities related to public livelihood in Zhuji City, including construction, resettlement housing construction, primary land development and water supply, the Group enjoys a monopolistic status and faces limited competition in these business segments. The Group also contributes to the development of Zhuji City and the livelihood of its population by virtue of being the only authorised entity to operate the city's main bus routes, to provide cable TV equipment and installation services, and to manage the grain reserves and conduct crop seed sales in Zhuji City. The Group's history, local market presence and accumulated experience contribute to its leading position in each of the markets it serves. There is no other state-owned enterprise operating in Zhuji City that holds comparable leading positions in such a variety of sectors and industries critical to the city's growth and development. The Group strives to build up itself as a state-owned enterprise group with outstanding main business, strong competitiveness and active supporting and leading function.

As the largest investment, financing, and urban construction platform in Zhuji City, the Group undertakes a substantial number of significant government projects of the Zhuji and Zhejiang Governments and thus, plays a crucial strategic role in enabling and supporting the development, growth and urbanisation of Zhuji City. For instance, the Group undertakes the following significant government projects in Zhuji City:

- **G60 Port of Innovation Project (G60創新港項目)**

The project is located in the northeast of Yingdianjie Town, which is 50 kilometres away from Hangzhou City urban area and 10 kilometres from Zhuji City urban area. The project is designed to be a pioneering zone for Hangzhou-Shaoyang city interlink and a designated zone for high intelligence innovation, with the overall structure of one core, two axes, two vice five points and four pieces of linkage (一核兩軸、兩副五點、四片聯動). The project will be implemented in three phases: 1,970 mu in Phase I, 421 mu in Phase II and 3,083 mu in Phase III. Upon completion, G60 Port of Innovation will become potentially the most high-end intellectual manufacturing cluster to undertake the Shanghai-Hangzhou industrial transfer and a demonstration zone for high-quality city development.

- **Jiyang Street Urban Organic Renewal Project (暨陽區塊城市有機更新項目)**

According to the Urban Organic Renewal Plan for Zhuji City and its relevant action plans, the project will involve land expropriation in the surrounding area of Jiyang Street Film and Television City, including Sunchen and Yuanjia. The land expropriation process will involve approximately 353 households. This project comprises the construction of a large-scale neighbourhood for resettlement housing and talent housing and corresponding commercial and property management ancillary buildings. Ancillary facilities, including a kindergarten, three city roads, a citizen park, a plaza and two public parking lots, will also be built under this project. The project will follow the urban organic renewal requirement, effectively improve people's livelihood and enhance urban functions in Zhuji City.

- **Gaohu Flood Storage Project (高湖蓄洪工程)**

Gaohu is a main flood storage and detention area in Zhuji City and Puyang River Basin. It is an important "middle diversion" project in the overall layout of upper storage, middle diversion and discharge flood control in Puyang River Basin. The project covers a site area of 611 hectares with a separately applied flood control volume of 27.09 million cubic meters. The main construction comprises six major projects, including the embankment project, flood diversion and control project, drainage station project, river regulation project, ecological greening project and water quality treatment project.

The project is of great significance to enhance the actual flood prevention capacity of the basin, maintain social and economic stability and sustainable development, and achieve peace and stability in rivers and urban and rural areas. The mission of this project is to focus on flood control, as well as taking into account of improving water ecological environment. This project aims to realise hierarchical and zoning application of the flood storage and detention area through transformation, solve the utilisation dilemma of Gaohu, fully utilise the flood storage and detention area and enhance its efficiency, and enhance the flood control guarantee capacity of the basin.

Strong relationship with the Zhuji Government

Established in December 1992 by the Zhuji Government, the Guarantor is wholly-owned by the Zhuij SASAC and receives strong and extensive support from its sole shareholder every year. As the main platform for market-oriented operation of state-owned capital in Zhuji City, the Group conducts policy and public welfare business on behalf of the Zhuji Government and is of unique strategic significance to Zhuji City. The Group has benefitted from equity transfers, asset injections and subsidies directed by the

Zhuji Government and the Zhuji SASAC, as well as a continuing series of contracts with the Zhuji Government and other of its state-owned entities to provide various services to and within Zhuji City, including construction, resettlement housing construction, primary land development, water supply, grain reserve storage and management and public transportation.

- **Equity transfers.** By integration of all but one of the state-owned enterprises directly owned by the Zhuji SASAC, the Group has gained valuable strategic cooperative relationships with the local government and other public entities and has completed a number of key construction projects, primary land development, resettlement housing construction, water supply and water supply networks.
- **Asset injections.** With an initial issued share capital of RMB3.9 million at the time of its inception, the Guarantor's predecessor received a capital injection of RMB7.7 million in the form of cash from the Zhuji City Finance and Taxation Bureau (諸暨市財政稅務局) in November 1994 and further increased its registered share capital to RMB300 million when the Guarantor was incorporated. In December 2015, the Zhuji SASAC decided to inject RMB500 million to the Guarantor, as a result of which its registered share capital increased to RMB800 million.
- **Government contracts and subsidies.** The Group enters into multiple ongoing agency construction contracts with the Zhuji Government to provide construction, resettlement housing construction and primary land development services to Zhuji City. For the years ended 31 December 2018, 2019 and 2020, revenue received under these agency construction contracts amounted to RMB1,496.8 million, RMB2,826.7 million and RMB2,703.1 million, respectively. For the years ended 31 December 2018, 2019 and 2020, subsidies received from the Zhuji Government amounted to RMB2.9 billion RMB2.2 billion and RMB3.5 billion, respectively. In addition, for the years ended 31 December 2018, 2019 and 2020, the Group received various grants and cash injections from its shareholder, which it recognised as capital surplus in the amount of RMB2,593.1 million, RMB5,949.4 million and RMB3,889.1 million, respectively.

In addition, the Zhuji SASAC maintains stringent supervision and management on the Guarantor's decisions and operations through appointment of the board of director, supervisors and senior management. The strong ties and various supports from the Zhuji Government described above do not however imply in any way any explicit or implicit credit support of the Zhuji Government in respect of the Bonds, the repayment of which remains the sole responsibility of the Issuer and the Guarantor. See also the risk factors entitled "*Risk Factors – Risks Relating to the Group – PRC regulations on the administration of local government debts restrict the Group's financing model*" and "*Risk Factors – Risks Relating to the Bonds and the Guarantee – The Zhuji Government or any other PRC governmental entity has no legal obligations under the Bonds or the Guarantee*".

Diversified business portfolio underpinned by stable income

The Group's business portfolio comprises core municipal and public livelihood services which cover a wide range of services and a broad geographical area. The Group has historically focused on its construction, resettlement housing construction, primary land development and water supply business segments which in aggregate accounted for 32.6 per cent. of the Group's total operating revenue for the year ended 31 December 2020. Building on the solid financial and operational experience established by the success of these business segments, the Group has diversified into other businesses including commodity trading, film sales, environmental protection equipment parts processing, media and education, security services, agriculture, public transportation and other business, which in aggregate accounted for 65.7 per cent. of the Group's total operating revenue for the year ended 31 December 2020. Certain of the businesses within these segments, such as the operation of public bus routes, the sales of TV advertising, the sales of agricultural seeds and the management of the only independent national-level full-time vocational nursing school in Zhejiang Province, provide steady revenue streams. Other businesses, in particular commodity trading, generate revenue which varies based on demand stemming from the growth of particular regional industries. In all cases the diverse business portfolio of

the Group provides a stable platform for continuous growth. The Group's business portfolio and revenue contribution in 2020 were optimised and more diversified compared to those in 2018 and 2019 with the addition of new business segments, such as security services and sanitation services. For details of the Group's business portfolio and revenue contribution in 2018, 2019 and 2020, see “– *Description of the Group's Business*”.

Diversified sources of financing leading to a moderate debt structure

The Group has access to various financing channels, thereby increasing its ability to obtain sufficient and low-cost capital on favourable terms and optimise its financing structure. As at 31 December 2020, among its total indebtedness of RMB89,933.4 million, the Group had 47.7 per cent., 32.5 per cent., 10.8 per cent., 6.9 per cent. and 2.2 per cent. of bank loans, bond financing, financial leasing, other direct financing and trust financing, respectively. Throughout the years, the Group has maintained close and long-term cooperative relationships with domestic and international financial institutions including various (i) policy banks such as International Bank for Reconstruction and Development, China Development Bank and Agricultural Development Bank of China; (ii) large state-owned commercial banks such as Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank and Bank of Communications; (iii) joint stock commercial banks such as China CITIC Bank, SPD Bank, Industrial Bank Co., Ltd., China Minsheng Bank, China Zheshang Bank and Hengfeng Bank; and (iv) city commercial banks such as Bank of Beijing, Bank of Ningbo and Zhuji Rural Commercial Bank, and has thus secured sufficient funding to meet its capital requirements. As at 31 December 2020, the Group had credit facilities of RMB77.0 billion, 12.8 per cent., 21.0 per cent., 42.7 per cent. and 23.4 per cent. of which were obtained from policy banks, large state-owned commercial banks, joint stock commercial banks and city commercial banks, respectively. The Group believes that its diversified sources of financing has enabled it to continuously optimise its debt structure. As at 31 December 2018, 2019 and 2020, the Group's total indebtedness due within one year accounted for 13.5 per cent., 19.9 per cent. and 27.0 per cent. of its total indebtedness, respectively.

Sound corporate governance culture

The Group has a sound corporate governance structure comprising shareholders' oversight, the board of directors, the board of supervisors and the senior management of the Guarantor, support by various functional and business departments. The Guarantor has four functional departments with clear division of work, namely the General Department, Project Development Department, Property Supervision Department and Finance Centre, as well as five business departments including the General Management Department, Supervision and Audit Department, Financial Management Department, Investment and Financing Management Department and Engineering Asset Management Department. The Group has also formulated a comprehensive internal management and control system with internal policies covering various aspects, such as subsidiary management, internal audit, financial management, budget management, investment management, asset management, financing management, external guarantee management, related-party transaction management, information disclosure, human resources management and contingency management.

In addition, the Group has formulated numerous financial policies and objectives set out below.

- **Financing policy.** The Group's financing policies aim to ensure diversity of the Group's capital source including both financial institutions and capital markets. The Group intends to maintain a stable cooperative relationship with banks and financial institutions in order to optimise its financing structure. The Group will maintain its debt-to-assets ratio (calculated by dividing its total liabilities by total assets) below 70 per cent.
- **Credit policy.** The Group's accounts receivable and prepayments are mainly from its construction business, and receivables are collected in accordance with the relevant terms and conditions specified in the sales and purchase agreements. The Group has established management mechanisms such as contract overdue warning and customer credit risk warning.

- **Dividend policy.** The Group's dividend policy is determined flexibly based on its development needs and the principles of maintaining sound financial supervision and adequate cash flow.
- **Investment policy.** The Group's policy dictates that its investment and acquisition decisions must be in line with its overall development strategies, and comply with the requirements of national industrial policies and the layout and structural adjustments of the state-owned economy. The Group also requires its employees to follow the investment project management manual throughout its projects to prevent investment risk.
- **Exchange rate policy.** The Group's operating revenue, cost of sales, major assets and liabilities are and will continue to be denominated in Renminbi. The Group will conduct hedging transactions to with high-quality counterparties to reduce foreign exchange risk if necessary.
- **Liquidity management policy.** The Group generally maintains sufficient cash and cash equivalents to meet its repayment schedule and fulfil its general operating expenditure requirements. The Group maintains a good cooperative relationship with various banks and financial institutions to reduce its reliance on any banks or financial institutions. In addition, the Group has formulated a set of comprehensive risk management policies, including risk analysis, early warning and handling procedures, so as to prevent potential liquidity risk in advance.

Experienced management and operational teams

The Group's senior management team has extensive experience in the Group's various businesses. The Group believes that its senior management team's extensive experience in a broad range of industries and strong execution capabilities have been and will continue to be instrumental in executing its business strategies and capturing market opportunities as they arise, and have contributed and will continue to contribute to the sustainable growth of the Group. In addition, the Group's operational teams are led by professionals with extensive experience in the operation and management of their relevant industries supported by a highly skilled and well-trained workforce. Throughout its years of operation and management of its various businesses, the Group has maintained effective and efficient management and operational control over its relatively large number of operating subsidiaries.

BUSINESS STRATEGIES

The Group aims to maintain its leading position in carrying out construction, resettlement housing construction, primary land development and water supply in Zhuji City while at the same time diversifying its business portfolio and maintaining synergy effect among its business segments. The Group intends to focus on the following business strategies in achieving such goals:

Continue to gradually transform from asset management model to capital operation model, from government mission model to market-oriented model, and from resource focused model to capability focused model

The Group serves as the function of four platforms, namely industrial investment platform, development and construction platform, capital operation platform and industrial innovation platform, in Zhuji City with the following missions:

- **Industrial investment platform.** To focus on state-owned capital operation, state-owned equity management and foreign investment, and to aim at securitisation and value maximisation of state-owned capital;
- **Development and construction platform.** To undertake construction, management and operation of infrastructure projects, key construction projects and other market-oriented construction projects;

- **Capital operation platform.** To ensure the advance and retreat of state-owned capital and to maintain and increase the value of state-owned capital through professional and market-oriented operation; and
- **Innovation and entrepreneurship platform.** To accelerate the implementation of innovation driven development strategy, to promote the innovation and entrepreneurship vitality of Zhuji City, and to build an international and innovative city.

The Group also performs its three management duties covering equity management, financing agreement and capital management towards the state-owned enterprises and assets under its control with the following missions:

- **Equity management.** To perform the duties of the Zhuji SASAC in the municipal state-owned enterprises in accordance with applicable laws and regulations;
- **Financing management.** To carry out investment and financing for major projects in Zhuji City; and
- **Capital management.** To provide capital management services to key state-owned enterprises.

The Group will continue to gradually transform from asset management model to capital operation model, from government mission model to market-oriented model, and from resource focused model to capability focused model, so as to build itself into a super large investment super large investment state-owned enterprise with the largest asset scale, the best capital structure, the highest credit rating and the strongest comprehensive strength in Zhuji City.

Continue to focus on construction, resettlement housing construction, primary land development, water supply, public transportation and media businesses to support the urbanisation of Zhuji City

Since its inception, the Group has been the primary platform in Zhuji City for construction, resettlement housing construction, primary land development under an agency construction model and has been the sole provider of water to Zhuji City and the sole entity responsible for Zhuji City’s water supply network. Leveraging on its extensive experience, dominant position in its primary businesses and large number of ongoing and pipeline projects, the Group plans to continue to focus on construction, resettlement housing construction, primary land development and water supply in Zhuji City to maintain business growth. The Group will continue to vigorously develop the water supply business, realise the overall development of water supply and water related construction, build an efficient water system, thereby contributing to the construction of the public’s livelihood infrastructure in Zhuji City. In addition, the Group plans to increase its investment in public transportation and media businesses. It will further deepen its role as the main public transportation provider in Zhuji City and further extend the use of market operation mechanisms to increase the market share, service quality and profitability of its public transportation business provided that the daily travel needs of the general public are fulfilled. The Group also plans to further increase its investment in digital TV network, movie theatre projection, TV advertising and cable TV network, and further reinforce the development of its media business and leading position in the cultural media field in Zhuji City.

Continue to expand its diversified business portfolio

As the holding company of 103 state-owned subsidiaries and based on the reality of Zhuji City, the Group actively transforms and adapts the “1+N” state-owned enterprise management system, and strives to promote the horizontal concentrated distribution of state-owned capital, vertical contraction of levels and online focus on the main business. The Group plans to construct a state-owned enterprise layout compatible with the improvement of public livelihood and transformation development. The “1+N” revolutionary management philosophy and divides the Group entities into three categories – competitive entities, functional entities and public service entities. While maintaining its focus on the functional and public services categories such as construction, resettlement housing construction, primary land

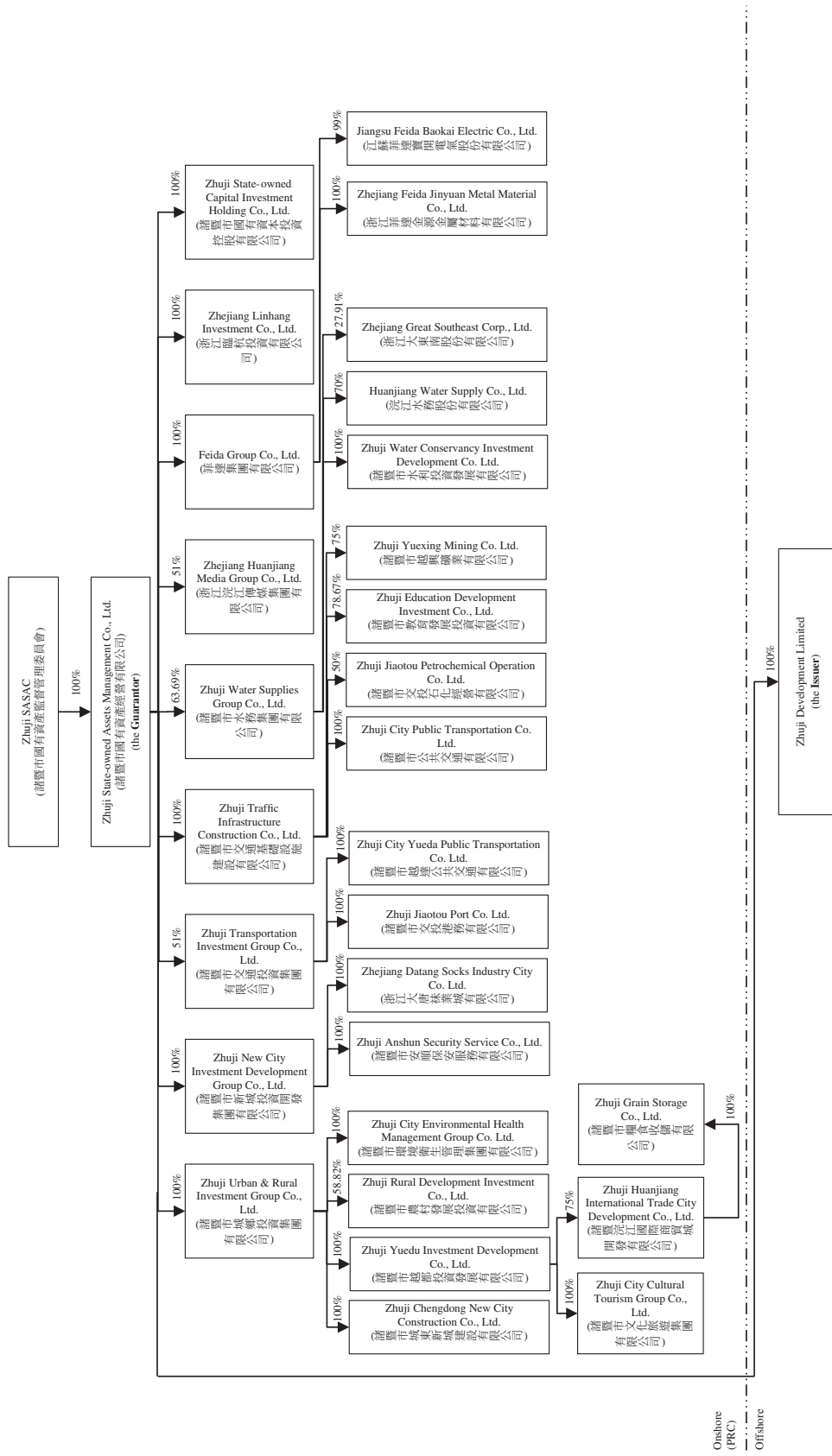
development, water supply, media and education, agriculture and public transportation, the Group plans to continue to expand and grow the operations within its commodity trading and other business segments that fall under the competitive category. The Group's competitive entities have expanded rapidly in recent years. In the medium to long term, the Group expects to expand and explore new opportunities in all three categories to expand its diversified business portfolio, and to strengthen its position as the most influential state-owned entity in Zhuji City with the largest asset scale, optimal capital structure, highest credit rating and strongest comprehensive strength.

Continue to develop diversified financing channels to maintain well-capitalised growth

The Group has access to diversified financing channels including bank loans and the issuance of both onshore and offshore debt securities. The Group has cultivated long-term relationships with a number of reputable commercial banks which have provided low-cost capital for the Group, and the Group's debt instruments have been welcomed in the domestic and international markets. Going forward, the Group plans to build and reinforce its relationships with domestic and international financial institutions to secure funding on more favourable terms and will employ new financing channels to provide an even more balanced debt structure. In addition, pursuant to the Group's financial management policies, the Group has for the past three years, and intends to in the future, keep its debt-to-assets ratio (calculated by dividing its total liabilities by total assets) below 70 per cent.

CORPORATE STRUCTURE

The following is a simplified structure chart showing the shareholder and the principal subsidiaries of the Guarantor as at the date of this Offering Circular:



Onshore (PRC)

Offshore

HISTORY AND DEVELOPMENT

The following table sets forth some key events of the Group:

December 1992	The Guarantor's predecessor, Zhuji Financial Development Company (諸暨市財務開發公司) was established. Zhuji City Finance and Taxation Bureau as the sole shareholder contributed RMB3.9 million towards its share capital.
December 1994	Zhuji Financial Development Company received a capital injection of RMB7.7 million in the form of cash from the Zhuji City Finance and Taxation Bureau.
June 2015	The Guarantor changed to a limited liability company.
July 2015	Zhuji Financial Development Company reorganised into a limited liability company, as a result of which the Guarantor was incorporated with an increased registered share capital of RMB300 million.
October 2015	The Zhuji SASAC decided to inject RMB500 million to the Guarantor, as a result of which its registered share capital increased to RMB800 million.
December 2015	The Zhuji SASAC transferred its equity interests in Zhuji Chengdong New City Construction, Zhuji Construction Investment, and Zhuji Transportation Investment Group Co., Ltd. (諸暨市交通投資集團有限公司) to the Guarantor in an effort to consolidate its state-owned assets.
September 2016	The Guarantor issued its first private corporate bonds in the PRC.
2016	The Group had acquired all but one of the state-owned enterprises owned by the Zhuji SASAC and operated 75.25 per cent. of the total assets under the supervision and administration of the Zhuji SASAC. The Group completed share transfers of its major primary subsidiaries.
July 2017	The Guarantor issued its first public corporate bonds in the PRC.
March 2018	The Guarantor issued its first medium-term notes in the PRC.
December 2018	The Issuer issued the U.S.230,000,000 7.00 per cent. guaranteed bonds due 2021 (the " Original Bonds "), the first offshore U.S. dollar-denominated bonds of the Group, and the U.S.81,000,000 7.00 per cent. guaranteed bonds due 2021, the first tap issuance of the Original Bonds. The bonds are unconditionally and irrevocably guaranteed by the Guarantor and the Group received incentives from the Hong Kong Stock Exchange under the Pilot Bond Grant Scheme for the issuance.
2018	The Guarantor's subsidiary, Huanjiang Water Supply Co., Ltd. (浣江水務股份有限公司, " Huanjiang Water Supply ") issued its first asset-backed securities.
June 2019	The Issuer issued the U.S.\$189,000,000 7.00 per cent. guaranteed bonds due 2021, the second tap issuance of the Original Bonds. The bonds are unconditionally and irrevocably guaranteed by the Guarantor.

- 2020 The Group acquired all of the equity interest of Zhuji Yuedu Investment for nil consideration. Following such acquisition, the Guarantor has become the owner of more than 95 per cent. of state-owned assets in Zhuji City.
- 2021 The Group issued its debut exchange-traded public corporate bonds, the first state-owned entity corporate bond in Zhuji City

RECENT DEVELOPMENTS

Issuance of Onshore Debt Securities

On 18 January 2021, the Guarantor issued corporate bonds titled “21 Zhujiao 01 (21諸交01)” in an aggregate principal amount of RMB0.8 billion for a tenor of five years and with a coupon rate of 4.75 per cent. The bonds are listed on the SSE.

On 19 January 2021, the Guarantor issued corporate bonds titled “21 Zhuzi 01 (21諸資01)” in an aggregate principal amount of RMB2.0 billion for a tenor of three years and with a coupon rate of 4.17 per cent. The bonds are listed on the SSE.

On 8 April 2021, the Guarantor issued corporate bonds titled “21 Zhucheng 01 (21諸城01)” in an aggregate principal amount of RMB2.5 billion for a tenor of five years and with a coupon rate of 4.35 per cent. The bonds are listed on the SSE.

On 23 April 2021, the Guarantor issued private placement corporate bonds titled “21 Zhuzi 02 (21諸資02)” in an aggregate principal amount of RMB1.0 billion for a tenor of five years and with a coupon rate of 4.00 per cent. The bonds are listed on the SSE.

On 17 June 2021, the Guarantor issued corporate bonds titled “21 Zhuji New City PPN 001 (21諸暨新城PPN001)” in an aggregate principal amount of RMB1.2 billion for a tenor of five years and with a coupon rate of 4.46 per cent. The bonds are traded on the interbank bond market.

On 24 June 2021, the Guarantor issued private placement corporate bonds titled “21 Zhuzi 03 (21諸資03)” in an aggregate principal amount of RMB1 billion for a tenor of 5 years and with a coupon rate of 3.8 per cent. The bonds are listed on the SSE.

On 23 July 2021, the Guarantor issued corporate bonds titled “21 Zhuji Parking Lot Bond 01 (21諸暨停車場債01)” in an aggregate principal amount of RMB1.6 billion for a tenor of seven years and with a coupon rate of 4.32 per cent. The bonds are listed on the interbank bond market.

On 25 August 2021, the Guarantor issued corporate bonds titled “21 Zhucheng 02 (21諸城02)” in an aggregate principal amount of RMB1 billion for a tenor of five years and with a coupon rate of 3.55 per cent. The bonds are listed on the SSE.

2021 Interim Results

The Group from time to time issues onshore debt securities on the SSE. Pursuant to relevant listing rules and securities regulations in the PRC on debt capital markets, the Group is required to publish its interim and annual financial information on the SSE to satisfy the continuing disclosure obligations related to its outstanding onshore debt securities.

On 31 August 2021, the Group published its unaudited and unreviewed interim financial statements and corporate bond interim report as at and for the six months ended 30 June 2021 on the SSE. For the six months ended 30 June 2021, the Group's total operating income, operating cost, selling expenses, tax and surcharges and financial expenses increased as compared to the same period in 2020, mainly attributable to increased income and cost from the Group's various business segments including commodity trading, construction, resettlement housing construction, security service and public transportation business. The substantial increase in total operating income for the six months ended 30 June 2021 was partially offset by a decrease in the operating income generated from its environmental protection equipment parts processing business for the same period. Such decrease was mainly attributable to the general adverse economic condition in the first half of 2021. For the six months ended 30 June 2021, the Group's financial expenses increased as compared to the same period in 2020 which was mainly attributable to increased financing scale as a result of the consolidation of Zhuji Yuedu Investment into the Group and the Group's general business expansion, the Group's other income decreased significantly as compared to the same period in 2020 which was mainly attributable to fluctuation in the Group's ancillary businesses and the Group's asset impairment loss increased significantly as compared to the same period in 2020, mainly attributable to the provision for transaction with Zhejiang Hongyuan Automobile Group Co. Ltd. (浙江泓源汽車集團有限公司). For the six months ended 30 June 2021, the Group's non-operating income increased as compared to the same period in 2020, mainly attributable to increased income from government subsidies. As a result of the foregoing, the Group's net loss for the six months ended 30 June 2021 increased as compared to the same period in 2020. In addition, certain liabilities of the Group, such as long-term borrowings and notes payable increased as at 30 June 2021 as compared to 31 December 2020, primarily attributable to the new issuances of corporate bonds in the first of 2021.

Typically, these preliminary financial information and operating results are derived from the Group's management accounts which have not been audited or reviewed by independent auditors and do not provide the same quality of information associated with financial information that has been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations.

DESCRIPTION OF THE GROUP'S BUSINESS

Overview

As at the date of this Offering Circular, the Group's business consists of twelve segments, namely commodity trading, construction, film sales, environmental protection equipment parts processing, water supply, media and education, resettlement housing construction, security services, agriculture, public transportation, primary land development and other business. As the sole large state-owned capital investment enterprise in Zhuji City specialising in capital investment and operation of state-owned assets, the Group enjoys a certain degree of monopoly in its construction, resettlement housing construction, primary land development, water supply, public transportation, media and education and agriculture businesses. In 2020, as a result of the acquisition of numerous companies including Zhuji Yuedu Investment and Zhejiang Datang Socks Industry City Co. Ltd. (浙江大唐襪業城有限公司), the Group's businesses are further diversified and its market influence in the construction segment is further consolidated. The following table sets forth the Group's operating revenue by business segments for the years indicated:

	For the year ended 31 December					
	2018		2019		2020	
	Amount	per cent.	Amount	per cent.	Amount	per cent.
	(audited)		(audited) (restated)		(audited)	
	<i>(RMB in thousands, except percentage)</i>					
Construction ⁽¹⁾	665,863	14.8	2,529,883	33.2	2,385,785	25.0
Resettlement housing construction ⁽¹⁾	604,999	13.4	245,581	3.2	317,287	3.3
Primary land development ⁽¹⁾	279,975	6.2	51,199	0.7	–	–
Water supply	286,389	6.3	397,702	5.2	410,844	4.3
Public transportation	29,057	0.6	35,945	0.5	24,232	0.3
Media and education ⁽²⁾	204,637	4.5	210,992	2.8	379,220	4.0
Agriculture	117,843	2.6	125,821	1.7	148,824	1.6
Security services	88,574	2.0	168,227	2.2	286,089	3.0
Commodity trading	2,093,645	46.4	2,356,683	30.9	3,073,712	32.2
Film sales	–	–	819,240	10.8	1,454,499	15.3
Environmental protection equipment parts processing	–	–	318,650	4.2	430,897	4.5
Other business ⁽³⁾	20,534	0.5	130,422	1.7	456,118	4.8
Ancillary business ⁽⁴⁾	119,649	2.7	227,675	3.0	165,726	1.7
Total operating revenue	4,511,164	100.0	7,618,022	100.0	9,533,232	100.0

Notes:

- (1) From 2019 onwards, the Group only adopts the agency construction model in resettlement housing construction and primary land development. The operating income generated from resettlement housing construction and primary land development segments in 2018, 2019 and/or 2020 referred to operating income generated from historical completed projects and will gradually fade out. Since 2020, the Group has not generated any operating income from its primary land development segment. Resettlement housing construction and primary land development projects operated under the agency construction model were and will continue to be classified into the construction segment.
- (2) From 2019 onwards, the movie theatre operation business under the media and education segment has been classified into the Group's other business segment due to its insignificant revenue contribution.
- (3) The Group's other business includes sanitation services, property management, property and commercial leasing, lending business for which it receives interest income for funds it lends and tourism.
- (4) The Group's ancillary business includes the rental of conference rooms and open areas for public and private functions.

Construction Business

Overview

The Group's construction business covers transportation function-related construction business, such as construction, management and maintenance of urban and rural roads, and urban construction business, including municipal public facilities construction and urban greening and beautification. The Group conducts its construction business through two of its subsidiaries, namely Zhuji Urban & Rural Investment and Zhuji Chengdong New City Construction. As at the date of this Offering Circular, the Group is the exclusive provider of such construction services to the Zhuji Government and therefore faces limited market competition. Leveraging the ongoing urbanisation and the growing demand for land resources in Zhuji City, as well as its role as the sole provider of such construction services to the Zhuji Government, the Group's construction business enjoys high growth potential and strong financial support from the Zhuji Government. The Group intends to optimise the supporting infrastructure construction for the manufacturing enterprises and urban and rural residents of Zhuji City, thereby further contributing to the economic development of Zhuji City.

From 2019 onwards, the Group only adopts the agency construction model in resettlement housing construction and primary land development. Resettlement housing construction and primary land development projects operated under the agency construction model were and will continue to be classified into the construction segment. For the years ended 31 December 2018, 2019 and 2020, the

operating revenue from the Group's construction business was RMB665.9 million, RMB2,529.9 million and RMB2,385.8 million, which accounted for 14.8 per cent., 33.2 per cent. and 25.0 per cent. of the Group's total operating revenue, respectively, during the same periods.

Business Model

Zhuji Urban & Rural Investment mainly undertakes construction projects in old urban district and Zhuji Economic Development Zone. Zhuji Chengdong New City Construction mainly undertakes construction projects in eastern new city area. The Group carries out its construction business primarily using an agency construction model. Under the agency construction business model, the Group typically enters into a framework agreement with Zhuji Huanjiang Construction Investment Co., Ltd. (諸暨市浣江建設投資有限公司, "Zhuji Huanjiang Construction"), a state-owned entity under the Zhuji Government. Under the framework agreement, the Group is responsible for (i) using its own cash and other resources to finance the given construction project, (ii) selecting project companies through a tender process, (iii) overseeing the overall design, construction, and evaluation of the project and (iv) fulfilling all other responsibilities as the project owner until the project is transferred to Zhuji Huanjiang Construction upon completion.

Depending on the provisions of the relevant framework agreement, the Group charges the counterparty based on its construction costs (either on an annual basis or upon the completion of the project) plus an amount of between 10 per cent. and 20 per cent. of its construction costs as gross profit based on commercial negotiations. The Group applies for a buyback by submitting its construction costs to Zhuji Huanjiang Construction. Zhuji Huanjiang Construction will then arrange an audit and issue a cost confirmation notice to the Group, upon which the Group may recognise the audited project costs and the gross profit figures as operating revenue according to its accounting policies. The average buyback period (during which time the Group will receive periodic payments from the counterparty until the total contracted buyback amount is fully paid to the Group) for the Group's construction projects is approximately 20 years.

In some of projects, the Group adopts a project construction business model in which the Group's subsidiary, Zhuji City Green Garden Co., Ltd. (諸暨市綠色園林公司), acts as the contractor to undertake the construction of the relevant project.

Project Description

Completed Projects

The following table sets forth the particulars of the Group's completed construction projects with outstanding receivables as at 31 December 2020:

No.	Project Name	Total Investment	Repayment collected	Expected Repayment for the Year Ending 31 December			
				2021	2022	2023	2024
<i>(RMB in millions)</i>							
1.	Zhangcheng Avenue (展誠大道)	396	128	19	19	19	19
2.	Outer Ring Line (外環線)	344	16	16	16	16	16
3.	Zhuji Rafting Channel Comprehensive Renovation and Reconstruction Project (諸暨市筏畝渠道綜合整治改造工程)	313	159	15	15	15	15
4.	Road Network Project in Business District (Wenzhong Road South, longitude and latitude) (商務區道路網工程(文種南路、經、緯))	266	113	12	12	12	12
5.	Dongbai Power Co., Ltd. (東白電力公司)	214	247	10	10	10	10
6.	Yangshufan Project (楊樹畝項目)	242	39	11	11	11	11
7.	Rural Residential Environment Improvement Project (農村人居環境改善工程)	766	238	34	34	34	34
8.	Caohu Comprehensive Development Project (高湖綜合開發項目)	465	325	21	21	21	21
9.	Puyang River Improvement Phase I Project (浦陽江治理一期工程)	256	21	12	12	12	12

No.	Project Name	Total Investment	Repayment collected	Expected Repayment for the Year Ending 31 December			
				2021	2022	2023	2024
<i>(RMB in millions)</i>							
10.	Chengdong New Area Centralised housing resettlement Project for Farmers (城東新區農民住房集中安置工程)	4,603	1,542	215	215	215	215
11.	Third Ring Line Northwest Section Environmental Enhancement Project (三環線西北段環境提升工程)	1,073	326	49	49	49	49
12.	Zhuji Section of 03 Provincial Road Dongfu Line (03省道東復線諸暨段)	841	345	40	40	40	40
13.	Zhuji Guanzhuang to Xianqiang Highway Construction Project (諸暨官莊至弦腔公路建設工程)	431	141	20	20	20	20
14.	Beautiful Village North Line Upgrade Project (美麗鄉村升級版北線工程)	204	49	10	10	10	10
15.	31 Provincial Road (Wangjiahu to Wuxie Section) Reconstruction Project (31省道(王家湖至五泄段)改建工程)	1,885	820	91	91	91	91
16.	Zhuji Wangjiahu to Wuxie Section of 31 Provincial Road Project (31省道諸暨王家湖至五泄段工程)	2,387	565	116	116	116	116
17.	Tianmu College of Zhejiang A&F University (浙江農林大學天目學院)	1,215	360	57	57	57	57
18.	Extension Line of 31 Provincial Road Jin Village to Jinsha Section (31省道延伸線金村至金沙段)	976	462	47	47	47	47
19.	Livable Village Construction Project (宜居鄉村建設項目)	408	257	20	20	20	20
20.	Zhuji to Anhua Grade I Highway (諸暨至安華一級公路)	237	57	11	11	11	11
21.	2013 Road Network Construction Project of Chengbei Area (2013城北片區路網建設工程)	814	272	40	40	40	40
22.	“Three Reforms” in a Hundred Days (“三改”百日攻堅)	660	356	30	30	30	30
23.	Inner Ring Line Expansion Project (內環線拓展工程)	538	-	24	24	24	24
24.	Wood Market Area (木材市場區塊)	403	18	19	19	19	19
25.	Wuwening Tunnel Project (五紋嶺隧道工程)	382	136	17	17	17	17
26.	Fengqiao Ancient Town Reconstruction and Enhancement Project (楓橋古鎮改造提升工程)	381	164	18	18	18	18
27.	Demolition and Construction Project for Surrounding Area of City Square (城市廣場周邊舊區拆建改造工程)	363	-	17	17	17	17
28.	2016 Beautiful Demonstration Street Construction Project (2016美麗示範街建設工程)	360	131	17	17	17	17
29.	Road Network Construction Project of Chengbei Area (城北片區路網建設工程)	296	-	13	13	13	13
30.	2013 Baimaojian Sanitary Landfill Expansion and Reconstruction Project (2013白毛尖衛生填埋場擴容改造項目)	212	-	10	10	10	10
31.	Extension and Construction of Shaoxing University Line (紹大線拓建)	449	264	21	21	21	21
32.	2015 “Three Renovation” Special Operations (2015三改專項行動)	1,534	382	74	74	74	74
33.	2014 “Three Reforms” Guard Action (2014三改守項行動)	1,383	-	63	63	63	63
34.	Zhuji Theatre Relocation Construction Project (諸暨劇院移地新建工程)	340	139	16	16	16	16
35.	Science and Technology Museum (科技館)	320	92	15	15	15	15
36.	Zhuji Theatre (諸暨劇院)	410	252	19	19	19	19
Total		26,367	8,416	1,239	1,239	1,239	1,239

Projects under Construction

The following table sets forth the particulars of the Group's construction projects under construction as at 31 December 2020:

No.	Project Name	Planned Investment	Investment Completed	Future Investment Plan for the Year Ending 31 December			
				2021	2022	2023	2024
<i>(RMB in millions)</i>							
1.	2017 "Three Renovation" Special Operations (2017年度三改專項行動)	9,012	5,860	1,261	1,261	630	-
2.	03 Provincial Road Dongfu Line Jiangzao to Wangjiajing Section Project (03省道東復線江藻至王家井段工程)	6,878	4,525	941	941	471	-
3.	Chengdong New City Area Land Development (城東新城區域土地整理)	5,835	4,076	880	880	-	-
4.	Jiyang Street Area Land Requisition (暨陽街道區域的土地征遷成本)	5,426	3,518	636	636	636	-
5.	2015 "Three Renovation" Special Operations (2015年度三改專項行動)	5,470	2,743	545	545	545	545
6.	2020 "Three Renovation" Special Operations (2020年度三改專項行動)	4,894	2,554	238	238	238	238
7.	Taozhu Street Kaiyuan Village (Chengshan and Shuimotou) and Datang Town Road Xixin Village (Miaoshantou) Housing and Land Requisition Project (陶朱街道開元村(城山、水模頭)、大唐鎮路西新村(廟山頭)房屋土地征遷項目)	2,973	2,116	429	429	-	-
8.	G235 National Road Hangzhou to Zhuji Highway Xiaoshanhe Top to Zhuji Anhua Section Reconstruction Project (G235國道杭州至諸暨公路蕭山河上至諸暨安華段改建工程)	3,321	1,972	300	300	300	300
9.	2018 "Three Renovation" Special Operations (2018年度三改專項行動)	2,772	1,289	371	371	371	371
10.	Gaohu Flood Storage and Detention Area Reconstruction Project (高湖蓄滯洪區改造工程)	2,151	1,220	116	116	116	116
11.	Taozhu Street No. 2 Wenzhong Road South Huadu Jiayuan (陶朱街道文種南路2號華都嘉園)	969	750	168	51	-	-
12.	2013 Urban Village Reconstruction Chengxi Area Housing Requisition Project (2013年城中村改造(城西片)房屋徵收工程)	819	557	33	33	33	33
13.	2018 Shaoxing University Line Scenery and Reconstruction and Fengyuan Village Enhancement Project (2018紹大線沿線景觀及楓源村改造提升等項目)	833	555	93	93	93	-
14.	Jiyang Street No. 98 Xiangan Road Anping Community (暨陽街道祥安路98號安平小區)	668	530	31	31	31	31
15.	Taozhu Street Infrastructure Construction Project (陶朱街道基建工程)	803	464	57	57	57	57
16.	South of Dongyi Road and North of Zheng Hong Mansion (東一路南側、正弘府北側)	834	405	107	107	107	107
17.	Jiyang Street Xinxing Mingyuan (暨陽街道新興名苑)	669	399	135	135	-	-
18.	Shibi to Dongyang Highway Reconstruction Project (石壁至東陽公路改建工程)	525	340	37	37	37	37
19.	Comprehensive Small Town Environmental Renovation Project of Datang Town (大唐鎮小城鎮環境綜合整治工程)	480	323	22	22	22	22
20.	Zhuji Diankou Meichi Train Station (諸暨店口渑池火車站)	590	318	91	91	91	-
21.	2018 Old Urban District Comprehensive Renovation Project (2018城區老小區綜合整治工程)	549	306	122	122	-	-
22.	Power Project (電力工程)	471	282	189	-	-	-
23.	Demolition of Zhejiang Huadu Textile Printing and Dyeing Co., Ltd. (浙江華都紡織印染有限公司拆遷)	349	261	59	29	-	-
Total		57,291	35,363	6,861	6,525	3,778	1,857

Projects at the Planning Stage

The following table sets forth the particulars of the Group's construction projects at the planning stage as at 31 December 2020:

No.	Project Name	Planned Construction Period	Planned Investment	Future Investment Plan for the Year Ending 31 December			
				2021	2022	2023	2024
<i>(RMB in millions)</i>							
1.	Ancillary Project of Zhuji High Speed Rail Hub Reconstruction Project (諸暨市高鐵樞紐改造工程相關配套項目)	2021-2025	2,500	500	500	500	500
2.	Shaozhu High Speed Railway Reconstruction Project (紹諸高速改造工程)	2020-2025	600	100	100	100	100
3.	Zhuji Diankou Comprehensive Port Project (諸暨市店口綜合港區工程)	2020-2024	665	133	133	133	133
4.	Rural Resettlement Housing Construction Project (農村保障房建設工程)	2019-2024	4,000	667	667	667	667
5.	Urban Village Rainwater and Sewage Diversion Reconstruction Project (城中村雨汙分流改造)	2019-2024	380	63	63	63	63
6.	Enhancement Construction of Radio and TV Network Communication (廣電網絡傳播升級建設)	2019-2024	490	82	82	82	82
7.	Chencai Reservoir Comprehensive Treatment Project (陳蔡水庫綜合治理工程)	2019-2024	1,080	180	180	180	180
Total			9,715	1,725	1,725	1,725	1,725

Resettlement Housing Construction Business

Overview

The Group's resettlement housing construction business involves constructing apartment buildings for persons whose existing residences have been designated for demolition. As the sole state-owned capital operation and management entity and the largest city infrastructure construction and operating entity, the development of the Group's resettlement housing construction business is expected to receive strong support from the Zhuji SASAC especially in terms of financial subsidies, revenue recovery and new project development allocation. The Group conducts its resettlement housing construction business through three of its subsidiaries, namely Zhuji Urban & Rural Investment, Zhuji New City Investment and Zhuji Chengdong New City Construction.

For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's resettlement housing construction business was RMB605.0 million, RMB245.6 million and RMB317.3 million, which accounted for 13.4 per cent., 3.2 per cent. and 3.3 per cent. of the Group's total operating revenue, respectively, during the same periods. The operating income generated from the resettlement housing construction segment in 2018, 2019 and 2020 referred to operating income generated from historical completed projects and will gradually fade out.

Business Model

The Group carries out its resettlement housing construction business using an agency model. Under the agency model, the Group typically enters into a framework agreement with Zhuji Huanjiang Construction under which the Group is responsible for (i) using its own cash and other resources to finance the given resettlement housing construction project, (ii) selecting project companies through a tender process, (iii) overseeing the overall design, construction, and evaluation of the project and (iv) fulfilling all other responsibilities as the project owner until the project is transferred to Zhuji Huanjiang Construction upon completion.

Zhuji New City Investment undertakes the construction of resettlement housing in Zhuji Economic Development Zone. Upon completion of construction and inspection, Zhuji Huanjiang Construction will conduct an audit of the actual construction costs and repurchase the project. The repurchase price for all projects undertaken by Zhuji New City Investment is calculated as the audited total cost of the project

plus an additional 20 per cent. of costs as gross profit. The average buyback period (during which time the Group will receive periodic payments from the counterparty until the total contracted buyback amount is fully paid to the Group) is approximately 20 years. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from Zhuji New City Investment's resettlement housing business was RMB370.4 million, RMB245.6 million and RMB317.3 million, which accounted for 61.2 per cent., 100.0 per cent. and 100.0 per cent. of the Group's operating revenue from resettlement housing construction business, respectively, during the same periods.

Zhuji Chengdong New City Construction undertakes the construction of resettlement housing in eastern new city area. Upon completion of construction and inspection, Zhuji Huanjiang Construction will conduct an audit of the actual construction costs and repurchase the project. The repurchase price for all projects undertaken by Zhuji Chengdong New City Construction is calculated as the audited total cost of the project plus an additional 10 per cent. of costs as gross profit. The average buyback period (during which time the Group will receive periodic payments from the counterparty until the total contracted buyback amount is fully paid to the Group) is approximately 20 years. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from Zhuji Chengdong New City Construction's resettlement housing business was RMB216.1 million, nil and nil, which accounted for 35.7 per cent., nil and nil of the Group's operating revenue from resettlement housing construction business, respectively, during the same periods.

Zhuji Urban & Rural Investment undertakes the construction of resettlement housing in other areas of Zhuji City. In January 2018, it entered into a new framework agreement with Zhuji Huanjiang Construction, under which it can expect to receive buyback amounts over a period of no more than 30 years. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from Zhuji Urban & Rural Investment's resettlement housing business was RMB18.4 million, nil and nil, which accounted for 3.0 per cent., nil and nil of the Group's operating revenue from resettlement housing construction business, respectively, during the same periods.

Primary Land Development Business

Overview

The Group's primary land development business generally involves preparing and consolidating land for further development by demolishing existing buildings and constructing utility and transportation networks. The Group conducts its primary land development business through two of its subsidiaries, namely Zhuji Urban & Rural Investment and Zhuji Chengdong New City Construction, in various parts of Zhuji City. As at the date of this Offering Circular, Zhuji Urban & Rural Investment and Zhuji Chengdong New City Construction are the sole providers of such primary land development to the Zhuji Government. The Group faces limited competition in this business segment due to its monopolistic status in the region. Zhuji Yongxing House Demolition Services also provides house demolition services in Zhuji City.

For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's primary land development business was RMB280.0 million, RMB51.2 million and nil, which accounted for 6.2 per cent., 0.7 per cent. and nil of the Group's total operating revenue, respectively, during the same periods. The operating income generated from the primary land development segment in 2018 and 2019 referred to operating income generated from historical completed projects and will gradually fade out. Since 2020, the Group has not generated any operating income from its primary land development segment.

Business Model

The Group carries out its primary land development business using an agency model. Under the agency model, the Group typically enters into a framework agreement with Zhuji Huanjiang Construction under which the Group is responsible for (i) using its own cash and other resources to finance the given primary land development project, (ii) selecting project companies through a tender process, (iii)

overseeing the overall design, construction, and evaluation of the project and (iv) fulfilling all other responsibilities as the project owner until the project is transferred to Zhuji Huanjiang Construction upon completion.

Primary land development has been the main business of Zhuji Chengdong New City Construction since its inception. It has undertaken a substantial number of the primary land development projects in Zhuji Chengdong New City. Upon completion of construction and inspection, Zhuji Huanjiang Construction will conduct an audit of the construction costs and repurchase the project. The repurchase price for all projects undertaken by Zhuji Chengdong New City Construction is calculated as the audited total cost of the project plus an additional 10 per cent. of costs as gross profit. The average buyback period (during which time the Group will receive periodic payments from the counterparty until the total contracted buyback amount is fully paid to the Group) is approximately 20 years. With the ongoing rapid development of Zhuji Chengdong New City, the Group believes that it will enjoy steady growth in the operating revenue from Zhuji Chengdong New City Construction's primary land development business.

Zhuji Urban & Rural Investment undertakes primary land development projects in both urban and rural areas at Zhuji City. In January 2018, it entered into a new framework agreement with Zhuji Huanjiang Construction, under which it can expect to receive buyback amounts over a period of no more than 30 years.

Water Supply Business

Overview

The Group's water supply business primarily consists of supplying water to residents and corporate customers in Zhuji City as well as the installation and maintenance of water pipes and water metres in Zhuji City. The Group conducts its water supply business through its subsidiary, Zhuji Water Supply, and its subsidiaries. Zhuji Water Construction Engineering Co., Ltd. (諸暨市水業建設工程有限公司, "**Zhuji Water Construction**"), a subsidiary of Zhuji Water Supply, installs and maintains the water pipes and water metres in Zhuji City. Zhuji Water Supply's subsidiary, Huanjiang Water Supply successfully listed on the National Equities Exchange and Quotations on 25 September 2017, and is focused on building an integrated water industry chain consisting of comprehensive operations in raw water collection, water supply, water conservation, drainage pipelines installation, sewage treatment and water recycling.

As at the date of this Offering Circular, the Group is the sole provider of water to Zhuji City and the sole entity responsible for Zhuji City's water supply network. Due to the natural monopolistic character of its water supply segment, the Group faces limited competition in such business. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's water supply business was RMB286.4 million, RMB397.7 million and RMB410.8 million, which accounted for 6.3 per cent., 5.2 per cent. and 4.3 per cent. of the Group's total operating revenue, respectively, during the same periods.

Water Supply

The Group is the sole provider of raw water to Zhuji City. The source of the Group's running water is mainly Chencai Reservoir (陳蔡水庫). After being treated in the Group's various water treatment facilities, the sanitised water is transported to domestic taps and commercial users within Zhuji City. As at 31 December 2020, the Group had a total water supply capacity of 542,000 tonnes per day and a total supply network length of 2,709 kilometres, which enabled the Group to service 419,145 households and 32,186 businesses in Zhuji City. Leveraging the urbanisation of Zhuji City, the Group expects that it will maintain a stable income from its water supply business in the coming years.

The following table sets forth the details of the Group's water supply business as at the relevant dates:

	As at and for the year ended 31 December		
	2018	2019	2020
Daily water supply capacity (tonnes)	362,000	542,000	542,000
Average water supply volume (tonnes)	256,800	267,000	266,900
Annual total water supply volume (tonnes)	93,688,900	96,701,100	97,414,500
Annual total water sale volume (tonnes)	79,809,600	81,937,300	83,733,300
Non-revenue water level (%)	14.81	15.27	14.04
Qualification rate (%)	99.98	100.00	100.00
Total network length (kilometres)	2,296	2,709	2,725
Water user	379,100	411,499	451,331
Leakage rate (%)	10.98	9.24	7.82
Cost of water production (RMB per tonne)	0.95	1.85	1.90

As at 31 December 2020, the Group's total cost of supply was RMB3.17 per tonne of water, comprising the cost of raw water of RMB1.90 per tonne and the cost of production of RMB1.27 per tonne. The Group's customers are usually billed for their water charges on a monthly basis. For domestic customers, the charges payable are calculated on a tariff structure which consists of three tiers with progressively increasing prices to promote water conservation. Commercial customers are classified into general commercial customers and special commercial customers with different standard rates. To promote water conservation, commercial customers with water consumption exceeding the designated volume, the extra water consumption is charged on a progressive basis. The following table sets forth the Group's current water charges for domestic and commercial customers:

	Domestic Customers	Commercial Customers	
		General	Special
		<i>(RMB per tonne)</i>	
First tier (22 cubic metres or below)	2.00	–	–
Second tier (23 – 32 cubic metres)	3.00	–	–
Third tier (33 cubic metres or above)	4.00	–	–
Standard rate for water consumption within the designated volume	–	2.90	4.50
Standard rate for water consumption exceeding the designated volume by			
– 20 per cent. or below	–	2.90	4.50
– Over 20 per cent. to 30 per cent.	–	5.80	9.00
– Over 30 per cent.	–	8.70	13.50

Yongning Reservoir (永寧水庫)

In addition, Zhuji Water Supply is also responsible for the construction and operation of Yongning Reservoir. The construction project commenced in June 2013 with a total planned investment of RMB1,550.0 million and the Group had already made a total investment of RMB1,653.0 million as at 31 December 2020. The Group believes that Yongning Reservoir will upon completion provide an additional source of raw water to the Group and Zhuji City, which will in turn support the steady growth in the Group's water supply revenue.

Water Pipe and Metre Installation

The Group's water pipe installation business primarily includes the installation and maintenance of water pipes and water metres in Zhuji City through Zhuji Water Construction, a subsidiary of Zhuji Water Supply. Zhuji Water Construction carries out its installation projects under contract to Huanjiang Water Supply. The installation contract typically sets out when and how Zhuji Water Construction may collect its fees. With the ongoing urbanisation of Zhuji City, the Group believes that demand for additional water pipes will continue to increase, which will, in turn, support the steady growth of the Group's water pipes installation business.

Public Transportation Business

As the sole authorised public transportation operator in Zhuji City, the Group's public transportation business, primarily carried out by Zhuji Traffic Infrastructure Construction, extend to all areas within the Third Ring (三環) of Zhuji City. The Group is the sole authorised entity in charge of the operation of public transportation and its corresponding stations and roads. As at 31 December 2020, the Group operated 48 bus routes with 350 buses covering 767.4 kilometres of total driving distance. For the year ended 31 December 2020, more than 19.7 million passengers travelled on the Group's buses.

For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's public transportation business was RMB29.1 million, RMB35.9 million and RMB24.2 million, which accounted for 0.6 per cent., 0.5 per cent. and 0.3 per cent. of the Group's total operating revenue, respectively, during the same periods. The Group also from time to time receives government subsidies for its public transportation business. Because subsidies do not cover all the costs associated with the Group's public transportation business, for the years ended 31 December 2018, 2019 and 2020, the Group experienced losses in its public transportation business primarily due to the fixed prices the Group is required to charge the users of its affordable public transportation.

Media and Education Business

Overview

The Group's media and education business primarily includes TV operation, school operation and movie theatre operation and the business segment enjoys a certain degree of regional monopoly. The Group's media and education business is primarily carried out by Zhejiang Huanjiang Media, Zhuji Education, Zhuji Health and Zhuji Film. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's media and education business was RMB204.6 million, RMB211.0 million and RMB379.2 million, which accounted for 4.5 per cent., 2.8 per cent. and 4.0 per cent. of the Group's total operating revenue, respectively, during the same periods.

TV Operation

The Group's TV operation consists of (i) advertising sales and (ii) provision of cable TV equipment and service. Operating revenue from the Group's TV operation is primarily derived from advertising fees and cable TV network fees. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's TV operation was RMB174.4 million, RMB183.2 million and RMB347.6 million, which accounted for 85.2 per cent., 86.8 per cent. and 91.7 per cent. of the Group's operating revenue from media and education business, respectively, during the same periods.

Advertising Sales

As at the date of this Offering Circular, Zhejiang Huanjiang Media holds the advertising rights to two Zhuji local TV channels, namely Zhuji City Radio and TV News Integrated Channel (諸暨市廣播電視台新聞綜合頻道) and Zhuji Life Entertainment Channel (諸暨市生活娛樂頻道). The advertisements on the Group's TV channels cover a wide variety and reaches Zhuji City and its surrounding cities. With the proliferation of digital TV in Zhuji City, the Group believes that the operating revenue from its TV operation will continue to grow.

Cable TV Services

Cable TV is a system of delivering TV programming to paying subscribers through cables rather than radio waves or communications satellites. A set-top box is an additional electronic device that is required for cable subscribers to connect the cable signal to their TV set. Zhejiang Huanjiang Media installs both cables and set-top boxes for domestic households in Zhuji City. It charges its customers a fixed annual rental fee for each set-top box. The Group charges RMB252 every year for the first set-top box of each household and RMB60 per pox every year for any extra set-top boxes. As at 31 December 2020, Zhejiang Huanjiang Media provided cable TV services to approximately 320,000 households with approximately 620,000 to 730,000 cable TV access terminals and cable distribution lines of over 63,000

kilometres in Zhuji City. Owing to the ongoing proliferation of cable TV in Zhuji City, the Group's cable TV services business earned a profit for the years ended 31 December 2018, 2019 and 2020. The Group also believes that its cable TV services will continue to grow steadily.

School Operation

Zhuji Health operates Shaoxing Nursing School (紹興護士學校), which is currently the only independent national-level full-time vocational nursing school in Zhejiang Province. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from school operation was RMB29.4 million, RMB27.8 million and RMB31.6 million, which accounted for 14.4 per cent., 13.2 per cent. and 8.3 per cent. of the Group's operating revenue from media and education business, respectively, during the same periods.

In order to maintain and further enhance its teaching standards, the school has from time to time collaborated with a number of nearby higher-level institutions including Zhejiang University (浙江大學), Wenzhou Medical College (溫州醫學院), Shanghai Jiaotong University School of Medicine (上海交通大學醫學院), Zhejiang Medical College (浙江醫學高等專科學校), Ningbo College of Health Sciences (寧波衛生職業技術學院), Jinhua Polytechnic (金華職業技術學院) and Quzhou College of Technology (衢州職業技術學院). Its graduates are highly regarded in hospitals, schools and in-house medical clinics in corporations across Zhejiang Province.

Shaoxing Nursing School recruits students from various counties and cities in Zhejiang Province. According to the Notice of Approved Standard Fees for Shaoxing Nursing School (關於核定紹興護士學校教育收費標準的通知) jointly issued by the Zhuji City Development and Reform Bureau (諸暨市發展和改革局) and the Zhuji City Health Bureau (諸暨市衛生局), Shaoxing Nursing School may charge its general vocational nursing students and midwifery students a tuition of RMB3,500 per semester and it may charge its higher vocational nursing students a tuition of RMB4,000 per semester. In addition, the school may at its sole discretion reduce or increase its tuition by up to 10 per cent. below or above the benchmark prices. As at 31 December 2020, Shaoxing Nursing School had approximately 2,912 students and 98 on-the-job teachers in a modern campus with computer-aided learning, 41 multimedia classrooms, 24 training rooms and a remote education satellite receiver system.

Movie Theatre Operation

The Group's movie theatre operation can be further divided into (i) the operation of one movie theatre, Zhuluo Movie Theatre (苧蘿影城), and (ii) the screening of movies in rural counties and towns as well as schools in Zhuji City. For the years ended 31 December 2018, the operating revenue from the Group's movie theatre operation was RMB0.8 million, which accounted for 0.4 per cent. of the Group's operating revenue from media and education business during the same period. From 2019 onwards, the movie theatre operation business has been classified into the Group's other business segment due to its insignificant revenue contribution.

Zhuluo Movie Theatre

Zhuluo Movie Theatre has entered into a cooperation agreement with Zhejiang Times Cinema Line Co., Ltd. (浙江時代電影大世界有限公司) and is currently part of the Zhejiang Times Cinema Line. As at 31 December 2020, Zhuluo Movie Theatre had 3 screens and had a seating capacity of 325 spectators. For the year ended 31 December 2020, it screened 110 movies and sold a total of 5,340 tickets.

Movie Screening

The Group has screened movies in more than 24 rural counties and towns, 467 villages and 140 primary and secondary schools in Zhuji City as at 31 December 2020. As at 31 December 2020, it had held 7,296 movie screenings in rural Zhuji areas, for which it received payments from Zhuji City Finance Bureau (諸暨市財政局) and the relevant local governments. For its school screenings, the Group receives payments from Zhuji City Finance Bureau at a rate of RMB3 per student.

Agriculture Business

The Group's agriculture business primarily includes its grain reserves business and crop seed sales business, which are carried out by Zhuji Grain Storage and Zhuji Yuefeng Seed, respectively. The Group is the sole authorised operator for collection, storage and sale of grain reserves and crop seed sale in Zhuji City. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's agriculture business was RMB117.8 million, RMB125.8 million and RMB148.8 million, which accounted for 2.6 per cent., 1.7 per cent. and 1.6 per cent. of the Group's total operating revenue, respectively, during the same periods.

Grain Reserves

The Group's grain reserves business primarily involves the collection, storage, rotation and sale of grain reserves for use in meeting emergency food needs. For the years ended 31 December 2018, 2019 and 2020, operating revenue from the Group's grain reserves business was RMB105.5 million, RMB114.1 million and RMB137.8 million, which accounted for 89.6 per cent., 90.6 per cent. and 92.6 per cent. of the Group's operating revenue from agriculture business, respectively, during the same periods. In addition, the Group from time to time receives government subsidies for its grain reserves business based on relevant government policies.

Each year, the Group executes the Zhejiang Government's and Zhuji Government's plans regarding the size, purchase, structure, distribution, deployment, rotation and sale of the grain reserves in Zhejiang Province and Zhuji City. The Group typically sources its grain reserves from farmers that it has historically cooperated with based on their adherence to high-quality standards. If demand exceeds the capacity of the Group's normal suppliers, the Group buys additional grain on the Ningbo Online Grain Market (寧波網上糧食市場) or the Jinhua Online Grain Market (金華網上糧食市場). In order to effect periodic sales of the grain reserves, the Group conducts auctions on the online grain markets and sells to the highest bidders.

As at 31 December 2020, Zhuji Grain Storage operated a network of 10 grain reserve depots distributed across the major towns in Zhuji City with its four branch companies, which enabled the Group to conduct its purchase and sale operations in proximity to the major transportation and commercial hubs in Zhuji City. For the year ended 31 December 2020, it completed the rotation of 81,300 tonnes of grain reserves in accordance with the Zhuji Government's rotation plan. As at 31 December 2020, the Group stored 3,000 tonnes of grains at the direction of the Zhejiang Government, 81,300 tonnes of grains and 125 tonnes of edible oil at the direction of the Zhuji Government and 9,500 tonnes of wheat on an agency basis.

Crop Seed Sales

Zhuji Yuefeng Seed is the only company that engages in crop seed sales in Zhuji City. As such, the Group stores and provides a wide variety of high-quality crop seeds for farmers within the Zhuji City area. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's crop seed sales business was RMB12.3 million, RMB11.8 million and RMB 11.0 million, which accounted for 10.4 per cent., 9.4 per cent. and 7.4 per cent. of the Group's operating revenue from agriculture business, respectively, during the same periods.

Before introducing any new variety of seeds, the Group tests the seeds for one to two years to confirm that the crops will adapt to the environment of the farmland in and around Zhuji City. The seed species the Group currently sells include early rice, late rice, glutinous rice, japonica hybrid rice, indica hybrid rice, wheat, rapeseed and other crop seeds.

The Group mainly procures its seeds from Ningbo Seed Co., Ltd. (寧波種子公司) and Zhejiang Wuwangwo Seed Co., Ltd. (浙江勿忘我種業有限公司), with which Zhuji Yuefeng Seed has signed a long-term cooperation agreement. The Group conducts both wholesale and retail sale of its crop seeds. For the years ended 31 December 2018, 2019 and 2020, the Group sold 381.0 tonnes, 358.1 tonnes and 419.8 tonnes of seeds, respectively.

Security Services Business

Since 2018, the Group's business has expanded to provision of security services in Zhuji City. The Group's security services business primarily includes provision of security guard services and unarmoured transportation services, and design, installation, maintenance and/or repair of security systems and security devices. The Group's security services business is primarily undertaken by its subsidiary, Zhuji Anshun Security Service, and its customer base includes various government agencies, municipal institutions, schools, hospitals, detention centres, public sector organisations as well as private entities. The Group typically charges its clients based on the negotiated contractual terms unless the Group is appointed pursuant to a bidding and tendering process, in which case the tendered price will be charged. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's security services business was RMB88.6 million, RMB168.2 million and RMB286.1 million, which accounted for 2.0 per cent., 2.2 per cent. and 3.0 per cent. of the Group's total operating revenue, respectively, during the same periods.

Commodity Trading Business

To further diversify its business and expand its sources of income, the Group commenced its commodity trading business in November 2016 through its subsidiary, Feida Group. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's commodity trading business was RMB2,093.6 million, RMB2,356.7 million and RMB3,073.7 million, which accounted for 46.4 per cent., 30.9 per cent. and 32.2 per cent. of the Group's total operating revenue, respectively, during the same periods.

The Group acts as an intermediary to trade a variety of commodities, including electrolytic copper, copper rods, oil products and natural gas, with a concentration on copper trade. The Group's suppliers and customers are mainly private enterprises regularly engaged in commodity trading business. The Group adopts the targeted procurement model for its commodity trading business. The Group normally procures the particular category and amount of products only upon receiving an order from a downstream customer, thus, mitigating its risk exposure. The Group minimises the risk of uncollectible accounts through collecting the procurement fees from its downstream customers before placing any procurement order or signing any procurement agreement with its upstream suppliers. The Group also settles the procurement cost with its suppliers after inspection of the goods to mitigate its risk exposure.

Film Sales Business

Since July 2019, the Group's business has expanded to film sales, which is primarily carried out by Zhejiang Great Southeast. Zhejiang Great Southeast mainly engages in the research and development, production and sales of all kinds of plastic film and new materials. Its main products include CPP film, BOPET film, BOPP capacitive film and optical film. For the years ended 31 December 2019 and 2020, the operating revenue from the Group's film sales business was RMB819.2 million and RMB1,454.5 million, which accounted for 10.8 per cent. and 15.3 per cent. of the Group's total operating revenue, respectively, during the same periods.

The following sets forth the details of the Group's main products under film sales:

- CPP film is a kind of polypropylene film produced by tape casting and extrusion. The types of CPP film the Group offers mainly includes aluminium grade CPP film, cooking grade CPP film and functional CPP film, which are widely used in food, medicine, household paper, clothing, daily necessities, industrial packaging.

- The types of BOPET film the Group offers mainly includes ordinary aluminised BOPET film, BOPET highly transparent composite film, high strength BOPET film, BOPET printed film, BOPET cigarette drawing film and other high-grade film, which are widely used in electrical or insulating materials, magnetic recording materials, photosensitive materials, film, decoration, transfer substrate and various packaging.
- BOPP capacitive film is a high-grade product in BOPP film category. The types of BOPP capacitive film the Group offers mainly includes high voltage power coarsening film, ultra-thin base film, high voltage medium frequency point thermal coarsening film, high voltage microwave coarsening film, high temperature resistant base film, metallised film and common base film. BOPP capacitive film is widely used in LED lights, electric vehicles, special motors and household appliances.
- The types of optical film the Group offers mainly includes diffusion film, brightening film and reflective film, which are widely used as high-end LCD backlight film, anti-static protective film, touch screen protective film and automotive glass thermal insulation film.

The following table sets forth the particulars of the Group's film production and sales for the years ended 31 December 2019 and 2020:

	For the year ended 31 December	
	2019	2020
	<i>(in thousand tonnes, except percentage)</i>	
CPP film		
Annual production capacity.....	44.0	25.0
Production output.....	14.1	16.2
Sales volume.....	14.1	16.2
Sales-output ratio (per cent.).....	99.7	100.0
BOPET film		
Annual production capacity.....	90.0	90.0
Production output.....	73.0	74.5
Sales volume.....	73.8	74.1
Sales-output ratio (per cent.).....	101.1	99.5
BOPP capacitive film		
Annual production capacity.....	18.0	18.0
Production output.....	12.2	13.2
Sales volume.....	12.7	13.5
Sales-output ratio (per cent.).....	104.3	102.3
Optical film		
Annual production capacity.....	50.0	50.0
Production output.....	47.4	43.0
Sales volume.....	48.0	42.3
Sales-output ratio (per cent.).....	101.2	98.4

Environmental Protection Equipment Parts Processing Business

Since March 2019, the Group's business has expanded to environmental protection equipment parts processing, which is primarily carried out by Feida Group and its subsidiary, Jiangsu Feida Baokai. Jiangsu Feida Baokai is a leading enterprise in production of electric environmental protection equipment in the PRC, as well as a national mega electric environmental protection equipment manufacturing base. Its main products include construction machinery and agricultural machinery parts, automatic logistics transportation and sorting equipment system integration, electrostatic precipitator and other air pollution complete set of equipment, and high and low voltage switch complete set of electrical equipment. The Group is the mechanical component supplier of internationally renowned construction machinery and agricultural machinery manufacturing enterprises, such as Caterpillar, Volvo Cars, John Deere and AGCO. For the years ended 31 December 2019 and 2020, the operating revenue from the Group's environmental protection equipment parts processing business was RMB318.7 million and RMB430.9 million, which accounted for 4.2 per cent. and 4.5 per cent. of the Group's total operating revenue, respectively, during the same periods.

Other Business

The Group's other business primarily includes sanitation services, property management, property and commercial leasing, lending business for which it receives interest income for funds it lends and tourism. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's other main business was RMB20.5 million, RMB130.4 million and RMB456.1 million, which accounted for 0.5 per cent., 1.7 per cent. and 4.8 per cent. of the Group's total operating revenue, respectively, during the same periods.

Ancillary Business

The Group also engages in the rental of its conference rooms and open areas for public and private functions as an ancillary business. For the years ended 31 December 2018, 2019 and 2020, the operating revenue from the Group's ancillary business was RMB119.6 million, RMB227.7 million and RMB165.7 million, which accounted for 2.7 per cent., 3.0 per cent. and 1.7 per cent. of the Group's total operating revenue, respectively, during the same periods.

COMPETITION

The Group enjoys certain advantages as a state-owned enterprise. As the largest investment, financing, and urban construction platform in Zhuji City, members of Group receive strong government support in their various business operations, certain of which are conducted as the sole provider either to or within Zhuji City. However, the Group nonetheless faces certain competition from various sources, including other large state-owned enterprises, privately-owned domestic companies and leading international companies that operate in the sectors that are open to them.

INSURANCE

The Group is required to obtain contractors' all-risk and third-party liability insurance for most of the projects it undertakes. Such policies generally extend for the entire contract period, including the maintenance period following completion of projects. In addition, with regard to its construction business, the Group generally purchases insurance for its fixed assets, such as its key equipment, stock and office buildings. The Group also purchases pension insurance, unemployment insurance and medical insurance for its employees according to relevant PRC laws and regulations. The Group maintains insurance coverage in amounts that it believes are commensurate with its risk of loss and industry practice. Consistent with what the Group believes to be customary practice in the PRC, the Group does not carry any business interruption insurance, key-man insurance or insurance covering potential environmental damage claims. Such insurance is not mandatory under the laws and regulations of the PRC, and such insurance is either unavailable in the PRC or is not available at commercially viable prices.

INTELLECTUAL PROPERTY

The Group relies on a combination of copyright and trademark registrations to protect its intellectual property rights. As at the date of this Offering Circular, the Group possessed a number of copyrights, trademarks and domain names.

As at the date of this Offering Circular, the Group is not aware of any infringement (i) by the Group of any intellectual property rights owned by third-parties, or (ii) by any third-parties of any intellectual property rights owned by the Group. Further, as at the date of this Offering Circular, the Group is not involved in any litigation or legal proceedings in relation to any material claims of infringement, either threatened or pending, of any intellectual property rights initiated by or against the Group that had a material and adverse effect on the Group's business.

EMPLOYEES

As at 31 December 2020, the Group had approximately 4,289 employees.

In accordance with the applicable regulations of local governments with jurisdiction over the Group's business operations, the Group makes contributions to pension contribution plans, medical insurance, unemployment insurance, maternity insurance and personal injury insurance. The amount of each contribution is based on the specified percentages of employees' aggregate salaries as required by relevant PRC regulators. The Group also makes contributions to an employee housing fund pursuant to applicable PRC regulations. In addition to statutory contributions, the Group provides annual bonuses and supplemental commercial insurance policies to employees. The Group enters into an employment contract with each of its employees in accordance with applicable PRC laws. Such contracts include provisions on wages, vacation, employee benefits, training programmes, health and safety, confidentiality obligations and grounds for termination.

ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY

The Group is subject to environmental laws and regulations governing noise emissions, hazardous substances, water and waste discharge and other environmental matters issued by various governmental authorities in the PRC. The Group believes that, as at the date of this Offering Circular, it is in compliance in all material respects with applicable PRC environmental laws and regulations.

The Group adopts a comprehensive work safety system to ensure workplace safety. For instance, it has established safety protocols and implemented workplace safety guidelines setting out the responsibilities of project contractors and construction workers and relevant safety measures managing onsite safety and emergency incidents. However, conditions in construction sites are ever-changing and the Group's safety protocols may fail to prevent workplace accidents. As at 31 December 2020, the Group has not recorded any major production safety accidents. The Group believes that, as at the date of this Offering Circular, it is in compliance in all material respects with applicable PRC safety regulations.

LITIGATION

The Group is from time to time involved in disputes and legal proceedings arising in the ordinary course of its business. See "*Risk Factors – Risks Relating to the Group – The Group may be subject to legal or regulatory disputes*".

To the best of its knowledge, there are no current litigation or arbitration proceedings against the Group or any of its directors as at the date of this Offering Circular that could have a material adverse effect on its financial condition or results of operations.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE GUARANTOR

DIRECTORS

As at the date of this Offering Circular, the board of directors of the Guarantor consists of five members, including the Chairman and three directors and one employee director. The board of directors is primarily responsible for, amongst others, reporting to and implement decisions by the Zhuji SASAC, determining business plans and development strategies and annual investment proposals, making annual financial budget and audit plans and profit distribution plans, formulating proposals relating to potential mergers, spin-offs, changes of the corporate form, dissolution, increase or decrease of the registered capital and issuance of corporate bonds, and determining the internal management framework of the Guarantor. The following table sets forth information regarding the Guarantor's board of directors as at the date of this Offering Circular:

<u>Name</u>	<u>Age</u>	<u>Position</u>
LOU Wengang (樓文鋼)	42	Chairman of the board of directors
SI Lican (斯利燦)	39	Director, general manager, chief financial officer
ZHANG Zhongliang (張鐘亮)	46	Director, deputy general manager
TANG Liming (湯厲明)	44	Director
WU Haiyan (鄔海燕)	40	Employee director

Mr. LOU Wengang (樓文鋼), age 42, has been the chairman of the Guarantor's board of directors since March 2019. Mr. Lou currently also serves as the chairman of the board of directors of Zhuji State-owned Capital Investment Holding Co., Ltd. (諸暨市國有資本投資控股有限公司), Zhuji Huanshajang Equity Investment Co., Ltd. (諸暨市浣紗江股權投資有限公司) and Zhuji Huimin Resettlement Housing Construction Co., Ltd. (諸暨市惠民保障房建設有限公司) and the legal representative and the secretary of party committee of the Guarantor. Mr. Lou joined the workforce in September 2001 and had since served in different positions including: as a director of the Comprehensive Management Office of Ciwu Town of Zhuji City (諸暨市次塢鎮政府綜合治理辦公室), a deputy director of the Party Administration Office of Ciwu Town of Zhuji City (諸暨市次塢鎮政府黨政辦公室), a deputy director of the Secretary Office of the Communist Party of China (the "CPC") Zhuji Municipal Committee (中共諸暨市委辦公室秘書科), a director of the Second Comprehensive Office of the CPC Zhuji Municipal Committee (中共諸暨市委辦公室綜合二科), a deputy secretary of the Party Committee of Caota Town of Zhuji City (諸暨市草塔鎮黨委), a deputy secretary of the Party Committee of Jieting Town of Zhuji City (諸暨市街亭鎮黨委), the mayor of Jieting Town of Zhuji City and a secretary of the Party Committee of Jieting Town of Zhuji City. Mr. Lou previously also served as the general manager of the Guarantor from March 2019 to October 2019. Mr. Lou holds a bachelor's degree and is a member of the CPC.

Mr. SI Lican (斯利燦), age 39, has been a director and the general manager of the Guarantor since October 2019 and the chief financial officer of the Guarantor since September 2020. Mr. Si currently also serves as a deputy secretary of the Party Committee of the Guarantor and the chairman of the board of directors of Zhuji Financing Guarantee Co., Ltd. (諸暨市融資擔保有限公司). Mr. Si joined the workforce in July 2004 and had since served in different positions including: as a deputy director of the Administration Office of Ciwu Town of Zhuji City (諸暨市次塢鎮政府管理處), a deputy director of the Party Administration Office of Ciwu Town of Zhuji City (諸暨市次塢鎮黨政辦), a deputy director of the Publicity Department of the Youth League Committee of Zhuji City (諸暨市團委宣傳部), a deputy director of Discipline Office of Zhuji City (諸暨市紀委辦公室), a deputy secretary and a member of the Party Group of the Youth League Committee of Zhuji City, a discipline secretary and a member of the Party Committee of Zhuji City Transportation Bureau (諸暨市交通運輸局), and a deputy secretary of the Party Committee and the township head of Fengqiao Town of Zhuji City (諸暨市楓橋鎮). Mr. Si holds a master's degree and is a member of the CPC.

Mr. ZHANG Zhongliang (張鐘亮), age 46, has been a director and a deputy general manager of the Guarantor since October 2019. Mr. Zhang joined the workforce in August 1997 and had since served in different positions including: as a deputy director and a director of the New Rural Construction Office of Huangshan Town Government of Zhuji City (諸暨市璜山鎮政府新農村建設辦公室), a director of City Construction Office of Huangshan Town Government of Zhuji City (諸暨市璜山鎮政府城建辦公室) and a deputy mayor of Caota Town of Zhuji City (諸暨市草塔鎮) and Zhaojia Town of Zhuji City (諸暨市趙家鎮). Mr. Zhang holds an master's degree.

Mr. TANG Liming (湯厲明), age 44, has been a director of the Guarantor since July 2015. Mr. Tang currently also serves in various positions including: as the chairman or vice chairman of the board of directors, a director or a supervisor in certain subsidiaries and affiliated companies of the Guarantor. Mr. Tang joined the workforce in August 1999 and had since served in different positions including: as a section staff member at the Diankou Branch of Zhuji City Finance Bureau (諸暨市財政局店口分局), a deputy section chief of the Enterprise Finance Department of Zhuji City Finance Bureau (諸暨市財政局企財科), a deputy section chief of the State-owned Assets Department of Zhuji City Finance Bureau (諸暨市財政局國資科) and a director of the Investment and Financing Centre of Zhuji City Finance Bureau (諸暨市財政局投融資中心). Mr. Tang previously also served as the general manager of the Guarantor from July 2015 to October 2019. Mr. Tang has a master's degree and is a member of the CPC. Mr. Tang is also an intermediate economist.

Ms. WU Haiyan (鄔海燕), age 40, has been the employee director of the Guarantor since October 2019. Ms. Wu currently also serves as a manager of the Investment and Financing Department of the Guarantor and a director of Shaoxing Financing Guarantee Co., Ltd. (紹興市融資擔保有限公司). Ms. Wu joined the workforce in July 2004 and had since served in different positions including: as an assistant to the director of Finance Department of Zhejiang Kalibo Machinery Co., Ltd. (浙江嘉力寶機械有限公司), the financing director of the Finance Department of Zhuji Transportation Investment Group Co., Ltd. (諸暨市交通投資集團有限公司), a deputy general manager of Zhejiang Shengxiang Aviation Technology Co., Ltd. (浙江聖翔航空科技有限公司) and a manager of the Investment and Financing Department of Zhejiang Zhuji Military-Civilian Integration Technology Co., Ltd. (浙江諸暨軍民融合科技有限公司). Ms. Wu holds a bachelor's degree and is a member of the CPC.

SUPERVISORS

The board of supervisors is primarily responsible for monitoring the Guarantor's financial matters and overseeing the actions of the board of directors and the senior management of the Guarantor. The board of supervisors currently consists of five supervisors, including two supervisors appointed by the Zhuji SASAC and three employee supervisors elected by the employees of the Guarantor. The Zhuji SASAC appoints a chairperson from the members of the board of supervisors. The following table sets forth the Guarantor's board of supervisors as at the date of this Offering Circular:

<u>Name</u>	<u>Age</u>	<u>Position</u>
LIU Jianjun (劉建軍)	45	Chairman of the board of supervisors
LUO Guoqiang (駱國強)	57	Supervisor
GUO Yujia (郭瑜佳)	33	Vice chairwoman of the board of supervisors and employee supervisor
YANG Danyang (楊丹驀)	32	Employee supervisor
MA Liang (馬亮)	32	Employee supervisor

Mr. LIU Jianjun (劉建軍), age 45, has been the chairman of the Guarantor's board of supervisors since October 2019. Mr. Liu joined the workforce since August 1995 and had since served in different positions including: as a secretary of the Youth League Committee of Shuangqiao Town of Zhuji City (諸暨市雙橋鎮), a deputy section chief of the Publicity Department of Zhuji Municipal Committee (諸暨市委宣傳部), a Party Committee member, an assistant to township head and a deputy township head of Huangshan Town of Zhuji City (諸暨市璜山鎮), a deputy secretary of the Party Committee of

Yingdianjie township of Zhuji City (諸暨市應店街鎮), a section chief of the Special Supervision Department (特監科), a Party Committee member, a Party Group member and a deputy director of Zhuji City Quality and Technical Supervision Bureau (諸暨市質量技術監督局) and a Party Group member and a deputy director of Zhuji City Commerce Bureau (諸暨市商務局). Mr. Liu has a bachelor's degree and he is a member of the CPC.

Mr. LUO Guoqiang (駱國強), age 57, has been a supervisor of the Guarantor since October 2019. Mr. Luo currently also serves as a supervisor of Zhuji Financing Guarantee Co., Ltd. Mr. Luo joined the workforce in 1991 and had since served in different positions including: as an accountant of the Accounting and Finance Department (計財科) and a section chief of the Information Department of Zhuji City Finance and Taxation Bureau (諸暨市財稅局信息科), a director of Zhuji Budget Accounting Centre (諸暨市預算會計核算中心) and a section chief of the Accounting Department of Zhuji City Finance Bureau (諸暨市財政局會計科). Mr. Luo has a bachelor's degree and he is a member of the CPC/

Ms. GUO Yujia (郭瑜佳), age 33, has been the vice chairwoman of the Guarantor's board of supervisors since April 2021. Ms. Guo currently also serves as an employee supervisor and a director of the General Office of the Guarantor, the chairwoman of Zhuji Property Rights Trading Co., Ltd. (諸暨市產權交易有限公司) and a supervisor of Zhuji Financing Guarantee Co., Ltd. Ms. Guo joined the workforce in December 2008 and had previously served in Beijing Culture Media Co., Ltd. (北京文化傳媒有限公司) and Shaoxing Housing Provident Fund Management Centre (紹興市住房公積金管理中心). Ms. Guo has a bachelor's degree and she is a preparatory member of the CPC.

Ms. YANG Danyang (楊丹鶯), age 32, has been an employee supervisor of the Guarantor since October 2019. Ms. Yang joined the workforce in July 2012 and had previously served in Shaoxing Yunsheng Textile Co., Ltd. (紹興縣韻升紡織品有限公司), Shaoxing Branch of Zhejiang Mintai Commercial Bank (浙江民泰商業銀行紹興分行), Shaoxing Huiyi Knitting Co., Ltd. (紹興匯藝針織有限公司) and Zhuji Yurong Spring Co., Ltd. (諸暨裕榮彈簧有限公司). Ms. Yang has a bachelor's degree.

Mr. MA Liang (馬亮), age 32, has been an employee supervisor of the Guarantor since June 2019. Mr. Ma currently also serves as the General Management Department of the Guarantor and the sole director of the Issuer. Mr. Ma joined the workforce in September 2012 and had since served in different positions including: as a staff member at the National Resources Department of Zhuji City Finance Bureau (諸暨市財政局國資科) and a director of Zhuji Infrastructure Investment Fund Co., Ltd. (諸暨市基礎設施投資基金有限公司). Mr. Ma holds a bachelor's degree and he is a preparatory member of the CPC.

SENIOR MANAGEMENT

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

Name	Age	Position
SI Lican (斯利燦)	39	Director, general manager, chief financial officer
ZHANG Zhongliang (張鐘亮)	46	Director, deputy general manager

For Mr. Si's and Mr. Zhang's biographies, see “– Directors” above.

CORPOATE GOVERNANCE

The Group has established a corporate governance structure comprising shareholders' oversight, the board of directors, the board of supervisors and the senior management of the Guarantor and formulated corresponding rules of procedure and operation. The Group has established four functional departments including the General Department, Project Development Department, Property Supervision Department

and Finance Centre. Through the rules of operation, mutual coordination, checks and balances among various departments and its internal supervision and control mechanisms, the Group has become a competitive market force with clean property rights, clearly delegated authorities and responsibilities and scientific management.

The Guarantor's effective corporate governance structure also includes five business departments, including the General Management Department, Supervision and Audit Department, Financial Management Department, Investment and Financing Management Department and Engineering Asset Management Department.

The primary duties of these five business departments are set out below.

- General Management Department is primarily responsible for the Guarantor's daily affairs management and the comprehensive coordination of functions among various departments.
- Supervision and Audit Department is primarily responsible for the Group's discipline inspection and supervision, the construction of Party style, corporate governance integrity, efficiency and conduct management. It is also responsible for formulating the Group's internal audit management system, procedural standards, annual internal audit work plans and the internal audit of the Group's investment and financing, construction projects bidding, and business management activities in order to verify the authenticity, legitimacy and cost-effectiveness of relevant economic undertakings.
- Financial Management Department is primarily responsible for the Group's financial management and ensuring the safe and efficient operation of its capitals. It is also responsible for the Group's budget and audit management, preparation of various financial statements, accounts reconciliation, tax declaration, financial analysis, industrial and commercial annual inspection, financial archives and fixed asset management.
- Investment and Financing Management Department is primarily responsible for the investment management of the Group's headquarters and subordinate units and for purposing the Group's capital use and investment plans and the subsequent implementation and supervision.
- Engineering Asset Management Department is primarily responsible for the review, supervision and management of capital operation and fixed asset investment plans of the Group as well as the preparation and accounting of the Group's annual construction project plan.

In addition, the Group has also formulated a comprehensive internal management and control system with internal policies covering various aspects, such as subsidiary management, internal audit, financial management, budget management, investment management, asset management, financing management, external guarantee management, related-party transaction management, information disclosure, human resources management and contingency management.

PRC REGULATIONS

This section is a high-level overview of the PRC legal system and a summary of the principal PRC laws and regulations relevant to the issue of the Bonds. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations.

NDRC REGISTRATION IN RELATION TO FOREIGN DEBTS MANAGEMENT

On 14 September 2015, the NDRC issued the NDRC Circular, which became effective on the same day. In order to encourage the use of low-cost capital in the international capital markets in promoting investment and steady growth and to facilitate cross-border financing, the NDRC Circular abolishes the case-by-case quota review and approval system for the issuance of foreign debts by PRC enterprises. It sets forth the following measures to promote the administrative reform of the issuance of foreign debts by PRC enterprises or overseas enterprises and branches controlled by PRC enterprises:

- steadily promote the administrative reform of the filing and registration system for the issuance of foreign debts by enterprises;
- increase the size of foreign debts issued by enterprises, and support the transformation and upgrading of key sectors and industries;
- simplify the filing and registration of the issuance of foreign debts by enterprises; and
- strengthen the supervision during and after the process to prevent risks.

For the purposes of the NDRC Circular, “foreign debts” means RMB-denominated or foreign currency-denominated debt instruments with a maturity over one year which are issued offshore by PRC enterprises and their controlled offshore enterprises or branches and for which the principal and interest are repaid as agreed, including offshore bonds and long-term and medium-term international commercial loans. According to this definition, offshore bonds issued by both PRC enterprises and their controlled offshore enterprises or branches shall be regulated by the NDRC Circular.

Pursuant to the NDRC Circular, an enterprise shall: (i) apply to the NDRC for the filing and registration procedures prior to the issuance of the bonds; and (ii) shall report the information on the issuance of the bonds to NDRC within 10 working days after the completion of each issuance. The materials to be submitted by an enterprise shall include an application report and an issuance plan, setting out details such as the currency, size, interest rate, term, use of proceeds and the repatriation of funds. The NDRC shall decide whether to accept an application within five working days of receipt and shall issue an Enterprise Foreign Debt Pre-issuance Registration Certificate within seven working days of accepting the application.

To issue foreign debts, an enterprise shall meet the following basic conditions:

- have a good credit history with no default in its issued bonds or other debts;
- have sound corporate governance and risk prevention and control mechanisms for foreign debts; and
- have a good credit standing and relatively strong capability to repay its debts.

Pursuant to the NDRC Circular, the NDRC shall control the overall size of foreign debts that can be raised by PRC enterprises and their controlled overseas branches or enterprises. Based on trends in the international capital markets, the needs of the PRC economic and social development and the capacity to absorb foreign debts, the NDRC shall reasonably determine the overall size of foreign debts and guide the funds towards key industries, key sectors, and key projects encouraged by the State, and effectively

support the development of the real economy. According to the NDRC Circular, the proceeds raised may be used onshore or offshore according to the actual needs of the enterprises, but priority shall be given to supporting the investment in major construction projects and key sectors, such as the Belt and Road strategy, the coordinated development of Beijing, Tianjin, and Hebei province, the Yangtze River Economic Belt, international cooperation on production capacity, and the manufacturing of equipment. As the NDRC Circular is newly published, certain detailed aspects of its interpretation and application remain subject to further clarification. The Guarantor undertakes that it will comply with the requirements of the NDRC Circular in respect of the Bonds.

SAFE REGISTRATION IN RELATION TO CROSS-BORDER SECURITY

Pursuant to the current applicable foreign exchange regulations, provision of cross-border security (including the provision of security interests by way of mortgage or pledge and the provision of guarantee) as defined in the relevant PRC regulations by PRC non-financial institutions, is subject to registration, reports and other regulatory requirements of SAFE.

On 12 May 2014, SAFE issued the Provisions on Foreign Exchange Administration of Cross-Border Security (跨境擔保外匯管理規定) and the Implementation Guidelines for the Foreign Exchange Administration of Cross-Border Security (跨境擔保外匯管理操作指引)(collectively the “**SAFE Circular 29**”), which became effective on 1 June 2014. According to the SAFE Circular 29: (i) cross-border security refers to the security provided by a security provider to a creditor under a written and legally binding agreement or instrument under which the security provider undertakes to fulfil relevant payment obligations in accordance with the security agreement, which may result in cross-border receipt and payment of funds or cross-border transfer of asset ownership and other transactions of international receipt and payment. Based on the places of registration of the parties to the cross-border security transactions, cross-border security shall be divided into three types, namely “Neibaowaidai”(內保外貸), “Waibaoneidai”(外保內貸) and “Other forms of cross-border security”(其他形式的跨境擔保). In particular, Neibaowaidai refers to the cross-border security transaction under which the security provider is registered in the PRC, while both the debtor and the creditor are registered outside the PRC; (ii) provision of guarantees by PRC non-financial institution for offshore bond issuance by offshore entities constitutes transaction of “Neibaowaidai”, and the PRC non-financial institution as the guarantor shall register such cross-border security with SAFE within 15 working days after the execution of the guarantee; (iii) the proceeds of loans or bonds under the “Neibaowaidai” structure shall be used for the relevant expenses in the normal course of business of the foreign debtor, and shall not be used to support the foreign debtor to engage in transactions other than the normal course of business, to arbitrage any trade with fictitious transaction background, to carry out other forms of speculative transactions; (iv) the proceeds of loans or bonds under the “Neibaowaidai” structure shall not be repatriated onshore directly or indirectly by way of loan, equity investment or security investment and used in the PRC unless otherwise permitted by SAFE; (v) where “Neibaowaidai” is provided to secure the repayment obligations of an offshore entity under its offshore bond issuance, the offshore issuer shall be directly or indirectly owned by the PRC domestic institutions and the proceeds from the offshore bond issuance shall be applied to the overseas investment projects which are associated with the PRC domestic institutions in terms of equity interest and the relevant overseas institutions or projects shall have obtained or completed approvals, registrations, records or confirmations from or with the relevant PRC domestic authorities in charge of administration of overseas investment; and (vi) in case of performance of the “Neibaowaidai” which has been duly registered with SAFE, the PRC non-financial institution as the guarantor, may make the payment in relation to the performance of the “Neibaowaidai” under the registered “Neibaowaidai” at its own discretion, and shall de-register the “Neibaowaidai” and perform registration formalities in relation to its creditor rights against the offshore debtor arising out of the performance of the “Neibaowaidai”. On 26 January 2017, SAFE issued the Circular on Further Promoting the Reform of Foreign Exchange Administration and Improving the Genuineness and Compliance Review and Verification Process (關於進一步推進外匯管理改革完善真實合規性審核的通知)(“**SAFE Circular 3**”), which eases certain restrictions on the use of proceeds raised under a “Neibaowaidai” structure and generally allows the proceeds raised under a “Neibaowaidai”

structure to be repatriated onshore and used in the PRC by way of loans and equity investments. The second series of the Policy Q&As in relation to the SAFE Circular 3 (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知(匯發[2017]3號)政策問答(第二期), “**Policy Q&As in relation to the Circular 3**”) published by SAFE on its official website on 27 April 2017 further clarified that, for offshore bond issuance by offshore entities which is secured by PRC onshore guarantees, the restrictions on the use of proceeds as mentioned in sub-paragraph (iii) and sub-paragraph (v) above still apply despite of SAFE Circular 3. However, in practice, application or exemption of such restrictions on the use of proceeds as mentioned in sub-paragraph (v) above to a large extent remains subject to SAFE’ discretion on a case by case basis. In sum, according to the SAFE Circular 29, the SAFE Circular 3 and the Policy Q&As in relation to the Circular 3 mentioned above, proceeds from any such offshore bonds issuance must be applied towards the offshore project(s), where an onshore entity holds an equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC laws, unless otherwise permitted by SAFE.

The SAFE Circular 3 and Policy Q&As in relation to the SAFE Circular 3 are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the SAFE Circular 3 and Policy Q&As in relation to the SAFE Circular 3.

LAWS AND REGULATIONS RELATING TO CONSTRUCTION, RESETTLEMENT HOUSING CONSTRUCTION AND PRIMARY LAND DEVELOPMENT

Bidding and Tendering Management

Bidding and tendering of various construction projects have been provided in (i) the Bidding and Tendering Law of the People’s Republic of China (中華人民共和國招標投標法) promulgated by the Standing Committee of the National People’s Congress (“**SCNPC**”) on 30 August 1999 which became effective on 1 January 2000 and was amended on 27 December 2017, (ii) the Regulation on the Implementation of the Bidding and Tendering Law of the People’s Republic of China (中華人民共和國招標投標法實施條例) promulgated by the State Council on 20 December 2011 which became effective on 1 February 2012 and was amended on 1 March 2017 and on 2 March 2019, respectively, (iii) Measures for the Construction Bidding and Tendering of Construction Projects (工程建設項目施工招標投標辦法) jointly promulgated by NDRC, Ministry of Construction of the PRC (the “**MOC**”), Ministry of Railways, Ministry of Transport of the PRC (the “**MOT**”), Ministry of Information Industry of the People’s Republic of China, Ministry of Water Resources of the People’s Republic of China, and Civil Aviation Administration of China in 8 March 2003 which became effective on 1 May 2003 and was amended in 2013, (iv) Administrative Measures for the Bidding and Tendering of Design of Construction Projects (建築工程設計招標投標管理辦法) issued by MOC on 18 October 2000, (v) Provisions on Engineering Projects Which Must Be Subject to Bidding (必須招標的工程項目規定) promulgated by NDRC in 27 March 2018, which became effective on 1 June 2018, (vi) Administrative Measures for the Bidding and Tendering of Housing Construction and Municipal Infrastructure Work (房屋建築和市政基礎設施工程施工招標投標管理辦法) issued by MOC on 1 June 2001, which became effective on the same date and was amended on 28 September 2018, and (vii) the Administrative Measures for the Bidding and Tendering of Highway Engineering Construction Projects (公路工程建設項目招標投標管理辦法) promulgated by MOT on 8 December 2015 which became effective on 1 February 2016.

In accordance with the Bidding and Tendering Law of the People’s Republic of China, certain types of projects shall go through bidding processes during phases, including project survey, design, construction, supervision and procurement of the essential equipment and materials relating to the project construction. Such projects include the projects related to social public interests and public security, including large infrastructure and utilities; projects invested by using state-owned fund or financed by the government in whole or in part; and projects using loans or aid funds of international organisations or foreign government.

The process of bidding and tendering consists of five stages including bid invitation, tendering, bid opening, bid evaluation and bid award. The principle of openness, fairness and equal competition shall be followed in the bidding and tendering for construction project contracting, and the contractor shall be chosen after evaluation. After the contractor is determined, the tenderee shall issue the notification to the successful bidder. The notification is legally binding on both the tenderee and the bid winner.

In accordance with the Bidding and Tendering Law of the People's Republic of China and Measures for the Construction Bidding and Tendering of Construction Projects, if any project that shall undergo bidding as required by law fails to go through the bidding process, or the items subject to bidding are broken up into pieces or the bidding requirement is otherwise evaded, the relevant administrative supervision department shall order rectification within a specified period, and may impose a fine of 0.5 per cent. up to 1 per cent. of the contract amount of the project. For projects using the state-owned funds in whole or in part, the project approval authority may suspend the implementation of the project or suspend the fund appropriation, and impose punishment on the person direct in charge of the entity or other person directly liable. Further, in accordance with the provisions of the Interpretations of the Supreme People's Court on Issues of Law Application during the Trial of Construction Contracts for Building Projects (最高人民法院關於審理建設工程施工合同糾紛案件適用法律問題的解釋) issued by the Supreme People's Court on 25 October 2004 and became effective on 1 January 2005, if any project that is required to undergo a bidding process fails to go through the bidding process or the bid award is invalid, the construction contract for building projects shall become invalid.

Quality Management

Laws and regulations on project quality mainly include Construction Law of the People's Republic of China (中華人民共和國建築法) which became effective on 1 March 1998 and was last amended on 23 April 2019 and became effective on the same date, Regulation on Quality Management of Construction Projects (建設工程質量管理條例) issued by the State Council on 30 January 2000 and became effective on the same date and was last amended on 23 April 2019 and became effective on the same date, Administrative Measures for Quality Management of Construction Project Survey (建設工程勘察質量管理辦法) amended by MOC on 22 November 2007 and became effective on the same date, which was further amended on 1 April 2021 and became effective on the same date, Administrative Measures for Completion Acceptance Record of Building Construction and Municipal Infrastructure Projects (房屋建築和市政基礎設施工程竣工驗收備案管理辦法) issued by Ministry of Housing and Urban-Rural Development of the PRC on 19 October 2009 and became effective on the same date, Measures for Quality Warranty of Building Construction Projects (房屋建築工程質量保修辦法) issued by MOC on 30 June 2000 and became effective on the same date, and Measures for Completion (Delivery) Acceptance of Highway Works (公路工程竣(交)工驗收辦法) promulgated by MOT on 31 March 2004 and became effective on 1 October 2004, and its Implement which is promulgated on 27 January 2010, and Management Regulations on Port Works Construction (港口工程建設管理規定) promulgated by MOT on 15 January 2018 and became effective on 1 March 2018, which was further amended on 28 November 2019 and became effective on the same date. According to the Regulation on Quality Management of Construction Projects, all the building, surveying, designing, construction and supervision units shall be responsible for the quality of the construction projects. The competent administrative department of construction at or above county level is the competent authority for quality supervision and management of construction projects.

Environmental Protection Management

Major laws and regulations on environmental protection during the project construction process include the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法) amended by SCNPC on 24 April 2014 which became effective on 1 January 2015, Law on Environmental Impact Assessment of the People's Republic of China (中華人民共和國環境影響評價法), which was promulgated by SCNPC on 28 October 2002, became effective on 1 September 2003 and amended on 2 July 2016 and further amended on 29 December 2018 and Administrative Regulations on Environmental Protection of Construction Projects (建設項目環境保護管理條例) issued by the State

Council on 29 November 1998 and became effective on the same date and was amended in 2017. In accordance with the provisions of the Administrative Regulations on Environmental Protection of Construction Projects and Administrative Measures for Environmental Protection Acceptance of Construction Projects upon Completion, the PRC Government implements the system of environmental impact assessment on construction projects. After the completion of a construction project, the competent administrative department of environmental protection will undergo environmental protection acceptance process and assess whether the construction project has met the requirements for environmental protection.

REGULATIONS ON ENVIRONMENTAL PROTECTION

China has promulgated a series of laws and regulations which establish national and local legal frameworks for environmental protection. These laws and regulations include standards applicable to emission controls, discharges of wastes and pollutants to the environment, generation, handling, storage, transportation, treatment and disposal of waste materials by production facilities, land rehabilitation and reforestation.

The PRC Environmental Protection Law (環境保護法) requires that enterprises, public institutions, and other business operators that discharge pollutants shall adopt measures to prevent and control pollution and damage to environment caused by waste gas, waste water, waste residue, medical wastes, dust, malodorous gases, radioactive substances, noise, vibration, optical radiation, electromagnetic radiation, and other substances generated in their production, construction, and other activities. Pollutant discharging entities under intensified supervision shall install and use monitoring equipment in accordance with the relevant provisions of the state and the monitoring norms, ensure the normal functioning of monitoring equipment, and preserve the original monitoring records. On 24 April 2014, SCNPC passed the Amended Environmental Protection Law, pursuant to which, effective 1 January 2015, more responsibility has been imposed on local governments and unlimited fines will be imposed on polluters. In addition, projects without environmental evaluation in accordance with relevant laws are not allowed to commence construction.

On 10 September 2013, the State Council issued the Action Plan for Prevention and Control of Atmospheric Pollution (the “**Action Plan**”), pursuant to which the PRC government plans to devote more efforts to prevent and control atmospheric pollution. On 17 September 2013, the State Council further issued the Rules for the Implementation for the Action Plan for Prevention and Control of Atmospheric Pollution in Beijing-Tianjin-Hebei metropolitan region, pursuant to which the PRC government aims to reduce atmospheric pollution and improve air quality.

According to the Law on Prevention and Control of Water Pollution of the PRC, which was amended on 27 June 2017 and came into effect on 1 January 2018, and the Administrative Regulations on the Levy and Use of Discharge Fees, any new construction projects which directly or indirectly discharge pollutants to water, such as coal mines and coking plants, must conduct an environmental impact assessment. Every new production facility must be equipped with wastewater processing facilities which must be put in use together with the production facilities. Construction projects that discharge pollutants into water shall pay a pollutant discharge fee in accordance with state regulations.

On 29 August 2015, SCNPC amended and promulgated the Law on Prevention and Control of Atmospheric Pollution (the “**Atmospheric Pollution Law**”), which was implemented on 1 January 2016, and was further amended on October 26, 2018, which came into effect on the same day. The Atmospheric Pollution Law has, among other things, set standards, plan and timeline to reach the atmospheric pollution control targets, provide detailed regulations on major pollution sources and impose stringent requirements to control the pollution from coal-fire, automobile, vessel and volatile organic compounds.

REGULATIONS ON EMPLOYMENT RELATIONSHIPS

Labour Laws

Pursuant to the PRC Labour Law (勞動法) which was promulgated on 5 July 1994 and last amended on 29 December 2018 and the Labour Contract Law (勞動合同法) which was promulgated on 29 June 2007 and became effective on 1 January 2008 and which was further amended on 28 December 2012, if an employment relationship is established between an entity and its employees, written labour contracts shall be signed. The relevant laws stipulate the maximum number of working hours per day and per week, respectively. Furthermore, the relevant laws also set forth the minimum wages. The entities shall establish and develop systems for occupational safety and sanitation, implement the rules and standards of the State on occupational safety and sanitation, educate employees on occupational safety and sanitation, prevent accidents at work and reduce occupational hazards.

Social Security Laws

Under applicable PRC laws, rules and regulations, including the Social Security Law of the PRC (社會保險法) which became effective on 1 July 2011 and was amended on 29 December 2018, the Interim Measures Concerning the Maternity Insurance of Enterprises Employees (企業職工生育保險試行辦法) which became effective on 1 January 1995, the Interim Regulations on the Collection and Payment of Social Security Funds (社會保險費征繳暫行條例) which was promulgated and became effective on 22 January 1999 and was amended on 24 March 2019, the Regulation on Work-Related Injury Insurance (工傷保險條例), which was promulgated on 27 April 2003 and which was further amended on 20 December 2010, and the Regulations on the Administration of Housing Accumulation Funds (住房公積金管理條例) which was promulgated on 3 April 1999 and last amended on 24 March 2019, employers are required to make contribution to the basic pension insurance fund, unemployment insurance, basic medical insurance fund, work-related injury insurance fund, maternity leave insurance fund and housing accumulation funds for their employees. If the employer fails to make social security registration and refuses to rectify within the prescribed time limits, in addition to a standard penalty of anywhere between CNY500 to CNY3,000 imposed directly on the responsible persons which are directly in charge and involved, the employer will also be subject to a penalty which is calculated based on one to three times of the outstanding social security contributions.

REGULATIONS ON THE ADMINISTRATION OF LOCAL GOVERNMENT DEBT

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) (“Circular 43”). According to Circular 43, local governments should finance the development of public interest projects by issuing government bonds. Public interest projects that are profit earning 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 must invest in accordance with market-oriented principles. Projects may be financed by bank loans, corporate bonds or asset-backed securitisation. Furthermore, private investors and such special purpose companies are obligated to repay their debts independently. Relevant local governments will not be liable for any of the private investors’ or the special purpose companies’ debts.

On 26 April 2017, the MOF, the NDRC, the Ministry of Justice, PBOC, the CBRC and the China Securities Regulatory Commission jointly issued the Circular on Further Regulating the Debt Financing Behaviours of Local Governments (關於進一步規範地方政府舉債融資行為的通知) (“Circular 50”). According to Circular 50, (i) local governments should not inject public assets and land reserves into financing vehicles and should not undertake to use the expected income from transfer of land reserves as sources of debt servicing for financing vehicles; (ii) when providing financing to enterprises such as financing vehicles, financial institutions shall not request or accept any form of guarantee, letter of undertaking, letter of comfort or similar undertaking from local governments or their departments; (iii) any financing vehicle applying for financing shall make a written representation to the relevant creditor

that it does not perform any financing function on behalf of any local government; and (iv) any debts incurred by a financing vehicle after 1 January 2015 shall not be regarded as the debt of any local government. Circular 50 reaffirmed the Circular 43 policy that local government debts shall only be incurred through the issuance of local government bonds. Local governments and their departments are not permitted to use any means other than bonds for debt financing and are prohibited from requesting or ordering enterprises to issue debt for or on their behalf.

On 28 March 2018, the MOF issued the Notice of the Ministry of Finance on Issues concerning Regulating the Investment and Financing Behaviours of Financial Enterprises 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)(“**Circular 23**”). According to Circular 23, (i) state-owned financial enterprises are prohibited from increasing loans of local government financing platform companies in violation of regulations including the new Budget Law of the PRC which took effect on 1 January 2015 (the “**New Budget Law**”), Circular 43 and other requirements, except for purchase of local government debts; (ii) while providing financing for state-owned enterprises, financing platforms of local government or public private partnership projects of local construction, state-owned financial enterprises shall, under the “penetration principle”, ensure that the source of the capital funds provided to the entity being financed is in compliance with applicable laws and regulations and that the projects being financed satisfy certain requirements for the proportion of capital funds; (iii) state-owned financial enterprises are obliged to evaluate the financial capabilities of entities raising funds and repayment sources when they provide agency services to local state-owned enterprises for domestic and overseas bonds issuances (for example, where the source of repayments involve fiscal funds, state-owned financial enterprises shall conduct due diligence, and carefully verify if the arrangement to make such repayments using fiscal funds is in compliance with applicable laws and regulations); and (iv) offering documents shall not disclose information that can implicitly or explicitly indicates government endorsement of the debt issuance, 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 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)(“**Circular 706**”). According to Circular 706, any enterprise that intends to incur medium or long-term foreign debt is prohibited from including in its assets “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, nonoperating water conservancy facilities, free-of-charge pipe network facilities, and land use rights to reserve land. There is, however, no clear definition of “public assets” in Circular 706 and thus its interpretation may involve uncertainty. Circular 706 also reaffirms that the offering circulars of bond issuances shall not disclose information that implicitly or explicitly indicates government endorsement of the debt issuance such as local financial revenues and expenditures and government debt information, or conduct misleading publicity that implies an association with the government’s credit. In addition, the liability of the local government as the shareholder of an enterprise incurring foreign debt shall be limited to its agreed obligation to contribute to the registered capital of such an enterprise, and the relevant foreign debt should be solely repaid by such an enterprise as an independent legal person.

On 13 September 2018, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the “Guiding Opinion on Strengthening the Asset and Liability Constraints of State-Owned Enterprises”(中共中央辦公廳、國務院辦公廳《關於加強國有企業資產負債約束的指導意見》), which establishes targets for the reduction of the average debt-to-asset ratio of state-owned enterprises by 2020 and (consistent with Circular 43 and Circular 50) bans local governments from engaging in “disguised” borrowing by using state-owned enterprises to issue corporate debt on behalf of local governments.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Bondholder or any persons acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. Persons considering the purchase of the Bonds should consult their own tax advisors concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.

PRC

The following summary accurately describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Bondholders in this “Taxation – PRC” section. In considering whether to invest in the Bonds, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Enterprise Income Tax

Pursuant to the EIT Law and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose “de facto management body” are within the territory of PRC are treated as PRC tax resident enterprises for the purpose of the EIT Law and must pay PRC enterprise income tax at the rate of 25 per cent. in respect of their taxable income. Although the rules are not entirely clear, dividends from a PRC tax resident enterprise should be excluded from the taxable income of a recipient that is also a PRC tax resident enterprise. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer is within the territory of PRC, the Issuer may be treated as a PRC tax resident enterprise for the purpose of the EIT Law, and the Issuer may be subject to PRC enterprise income tax at the rate of 25 per cent. on its taxable income.

As at the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law. However, there can be no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future. Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without an establishment within the PRC or whose income has no connection to its establishment inside the PRC must pay enterprise income tax on income sourced within the PRC, and such income tax must be withheld at source by the PRC payer. Accordingly, if the Issuer is treated as a PRC tax resident enterprise by the PRC tax authorities, the Issuer may be required to withhold income tax from the payments of interest in respect of the Bonds to any non-PRC Bondholder, and gain from the disposition of the Bonds may be subject to PRC tax, if the income or gain is treated as PRC-source. The tax rate is generally 10 per cent. for non-resident enterprise Bondholders and 20 per cent. in the case of non-resident individuals, subject to the provisions of an applicable tax treaty. The Issuer has agreed to pay additional amounts to Bondholders, subject to certain exceptions, so that they would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions.

In addition, as the Guarantor is currently regarded as a PRC tax resident enterprise, if the Issuer is not able to make payments under the Bonds and the Guarantor fulfils the payment obligations under the Guarantee, the Guarantor must withhold PRC income tax on payments with respect to the interest accrued on the Bonds to non-resident enterprise holders generally at the rate of 10 per cent. (and possibly at a rate of 20 per cent. in the case of payments to non-resident individual holders), subject to the provisions of any applicable tax treaty.

VAT

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

According to Circular 36, the entities and individuals providing the services within the PRC shall be subject to VAT. The services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Bonds is likely to be treated as the holders of the Bonds providing loans to the Issuer, which thus shall be regarded as financial services subject to VAT. Further, the payments of the interest and other interest like earnings may be subject to VAT at the rate of 6 per cent. in the event that the Guarantor is required to discharge its obligations under the Guarantee.

Where a holder of the Bonds who is an entity or individual located outside of the PRC resells the Bonds to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically Circular 36 does not apply and the Issuer does not have the obligation to withhold the VAT or the local levies. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC.

Circular 36 has been issued quite recently, the above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

Pursuant to the EIT Law and the VAT reform detailed above, if the Issuer is regarded as a PRC tax resident enterprise, it shall withhold EIT (should such tax apply) from the payments of interest in respect of the Bonds for any non-PRC-resident Bondholder and the Issuer shall withhold VAT (should such tax apply) from the payments of interest in respect of the Bonds for any Bondholders located outside of the PRC. However, in the event that the Issuer is required to make such a deduction or withholding (whether by way of EIT, VAT or otherwise), the Issuer has agreed to pay such additional amounts as will result in receipt by the Bondholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required. For more information, see “*Terms and Conditions of the Bonds – Taxation*”.

Stamp Duty

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

BRITISH VIRGIN ISLANDS

Under existing British Virgin Islands law, payments of interest and principal on the Bonds will not be subject to taxation in the British Virgin Islands and no withholding will be required on the payment of interest and principal to any holder of the Bonds nor will gains derived from the disposal of the Bonds be subject to British Virgin Islands income or corporation tax, provided that the payments are made to persons who are not resident in the British Virgin Islands.

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

There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the Issuer.

If neither the Issuer nor any subsidiary holds an interest in real estate in the British Virgin Islands, no stamp duty is payable in respect of the issue of the Bonds or on an instrument of transfer in respect of the Bonds.

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.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

- (a) Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances: interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (b) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (c) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (d) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

Stamp duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of the Bonds.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 12 October 2021 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to, severally but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds indicated in the following table:

Joint Lead Managers	Principal amount of Bonds to be subscribed
	<i>(U.S.\$)</i>
China International Capital Corporation Hong Kong Securities Limited.	100,000,000
Guotai Junan Securities (Hong Kong) Limited	100,000,000
China CITIC Bank International Limited.	100,000,000
Oversea-Chinese Banking Corporation Limited	50,000,000
China Zheshang Bank Co., Ltd. (Hong Kong Branch).	50,000,000
China Securities (International) Corporate Finance Company Limited	40,000,000
CNCB (Hong Kong) Capital Limited	40,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	40,000,000
Total.	520,000,000

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, the Guarantor and/or the Guarantor’s 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, the Guarantor and/or the Guarantor’s 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 or the Guarantor 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).

In connection with the issue of the Bonds, any Stabilisation Manager, provided that China CITIC Bank International Limited shall not be acting as the stabilisation manager, or any person acting on behalf of the Stabilisation Manager 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.

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 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, the Guarantor or the Joint Lead Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable laws, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale 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, the Guarantor or 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, the Guarantor or the Joint Lead Managers. If a jurisdiction requires that an offering of Bonds be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

UNITED STATES

The Bonds and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds and the Guarantee are being offered and sold outside of the United States in reliance on Regulation S.

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

- (a) it and its affiliates has not offered or sold, and agrees that it and its affiliates will not offer or sell, any Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S; and
- (b) none of it, its affiliates, or any persons acting on its or their behalf have engaged or will engage in any “directed selling efforts” (as defined in Regulation S) with respect to the Bonds.

UNITED KINGDOM

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

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

HONG KONG

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to Professional Investors as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

THE PRC

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

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 such Bonds to be made the subject of an invitation for subscription or purchase, and will not offer or sell such Bonds or cause such 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 such 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, Chapter 289 of Singapore (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Bonds may not be circulated or

distributed, nor may any Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interests (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Bonds (as defined in the Offering Circular) are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) 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).

JAPAN

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Lead Manager has represented, warranted 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 of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

BRITISH VIRGIN ISLANDS

Each of the Joint Lead Managers represents, warrants and agrees that it has not made and will not make any invitation to the public in the British Virgin Islands to offer or sell the Bonds.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

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

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 or loss.

REVERSAL OF AN IMPAIRMENT LOSS

Under PRC GAAP, once an impairment loss is recognised for a long-term asset (including investment property valued under cost model, long-term equity investments, 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. The increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognised.

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.

RELATED PARTY DISCLOSURES

Under PRC GAAP, only state-controlled without other related party relationship companies are not treated as related parties.

Under IFRS, state-controlled companies are not treated as related parties.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under ISIN XS2385309203 and Common Code 238530920, respectively. The Legal Entity Identifier of the Issuer is 3003004LZJ550ZJ4CD15.
2. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue, execution, delivery and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by the written resolutions of the sole director of the Issuer dated 17 September 2021. The Guarantor has obtained all necessary consents, approvals and authorisations in connection with the giving and performance of its obligations under the Guarantee, the Trust Deed and the Agency Agreement. The giving of the Guarantee was authorised by a resolution of the board of directors of the Guarantor dated 9 July 2021.
3. **No Material and Adverse Change:** There has been no material adverse change, or any development or event likely to involve a prospective change, in the condition (financial or other), prospects, properties, results of operations, business or general affairs of the Issuer, the Guarantor or the Group since 31 December 2020.
4. **Litigation:** None of the Issuer, the Guarantor or any other member of the Group is involved in any litigation or arbitration proceedings that the Issuer or the Guarantor believes are material in the context of the Bonds and the giving of the Guarantee, and so far as the Issuer and the Guarantor are aware, no such proceedings are pending or threatened.
5. **Available Documents:** Copies of the Trust Deed, the Agency Agreement, the Deed of Guarantee and the audited financial statements of the Group for the past two financial years will be available for inspection(Cloud) from the Issue Date, following prior written request and proof of holding to the satisfaction of the Trustee at the principal place of business of the Trustee at all reasonable times during normal business hours (being 9:00 a.m. and 3:00 p.m.), so long as any Bond is outstanding.
6. **Financial Statements:** The 2019 Annual Financial Statements and the 2020 Annual Financial Statements, which are included elsewhere in this Offering Circular, have been audited by Zhonghui.
7. **Listing of Bonds:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 19 October 2021.

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中汇会计师事务所(特殊普通合伙)
Zhonghui Certified Public Accountants LLP

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Zhuji State-owned Assets Management Co., Ltd.

Auditor's Report



Auditor's Report

Zhong Hui Kuai Shen[2021] No.3787

To the Board of Directors of Zhuji State-owned Assets Management Co., Ltd.

1. Opinion

We have audited the accompanying financial statements of Zhuji State-owned Assets Management Co., Ltd. (hereinafter the Company), which comprise the consolidated and company balance sheets as at 31 December 2020, and the consolidated and company statement of comprehensive income, the consolidated and company cash flow statements and the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements prepared according to the requirements of Accounting Standards for Business Enterprises in all material respects, present the consolidated and company's financial position of the Company as at 31 December 2020, and their financial performance and cash flows for the year then ended fairly.

2. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). 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 CICPA's Code of Ethics for Professional Accountants (the —Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Responsibilities Of The Management And Governance For The Consolidated Financial Statements

The management of the Company is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Accounting Standard for Business Enterprises, and for such internal control as the management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management of the Company 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 of the Company either intends to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The governance of the Company is in charge of overseeing the Company's financial reporting process.

4. Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the

consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

Zhonghui Certified Public Accountants LLP

Hangzhou, China



Chinese Certified
Public Accountants

Chinese Certified
Public Accountants

April 30, 2021

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under Accounting Standards for Business Enterprises in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

BALANCE SHEETS(PART I)

31 December 2020

Prepared by: Zhuji City, State-Owned Assets Management Co., Ltd.

Currency: RMB Yuan

ASSETS	Notes	Line	Closing Balance		Opening Balance	
			Consolidated	Company	Consolidated	Company
Current assets:						
Cash at bank and on hand	V(I)	1	11,403,372,621.55	3,162,689,103.54	12,070,773,778.89	2,826,169,084.16
Financial assets at fair value through profit or loss	V(II)	2	32,043,239.84	30,627,524.00	119,578,156.90	30,799,031.86
Derivative financial assets		3	-	-	-	-
Notes receivable	V(III)	4	66,384,988.94	-	44,194,781.38	-
Accounts receivable	V(IV)	5	3,315,689,846.03	6,677,140.00	2,507,579,879.90	7,180,500.00
Prepayments	V(V)	6	715,949,754.85	1,618,801.28	408,292,088.73	227,000.00
Other receivables	V(VI)	7	14,728,687,452.69	13,462,571,586.39	14,183,023,641.60	13,222,742,399.88
Inventories	V(VII)	8	98,838,774,007.57	6,846,684,486.25	86,671,593,301.23	6,846,684,486.25
Assets held for sale		9	-	-	-	-
Non-current assets due within one year		10	-	-	-	-
Other current assets	V(VIII)	11	425,038,255.34	26,380,120.08	185,087,638.77	-
Total current assets		12	129,525,940,166.81	23,537,248,761.54	116,190,123,267.40	22,933,802,502.15
Non-current assets:						
Available-for-sale financial assets	V(IX)	13	5,036,274,362.74	335,413,671.76	4,203,519,617.63	335,413,671.76
Held-to-maturity investments		14	-	-	-	-
Long-term receivables	V(X)	15	460,410,249.99	-	448,610,249.99	-
Long-term equity investments	V(XI)	16	1,353,031,740.62	33,487,837,951.61	1,397,948,077.43	29,433,320,394.97
Investment properties	V(XII)	17	6,862,940,169.00	-	3,651,348,145.77	-
Fixed assets	V(XIII)	18	13,497,891,699.08	205,853,871.17	13,451,929,231.67	210,165,917.55
Construction in process	V(XIV)	19	4,319,818,400.94	399,512,657.28	2,781,253,356.69	72,589,052.60
Productive biological assets		20	-	-	-	-
Oil and gas assets		21	-	-	-	-
Intangible assets	V(XV)	22	2,536,802,973.36	153,569,676.34	1,624,257,500.03	157,337,615.49
Development expenditure		23	-	-	-	-
Goodwill	V(XVI)	24	647,904,969.95	-	647,904,969.95	-
Long-term prepaid expenses	V(XVII)	25	113,300,303.70	66,202,869.52	82,199,909.94	75,100,096.14
Deferred tax assets	V(XVIII)	26	23,177,246.45	2,858,381.63	16,039,920.14	2,858,381.63
Other non-current assets	V(XIX)	27	1,280,730,833.11	-	582,731,594.80	-
Total other non-current assets		28	36,132,288,948.94	34,651,249,079.11	28,887,742,574.04	30,286,785,130.14
Total assets		29	165,658,229,115.75	58,188,497,840.65	145,077,865,841.44	53,220,587,632.29

Legal representative:



Chief financial officer:



Financial manager:



BALANCE SHEETS(PART II)

31 December 2020

Prepared by: Zhuji City, State-Owned Assets Management Co., Ltd.

Currency: RMB Yuan

Liabilities and Equities	Notes	Line	Closing Balance		Opening Balance	
			Consolidated	Company	Consolidated	Company
Current liabilities:						
Short-term borrowings	V(XX)	30	7,362,646,229.24	2,098,666,601.89	3,166,007,470.65	781,237,991.09
Financial liabilities at fair value through profit or loss		31	-	-	-	-
Derivative financial liabilities		32	-	-	-	-
Notes payable	V(XXI)	33	20,105,000.00	-	94,210,689.46	-
Accounts payable	V(XXII)	34	1,148,164,577.89	62,435,730.45	917,443,519.23	18,273,783.55
Advance from customers	V(XXIII)	35	740,910,013.78	42,516,413.98	770,374,194.05	42,172,881.87
Employee benefits payable	V(XXIV)	36	81,834,870.04	14,550.98	55,499,619.81	32,688.44
Taxes payable	V(XXV)	37	623,501,873.23	23,359,498.99	536,864,374.36	91,369,568.52
Other payables	V(XXVI)	38	6,332,215,887.75	4,034,469,159.98	5,899,846,077.68	2,882,079,898.95
Liabilities held for sale		39	-	-	-	-
Non-current liabilities due within one year	V(XXVIII)	40	16,558,326,842.76	2,276,000,000.00	10,923,705,032.77	2,540,000,000.00
Other current liabilities		41	321,170,000.00	-	236,410,000.00	-
Total current liabilities		42	33,188,875,294.69	8,537,461,956.27	22,600,360,978.01	6,355,166,812.42
Non-current liabilities:						
Long-term borrowings	V(XXIX)	43	26,012,302,107.32	3,009,000,000.00	28,908,999,770.89	4,645,000,000.00
Bonds payable	V(XXX)	44	26,103,206,100.00	14,340,000,000.00	18,401,100,000.00	11,100,000,000.00
Including: Preference shares		45	-	-	-	-
Perpetual bond		46	-	-	-	-
Long-term payable	V(XXXI)	47	16,886,439,963.20	300,000,000.00	16,022,850,898.71	200,000,000.00
Provisions		48	-	-	-	-
Deferred income	V(XXXII)	49	403,219,108.06	-	346,067,306.22	-
Deferred tax liabilities		50	953,577,074.82	-	502,423,608.89	-
Other non-current liabilities		51	-	-	-	-
Total non-current liabilities		52	70,358,744,353.40	17,649,000,000.00	64,181,441,584.71	15,945,000,000.00
Total liabilities		53	103,547,619,648.09	26,186,461,956.27	86,781,802,562.72	22,300,166,812.42
Owners' Equity:						
Paid-in capital	V(XXXIII)	54	800,000,000.00	800,000,000.00	800,000,000.00	800,000,000.00
Other equity instruments		55	-	-	-	-
Including: Preference shares		56	-	-	-	-
Perpetual bond		57	-	-	-	-
Capital reserve	V(XXXIV)	58	51,166,149,690.29	31,242,599,700.51	48,454,115,444.36	29,844,214,183.24
Less: treasury shares		59	-	-	-	-
Other comprehensive income	V(XXXV)	60	493,784,901.48	-	164,145.36	-
Special reserve		61	-	-	-	-
Surplus reserve	V(XXXVI)	62	24,774,299.44	24,774,299.44	24,774,299.44	24,774,299.44
Retained earnings	V(XXXVII)	63	6,001,094,411.21	-65,338,115.57	5,630,983,916.06	251,432,337.19
Total equity attributable to owners of the Company		64	58,465,783,302.42	32,002,035,884.38	54,910,042,805.22	30,920,420,819.87
Non-controlling interests		65	3,624,826,165.24	-	3,386,020,473.50	-
Total owners' equity		66	62,110,609,467.66	32,002,035,884.38	58,296,063,278.72	30,920,420,819.87
Total liabilities owners' equity		67	165,658,229,115.75	58,188,497,840.65	145,077,865,841.44	53,220,587,632.29

Legal representative:



Chief financial officer:

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Financial manager:





STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

Prepared by: Zhujit City, State-Owned Assets Management Co., Ltd.

Currency: RMB Yuan

Items	Notes	Line	2020		2019	
			Consolidated	Company	Consolidated	Company
1. Operating revenue	V(XXXVIII)	1	9,533,231,603.47	645,201,086.02	7,618,021,701.62	751,715,132.80
Less: Cost of sales	V(XXXVIII)	2	8,440,774,815.71	1,650,523.96	6,777,814,795.19	-
Taxes and surcharges	V(XXXIX)	3	47,240,065.18	8,381,233.47	103,159,915.47	10,915,826.12
Selling expenses		4	66,682,371.73	-	70,202,645.41	-
Administrative expenses		5	852,276,473.84	60,604,189.39	759,015,098.25	57,064,337.09
Research and development costs		6	44,210,397.61	-	17,075,822.47	-
Financial expenses	V(XL)	7	1,978,616,738.24	1,194,952,155.42	1,195,079,817.35	1,092,771,183.43
Including Interest expenditure		8	2,494,579,389.85	1,245,518,761.63	1,501,167,561.84	1,126,714,910.62
Interest income		9	415,202,342.83	54,497,575.86	387,673,720.55	36,700,419.91
Add: Other income	V(XLI)	10	261,503,459.20	655.14	425,864,518.91	-
Investments income (Loss is indicated by "-")	V(XLII)	11	44,186,758.36	2,413,838.83	53,384,546.49	2,112,082.80
Including Income from investments in associates and joint ventures		12	9,148,900.09	1,234,788.37	16,787,730.32	63,844.83
Gains from changes in fair values (Losses are indicated by "-")	V(XLIII)	13	56,891,023.17	-171,507.86	61,827,142.26	4,309,062.24
Assets impairment loss (Losses are indicated by "-")	V(XLIV)	14	-98,805,677.80	-2,742,444.76	-18,512,363.87	290,505.79
Income from asset disposal (Loss is indicated by "-")	V(XLV)	15	31,903,864.23	-	-223,587.68	-
2. Operating profit		16	-1,600,919,831.68	-620,886,474.87	-782,285,134.41	-402,324,763.01
Add: Non-operating income	V(XLVI)	17	2,465,473,303.16	304,116,022.11	1,389,282,508.79	253,599,319.59
Less: Non-operating expenses	V(XLVII)	18	48,415,600.07	-	41,084,449.42	886,970.61
3. Total profit		19	816,137,871.41	-316,770,452.76	565,912,924.96	-149,612,414.03
Less: Income tax expenses	V(XLVIII)	20	183,893,533.85	-	84,723,053.66	1,642.61
4. Net profit		21	632,244,337.56	-316,770,452.76	481,189,871.30	-149,614,056.64
(1) Classify by continuity						
1) Net profit from continuing operations		22	632,244,337.56	-316,770,452.76	481,189,871.30	-149,614,056.64
2) Net profit from discontinued operations		23	-	-	-	-
(2) Classify by ownership						
1) Net profit attributable to owner of parent		24	393,438,645.83	-316,770,452.76	354,222,697.80	-149,614,056.64
2) Profit or loss attributable to non-controlling interests		25	238,805,691.73	-	126,967,173.50	-
5. Other comprehensive income net of tax		26	493,600,756.12	-	164,145.36	-
Other comprehensive income attributable to owners of the Company, net of tax		27	493,600,756.12	-	164,145.36	-
(1) Other comprehensive income items which will not be reclassified subsequently to profit or loss		28	4,873.93	-	-10,204.70	-
1) Changes in net liabilities or net assets arising from re-measurement of defined benefit plans		29	-	-	-	-
2) Share of other comprehensive income of investees that cannot be reclassified to profit or loss under equity method		30	4,873.93	-	-10,204.70	-
(2) Other comprehensive income items which will be reclassified subsequently to profit or loss		31	493,595,882.19	-	174,350.06	-
1) Share of the other comprehensive income that can be reclassified into profit or loss by investee in equity method		32	-	-	-	-
2) Gain/Loss on changes in the fair value of available-for-sale financial assets		33	-	-	-	-
3) Profit or loss from reclassification of held-to-maturity investments into available-for-sale financial assets		34	-	-	-	-
4) Effective part of cash flow hedge		35	-	-	-	-
5) Translation differences in foreign currency		36	6,301,569.56	-	174,350.06	-
6) Others		37	487,294,312.63	-	-	-
Other comprehensive income attributable to non-controlling interests, net of tax		38	-	-	-	-
6. Total comprehensive income / (Total loss is indicated by "-")		39	1,125,845,093.63	-316,770,452.76	481,354,016.66	-149,614,056.64
Total comprehensive income attributable to owners of the Company		40	887,039,401.95	-	354,386,843.16	-
Total comprehensive income attributable to non-controlling interests		41	238,805,691.73	-	126,967,173.50	-
7. Earing per share:						
(1) Basic earing per share		42	-	-	-	-
(2) Diluted earnings per share		43	-	-	-	-

Legal representative:

Chief financial officer:

Financial manager:



STATEMENT OF CASH FLOW

For the year ended 31 December 2020

Prepared by: Zhujia City, State-Owned Assets Management Co., Ltd.

Currency: RMB Yuan

Items	Notes	Line	2020		2019	
			Consolidated	Company	Consolidated	Company
1. Cash flows from operating activities:						
Cash received from sale of goods or rendering of services		1	8,997,154,692.14	458,269,016.29	5,956,913,811.25	514,610,072.44
Refund of taxes and surcharges		2	33,903,130.12	2,315,346.67	6,126,364.34	4,935,148.17
Other cash received related to operating activities		3	8,114,143,458.80	4,764,440,839.97	7,246,209,688.91	2,093,457,544.45
Sub-total of operating cash inflows		4	17,145,201,281.06	5,225,025,202.93	13,209,249,864.50	2,613,105,765.06
Cash paid for goods and services		5	17,899,385,056.55	-	8,942,560,674.74	774,859,752.70
Cash paid to and on behalf of employees		6	789,027,078.98	4,804,489.84	508,454,391.69	3,671,026.80
Payments of taxes and surcharges		7	241,791,187.37	79,126,224.62	235,133,710.49	6,635,916.46
Other cash paid related to operating activities		8	5,983,700,415.61	4,838,487,841.13	6,984,557,171.63	4,791,849,364.06
Sub-total of operating cash outflows		9	24,913,903,738.52	4,922,418,555.59	16,670,705,948.55	5,577,015,060.02
Net cash flows from operating activities		10	-7,768,702,457.46	302,606,646.74	-3,461,456,084.05	-2,963,912,294.96
2. Cash flows from investing activities:						
Cash received from disposal of investments		11	304,860,971.09	-	40,243,693.39	480,000,000.00
Cash received from returns on investments		12	26,388,056.83	1,188,837.25	49,836,947.44	2,048,237.97
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		13	35,782,253.28	-	2,005,342.46	-
Net cash received from disposal of subsidiaries and other business entities		14	-	-	41,577,632.69	-
Other cash received related to investing activities		15	261,956,750.15	-	870,981,468.09	-
Sub-total of investing cash inflows		16	628,988,031.35	1,188,837.25	1,004,645,084.07	482,048,237.97
Cash paid to acquire fixed assets, intangible assets and other long-term assets		17	4,322,599,354.45	310,644,295.50	2,496,918,353.58	456,741,235.80
Cash paid to acquire investments		18	1,686,641,466.20	1,124,897,251.00	1,434,105,998.51	650,000,000.00
Net cash paid to acquire subsidiaries and other business entities		19	-	-	590,592,019.55	-
Other cash payments related to investing activities		20	145,848,068.57	-	1,271,620,115.49	-
Sub-total of investing cash outflows		21	6,155,088,889.22	1,435,541,546.50	5,793,236,486.93	1,106,741,235.80
Net cash flows from investing activities		22	-5,526,100,857.87	-1,434,352,709.25	-4,788,590,402.86	-624,692,997.83
3. Cash flows from financing activities:						
Cash received from capital contribution		23	1,109,407,635.15	-	858,450,589.26	-
Including: Cash received from capital contributions by minority shareholders of subsidiaries		24	-	-	-	-
Cash received from borrowings		25	32,189,433,899.48	7,348,560,160.55	17,769,480,536.33	4,498,039,332.07
Other cash received related to financing activities		26	17,152,948,093.71	4,069,000,000.00	17,676,319,445.54	5,445,427,500.00
Sub-total of financing cash inflows		27	50,451,789,628.34	11,417,560,160.55	36,304,250,571.13	9,943,466,832.07
Cash repayments of amounts borrowed		28	29,643,334,947.62	8,648,746,745.63	17,855,116,239.70	3,130,010,815.00
Cash payments for interest expenses and distribution of dividends or profits		29	5,327,536,913.40	1,142,621,868.31	4,149,056,117.96	991,700,157.71
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		30	6,000,000.00	-	-	-
Other cash payments related to financing activities		31	2,864,811,106.03	154,079,500.00	2,729,477,620.38	814,000.00
Sub-total of financing cash outflows		32	37,841,682,967.05	9,945,448,113.94	24,733,649,978.04	4,122,524,972.71
Net cash flows from financing activities		33	12,610,106,661.29	1,472,112,046.61	11,570,600,593.09	5,820,941,859.36
4. Effect of foreign exchange rate changes on cash and cash equivalents						
		34	-14,067,657.77	-3,845,964.72	-444,260.71	-1,052,250.00
5. Net increase/(decrease) in cash and cash equivalents						
		35	-698,764,321.82	336,520,019.38	3,320,109,845.47	2,231,284,316.57
Add: cash and cash equivalents at the beginning of the period		36	11,803,633,067.30	2,826,169,084.16	8,483,523,221.83	594,884,767.59
6. Cash and cash equivalents at the end of the period						
		37	11,104,868,745.48	3,162,689,103.54	11,803,633,067.30	2,826,169,084.16

Legal representative:

Chief financial officer:

Financial manager:



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

Currency: RMB Yuan

Items	Date	Current period amount											
		Paid-up capital	Preferred shares	Perpetual bond	Others	Equity attributable to owners of the parent company	Treat treasury shares	Other comprehensive	Special reserve	Surplus reserve	Retained earnings	Non-controlling interests	Total owners' equity
1. Closing balances of the year period	1	8,010,000.00	-	-	-	43,081,259.67	5.64	164,145.36	-	24,774,299.44	4,395,072,063.13	3,385,769,818.17	51,683,313,003.71
Add: Change in accounting policies	2	-	-	-	-	-	-	-	-	-	5,218,723.49	-	5,218,723.49
Correction of prior period errors	3	-	-	-	-	5,372,555,768.72	-	-	-	-	1,232,695,128.44	250,685.33	6,605,501,553.49
Business combination under common control	4	-	-	-	-	-	-	-	-	-	-	-	-
Others	5	-	-	-	-	-	-	-	-	-	-	-	-
2. Opening to close of the current period	6	8,010,000.00	-	-	-	48,453,815,444.36	-	164,145.36	-	24,774,299.44	5,630,988,916.06	3,386,020,473.50	58,296,063,279.72
3. Increased or decreased amount in this period (including amount is listed with "+")	7	-	-	-	-	2,712,084,245.93	-	497,900,756.12	-	-	370,105,495.14	238,805,691.73	3,814,546,188.92
(1) Total comprehensive income	8	-	-	-	-	-	-	692,600,756.12	-	-	395,438,675.83	238,805,691.73	1,122,845,093.68
(2) Owners' contributions and reduction in capital	9	-	-	-	-	2,712,084,245.93	-	-	-	-	-	-	2,712,084,245.93
i. Capital injection by owners	10	-	-	-	-	-	-	-	-	-	-	-	-
ii. Capital invested by other equity instrument holders	11	-	-	-	-	-	-	-	-	-	-	-	-
iii. Share based payment recorded in owner's equity	12	-	-	-	-	-	-	-	-	-	-	-	-
iv. Others	13	-	-	-	-	2,712,084,245.93	-	-	-	-	-	-	2,712,084,245.93
(3) Profit distribution	14	-	-	-	-	-	-	-	-	-	-23,333,150.69	-	-23,333,150.69
i. Appropriation to surplus reserves	15	-	-	-	-	-	-	-	-	-	-	-	-
ii. Profit distributed to owners	16	-	-	-	-	-	-	-	-	-	-153,150.69	-	-153,150.69
iii. Others	17	-	-	-	-	-	-	-	-	-	-23,186,000.00	-	-23,186,000.00
(4) Transfer within owner's equity	18	-	-	-	-	-	-	-	-	-	-	-	-
i. Transfer of capital reserves into surplus	19	-	-	-	-	-	-	-	-	-	-	-	-
ii. Transfer of surplus reserve into capital	20	-	-	-	-	-	-	-	-	-	-	-	-
iii. Recovery of loss by surplus reserve	21	-	-	-	-	-	-	-	-	-	-	-	-
iv. Retained earnings transferred from movement of defined benefit plan	22	-	-	-	-	-	-	-	-	-	-	-	-
v. Others	23	-	-	-	-	-	-	-	-	-	-	-	-
(5) Special reserve	24	-	-	-	-	-	-	-	-	-	-	-	-
i. Estimation of special reserves in the period	25	-	-	-	-	-	-	-	-	-	-	-	-
ii. Use of special reserves in the period	26	-	-	-	-	-	-	-	-	-	-	-	-
(6) Others	27	-	-	-	-	-	-	-	-	-	-	-	-
4. Balance at the end of current year	28	800,000,000.00	-	-	-	51,166,149,690.29	-	497,704,901.48	-	74,774,799.44	6,001,094,411.21	3,624,826,163.24	62,110,609,487.66

Financial manager:

Chief financial officer:



CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the year ended 31 December 2020

Prepared by: Zhuiji City, Singapore Assets Management Co., Ltd.

Prepared by: Zhuiji City, Singapore Assets Management Co., Ltd.

	Last period amount										Total owners' equity	
	Paid-in capital	Preferred shares	Other equity instruments	Others	Capital surplus	Less: treasury shares	Other comprehensive	Special reserve	Surplus reserve	Retained earnings		Non-controlling interests
1. Closing balance of the prior period	800,000,000.00	-	-	-	39,234,119,784.04	-	23,43	-	24,774,299.44	4,288,926,921.58	1,792,543,652.76	46,160,358,681.25
Add: Change in accounting policies	-	-	-	-	-	-	-	-	-	5,218,723.49	-	5,218,723.49
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	5,897,149,262.55	-	-	-	-	1,093,639,608.90	-	6,990,778,871.25
Other	-	-	-	-	-	-	-	-	-	-	-	-
2. Opening balance of the current period	800,000,000.00	-	-	-	45,131,269,046.59	-	23,43	-	24,774,299.44	5,387,769,253.97	1,792,543,652.76	53,156,356,275.99
3. Increased or decreased amount in this period (including amount is listed with "+")	-	-	-	-	3,302,846,397.97	-	164,121.93	-	-	245,219,662.09	1,593,476,820.74	5,139,707,002.75
(1) Total comprehensive income	-	-	-	-	-	-	164,121.93	-	-	384,222,697.80	126,967,172.50	481,353,993.23
(2) Owners' contributions and reduction in capital	-	-	-	-	3,302,846,397.97	-	-	-	-	-	1,466,509,647.24	4,769,356,045.21
i. Capital injection by owners	-	-	-	-	-	-	-	-	-	-	-	-
ii. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-
iii. Share-based payment recorded in owner's equity	-	-	-	-	-	-	-	-	-	-	-	-
iv. Others	-	-	-	-	3,302,846,397.97	-	-	-	-	-111,003,035.71	1,466,509,647.24	4,769,356,045.21
(3) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-
i. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
ii. Profit distributed to owners	-	-	-	-	-	-	-	-	-	-	-	-
iii. Others	-	-	-	-	-	-	-	-	-	-	-	-
(4) Transfer within owners' equity	-	-	-	-	-	-	-	-	-	-	-	-
i. Transfer of capital reserves into capital	-	-	-	-	-	-	-	-	-	-	-	-
ii. Transfer of surplus reserve into capital	-	-	-	-	-	-	-	-	-	-	-	-
iii. Recovery of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
iv. Retained earnings transferred from movement of defined benefits plan	-	-	-	-	-	-	-	-	-	-	-	-
v. Others	-	-	-	-	-	-	-	-	-	-	-	-
(5) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-
i. Extraction of special reserves in the period	-	-	-	-	-	-	-	-	-	-	-	-
ii. Use of special reserves in the period	-	-	-	-	-	-	-	-	-	-	-	-
(6) Others	-	-	-	-	-	-	-	-	-	-	-	-
4. Balance at the end of current year	800,000,000.00	-	-	-	48,434,115,444.56	-	164,145.36	-	24,774,299.44	5,610,988,916.06	3,386,020,472.50	58,296,063,278.72

Financial manager:

Chief financial officer:

Legal representative:



STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE COMPANY

For the year ended 31 December 2020

Currency: RMB Yuan

Line Item	Paid-in capital	Other equity instruments			Current period amount					Total owners' equity	
		Preferred shares	Perpetual bond	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus Reserve		Retained earnings
1. Closing balance of the prior period	800,000,000.00	-	-	-	29,844,214,183.24	-	-	-	-	251,432,337.19	30,920,420,919.87
Add: Change in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
2. Opening balance of the current period	800,000,000.00	-	-	-	29,844,214,183.24	-	-	-	-	251,432,337.19	30,920,420,919.87
3. Increased or decreased amount in this period (reducing amount is listed with "-")	-	-	-	-	1,398,385,517.27	-	-	-	-	-316,770,452.76	1,081,615,064.51
(1) Total comprehensive income	-	-	-	-	1,398,385,517.27	-	-	-	-	-316,770,452.76	1,081,615,064.51
(2) Owners' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	-	-
i. Capital injection by owners	-	-	-	-	-	-	-	-	-	-	-
ii. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-
iii. Share-based payment recorded in owner's equity	-	-	-	-	1,398,385,517.27	-	-	-	-	-	1,398,385,517.27
iv. Others	-	-	-	-	-	-	-	-	-	-	-
(3) Profit distribution	-	-	-	-	-	-	-	-	-	-	-
i. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-	-
ii. Profit distributed to owners	-	-	-	-	-	-	-	-	-	-	-
iii. Others	-	-	-	-	-	-	-	-	-	-	-
(4) Transfer within owners' equity	-	-	-	-	-	-	-	-	-	-	-
i. Transfer of capital reserves into capital	-	-	-	-	-	-	-	-	-	-	-
ii. Transfer of surplus reserve into capital	-	-	-	-	-	-	-	-	-	-	-
iii. Recovery of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-
iv. Retained earnings transferred from movement of defined benefit plan	-	-	-	-	-	-	-	-	-	-	-
v. Others	-	-	-	-	-	-	-	-	-	-	-
(5) Special reserve	-	-	-	-	-	-	-	-	-	-	-
i. Extraction of special reserves in the period	-	-	-	-	-	-	-	-	-	-	-
ii. Use of special reserves in the period	-	-	-	-	-	-	-	-	-	-	-
(6) Others	-	-	-	-	-	-	-	-	-	-	-
4. Balance at the end of current year	800,000,000.00	-	-	-	31,242,599,700.51	-	-	-	24,774,299.44	-65,338,115.57	32,002,035,884.38

Legal representative:

钢楼印文
2020年8月10日

Chief financial officer:

灿斯印利

Financial manager

周菲

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE COMPANY

For the year ended 31 December 2020

	Last period amount	Last period amount						Retained earnings	Surplus Reserve	Special reserve	Other comprehensive income	Total owners' equity
		Lay	Paid-in capital	Preferred shares	Perpetual bond	Others	Capital reserve					
1. Closing balance of the prior period	800,000,000.00	-	-	-	-	-	28,903,737,433.09	-	-	-	30,285,561,162.67	
Add: Change in accounting policies	-	-	-	-	-	-	-	-	-	-	-	
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	
Business combination under common control	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	
2. Opening balance of the current period	800,000,000.00	-	-	-	-	-	28,903,737,433.09	-	-	-	30,285,561,162.67	
3. Increased or decreased amount in this period	-	-	-	-	-	-	940,476,749.55	-	-	-	694,859,657.20	
Amortization amounts listed with "3.3"	-	-	-	-	-	-	-	-	-	-	-	
(1) Total comprehensive income	-	-	-	-	-	-	940,476,749.55	-	-	-	-149,614,056.64	
(2) Owners' contributions and reduction in capital	-	-	-	-	-	-	940,476,749.55	-	-	-	940,476,749.55	
i. Capital injection by owners	-	-	-	-	-	-	-	-	-	-	-	
ii. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	
iii. Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-	-	
iv. Others	-	-	-	-	-	-	940,476,749.55	-	-	-	940,476,749.55	
(3) Profit distribution	-	-	-	-	-	-	-	-	-	-	-96,003,035.71	
i. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-	-	
ii. Profit distributed to owners	-	-	-	-	-	-	-	-	-	-	-96,003,035.71	
iii. Others	-	-	-	-	-	-	-	-	-	-	-	
(4) Transfer within owners' equity	-	-	-	-	-	-	-	-	-	-	-96,003,035.71	
i. Transfer of capital reserves into capital	-	-	-	-	-	-	-	-	-	-	-	
ii. Transfer of surplus reserve into capital	-	-	-	-	-	-	-	-	-	-	-	
iii. Recovery of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	
iv. Retained earnings transferred from management to shareholders' benefit	-	-	-	-	-	-	-	-	-	-	-	
v. Others	-	-	-	-	-	-	-	-	-	-	-	
(5) Special reserve	-	-	-	-	-	-	-	-	-	-	-	
i. Extraction of special reserves in the period	-	-	-	-	-	-	-	-	-	-	-	
ii. Use of special reserves in the period	-	-	-	-	-	-	-	-	-	-	-	
(6) Others	-	-	-	-	-	-	-	-	-	-	-	
4. Balance at the end of current year	800,000,000.00	-	-	-	-	-	29,844,214,183.24	-	-	-	251,432,317.19	30,920,420,819.87

Prepared by Zhujia City State-Owned Assets Management Co., Ltd.



Legal representative:



Chief financial officer:



Financial manager:



Zhuji State-owned Assets Management Co., Ltd.

Notes to the financial statements

For the year ended 31 December 2020

I. Company information

(I) Company basic information

Zhuji State-owned Assets Management Co., Ltd. (“the Company”) previously named Zhuji Financial Development Company which was independently established by Zhuji Municipal Bureau of Finance with a registered capital of RMB 3.88million as a state-owned enterprises, acquired the business license on 8 February 1993 from Zhuji Administration for Industry and Commerce with the registration number of 3306811001780. On 30 June 2015, according to the document of The Reply About System-changing Of Zhuji Financial Development Company (Zhuji SASAC[2015]No.11) approved by Zhuji City, State-owned Assets Supervision and Administration Commission(referred as "Zhuji SASAC" for short), Zhuji Financial Development Company was transformed into limited liability company named Zhuji State-owned Assets Management Co., Ltd whose both registered capital and paid-in capital were RMB 300million. And the shareholder was changed to Zhuji City, State-owned Assets Supervision and Administration Commission. On 28 July 2015, the Company afresh acquired the business license from Zhuji Administration for Industry and Commerce with the registration number of 330681000137578.

In October 2015, registered capital of the Company was increased to RMB 800 million subscribed by Zhuji SASAC. On 20 October 2015, the business license was replaced by Certificate for Uniform Social Credit Code. The Uniform Social Credit Code of the Company is 91330681146265634F.As of 31 December 2018, the paid-in capital of the Company is RMB 800 million.

The Company address is C8 and C9 Building of Tourist Distributing Center, No.290 East Genta Road, Jiyang Street, Zhuji. Legal representative: Lou Wen Gang.

The Company was principally engaged in investment and asset management. Business scope is management of local state assets, land development and utilization, industrial investment (business that requires government approval can only be carried out when such approval from relevant department is obtained).

(II) Scope of consolidation

There are 158 subsidiaries consolidated in 2020, for details of the scope of consolidation please refer to Note VII “Equity in other entities”. In current year, there are 56 subsidiaries increased, and no subsidiaries deregistered or transferred in the scope of consolidation. Further details of the scope of consolidation are given in Note VI “Changes in consolidation scope”.

II. Basis of preparation of the financial statements

(I) Basis of preparation

The Company's financial statements have been prepared on the basis of going concern assumption, according to the actual occurred transactions and events and in accordance with 'Accounting Standards for Business Enterprises' and relevant regulations.

(II) Continuous Operation

The Company has ability to continue its operation for at least 12 months since the end of the reporting period and there are no significant events affecting its ability to continue as a going concern.

III. Significant accounting policies estimates and assumptions

(I) Statement of following the Accounting Standard for Business

The financial statements are prepared by the Company according to the requirements of Accounting Standard for Business Enterprise, and present the financial position and the results of their operations and their cash flows of the Company truly and completely.

(II) Accounting period

The Company's accounting year begins on 1 January and ends on 31 December.

(III) Business cycle

The normal business cycle is the period during which the company purchases the assets used for processing to achieve cash or cash equivalents. The Company takes 12 months as a business cycle, and as the criteria of the liquidity of its assets and liabilities.

(IV) Reporting currency

The functional currencies of the Company and the subsidiaries these operate in China are Renminbi (RMB). The functional currencies of overseas subsidiaries are determined as USA Dollars(USD) in accordance with the primary economic environment in which they operate, and are translated into RMB for the preparation of the consolidated financial statements

The Company's reporting currency is Renminbi (RMB).

(V) Accounting treatment of business combination under common control and not under common control

Business combination means combinations in which two or more separate entities merge into one reporting entity. Business combination includes merging under common control and non-common control.

1. Business combination under common control

All of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity or business should be recorded at the book values as stated in the financial statements of the controlling party. The share premium is adjusted by the difference of the book value of acquired entity in ultimate controlling company's consolidated financial statement, and the consideration paid. If the share premium is insufficient, the retained earnings shall be adjusted.

Business combination achieved in stages under common control, the share premium is adjusted by, the book value of the holding investment prior to combination plus the new consideration paid at the acquisition date, and the book value of the net asset acquired at the acquisition, if the share premium is not enough for the adjustment, and then reduce the retained earnings. The long-term equity investment held by acquirer before acquiring the control, the share of the profit or loss and other comprehensive income and other movement in equity, from the later date of acquiring initial equity and the date of under common control, to the acquisition date, should be reduced from opening balance of retained earnings or P/L of current period, exclude the change of other comprehensive income arise from remeasurement of net defined benefit assets and liabilities.

2. Business combination not under common control

Business combination not under common control is combination that, all of the combining entities or businesses are not ultimately controlled by the same party or parties before and after the business combination.

The difference of cost of combination of the company at acquisition date, and the fair value of the net asset of acquiree, is recognised as goodwill. If the cost of combination is less than the fair value of the net asset of acquiree, then review the fair value of identifiable assets and liabilities and contingent liabilities, and review the cost of combination. If still the case, then the amount of the fair value of the net asset of acquiree less the cost of combination should be recognised as gain or loss of current period.

If at the acquisition date or at the end of the year of acquisition, fair value of considerations or the fair value of the identifiable asset acquired cannot be determined because of various factors, the company accounts the acquisition on the basis of temporary valuation. If further information obtained in 12 months from the acquisition date shows that the initial recognition needed to be adjusted, then the adjustment should be made retrospectively as if it was occurred at the acquisition date, as well as the comparable information in the report. If further information obtained after 12 months from the acquisition date, then the adjustment to the cost of

consideration or identifiable asset or liabilities should be treated under PRC GAAP NO.28 “Accounting policies, changes in accounting estimates and correction of accounting errors”.

Temporary difference acquired in business combination that does not meet the criteria of deferred tax asset, should not be recognised. If further information obtained in 12 months from the acquisition date shows that economic benefit occurred from the temporary difference at the acquisition date can be realised, the deferred tax asset can be recognised, and reduce the goodwill, shall the goodwill is insufficient, the difference is recognised into profit or loss in the period. Apart from the situation above, the deferred tax asset related to the business combination is recognised in the profit or loss in the period.

In business combination achieved by multiple transactions, it’s determined by whether or not those transactions are a package. The term, condition and economic effect of those transactions comply with one or more of the following situations, usually indicating that that transaction should be treated as a package: (1) those transactions are established at the same time, or after the consideration of their influences on each other. (2) Those transactions as a whole can achieve a complete business outcome. (3) The occurrence of one transaction depends on the occurrence of at least one other transaction. (4) A transaction is not economic on its own, but is when considered in conjunction with other transactions.

For package transaction, all transactions should be accounted as one transaction that gains control. For those are not a package, in consolidated financial statement, the equity held prior to the date of acquisition should be revalued at fair value at the acquisition date. The difference of fair value and book value is recognised as investment income in current period. The movement in comprehensive income and comprehensive equity related to the equity prior to the acquisition date is transferred as income at the acquisition date, except the other comprehensive income arising from the remeasurement of net defined benefit assets and liabilities.

3. Dealing with transaction costs in business combination

The intermediary expense for auditing, legal services, evaluation and other related management expense incurred, should be recognised in profit or loss at the time of occurrence. The transaction cost of equity securities or debt securities issued as a consideration, should be included in the initial recognition of equity securities or debt securities.

(VI) Preparation method of consolidated financial statements

1. Consolidation scope

The scope of consolidation is determined on the basis of control. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. The scope of consolidation includes all subsidiaries. Subsidiaries are entities (including enterprises and divisible parts of an investee and structured entities) controlled by the Company.

2. Method of consolidation

The Company present consolidated financial statements on the basis of financial statement of the parent and subsidiaries, in which the accounts of the parent and subsidiaries are combined and

presented as a single entity, to review the financial position and results of their operations and their cash flows of the Company, using uniform accounting policies, in accordance with PRC GAAP.

The consolidated financial statements offset the impact of the internal transactions and interactions between the company and its subsidiaries and subsidiaries on the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of cash flow and the consolidated statement of change in shareholders' equity.

For business combination under the same control, the economic outcome and cash flow of the company's additional subsidiaries and business shall be included in the consolidated statement of profit or loss and the consolidated statement of cash flow of the company since the date of its ultimately controlled by the final controlling party, as if the subsidiary and the business are under the control of the ultimately controlling party since the date of ultimately control exists. The opening balance of the consolidated statement of financial position is adjusted at the same time, and the related items of the comparative report are adjusted, as if the merged report body exists since the ultimate control exists.

For business combination not under common control, the opening balance of the consolidated statement of financial position is not adjusted. The financial statements are adjusted on the basis of fair value of identifiable net asset. The revenue and expense and profit from the acquisition date to the end of period are included in the consolidated statement of profit or loss, the cash flows are included in the consolidated statement of cash flow.

The non-controlling interests (NCI)'s share of equity and profit and comprehensive income are presented separately in the equity of the consolidated statement of financial position, and profit and comprehensive income of the consolidated statement of profit or loss. The NCI' share of the current loss exceeds the balance of the NCI's share in the opening balance of the NCI's equity, and then reduces the equity of non-controlling equity.

3. Acquisition of non-controlling interest and disposal where control is retained

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

4. Disposal where control is lost

During the reporting period, if the Company disposes a subsidiary, the income, expense and profit of this subsidiary from the beginning of the period to the disposal date should be included in the consolidated income statement; the cash flow of this subsidiary from the beginning of the period to the disposal date should be included in the consolidated statement of cash flows. When the control on the original subsidiaries lost due to the disposal of partial equity investment or other reasons, the remaining equity should be re-measured according to the fair value on the control lost date. The difference of the consideration acquired by the disposal of equity and the fair value of the surplus equity minus the net assets portion of the original subsidiaries calculated from the

purchase date as per the original stock proportion and the goodwill shall be recorded into the current investment income after the control lost. Other comprehensive returns relevant to the original subsidiary equity investment shall be disposed through the accounting treatment on the same basis of the direct disposal of the relevant assets or liabilities by the acquirer when the control lost (Namely, all the rest are transferred into the current investment incomes, with the exception of the changes caused by the net liabilities or the net assets of the defined benefit plans re-measured by the original subsidiaries). Thereafter, the subsequent measurement shall be made for the rest equity according to the relevant provisions of “Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment” or “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”. For the details, please see Notes III (XV) “Recognition and measurement of long-term equity investment” or Notes III (X) “Recognition and measurement of financial instrument”.

5. Disposal in stages where control is lost

If the Company disposes the equity investment through multiple transactions until the control is lost, it should be determined by whether or not those transactions are a package.

For package transactions, all transactions are accounted as one disposal. The differences between the disposal income and the share of net asset of subsidiary every time should be recognised as other comprehensive income in group report, which transfer to profit or loss when the control is lost.

For those transactions that are not a package, each of the transactions will be accounted partial disposal where control retained and partial disposal where control lost. The difference between the disposal income and the corresponding proportion of the subsidiary’s net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

(VII) Accounting treatment of joint venture and joint operation

Joint arrangement: two or more parties having joint control. It’s classified as joint venture and joint operation.

Joint venture: Two or more parties having joint control have rights to the net assets of the arrangement. The joint ventures of the Company are measured in the equity method which is referred in Note III (XV) 3(2) “Long-term equity investments measured in equity method”.

Joint operation: Two or more parties have rights to the assets and obligations for the liabilities relating to the arrangement. The Company recognised in the financial statement:

1. Its asset, including its share of any asset held jointly.
2. Its liabilities, including its share of any liabilities incurred jointly.
3. Its revenue from the sale of its share of the output arising from the joint operation.
4. Its share of the revenue from the sale of the output by the joint operation.
5. Its expenses, including its share of any expenses incurred jointly.

When the Company invests or sells assets to the joint arrangement, or buy from joint arrangement, the Company only recognises other parties' share of profit or loss before the assets are sold to a third party. Shall the asset meet the criteria of impairment, the Company recognised all loss in investing or selling asset to the joint arrangement recognised the Company's share of loss in buying asset from the joint arrangement.

(VIII) Definition of cash and cash equivalents

Cash and cash equivalents mainly represent cash on hand, demand deposits placed with large reputable banks in China, and highly liquid investments that are readily convertible to known amounts of cash and with original maturities from the date of purchase with terms of less than three months, which are subject to an insignificant risk of changes in value.

(IX) Foreign currency transaction and translation of foreign currency statements

1. Foreign currency transaction

At the time of initial recognition of a foreign currency transaction, the amount of the foreign currency shall be translated into the amount of the recording currency at the spot exchange rate of the transaction date, except exchange of foreign currency or the transaction that referring to exchange of foreign currency which should be translated at real exchange date.

2. The way to translate monetary and non-monetary items of foreign currency transaction

The monetary items of the foreign currency transaction shall be translated into functional currency at the spot change rate of the balance sheet date. All foreign exchange difference are credited into the current profit or loss, except: (1)the currency translation difference of the dedicated foreign currency loan that meets the capitalization condition shall be included in the cost of assets as capitalization during the capitalization period; (2)the currency translation difference of the arbitrage tool to avoid foreign exchange risk shall be treated according to the hedge accounting method; (3)the currency translation difference of the available-for-sale monetary items generated by the book value other than the amortized cost shall be recognized as other comprehensive income and included in other comprehensive income.

The non-monetary items of the foreign currency transaction measured at historical cost shall be translated into functional currency at the spot exchange rate of the transaction date. The non-monetary items of the foreign currency transaction measured at the fair value shall be translated into functional currency at the spot exchange rate of the date that fair value are determined, and the difference between those shall be credited into the current profit or loss.

3. Translation of foreign currency financial statements

The asset and liability items in the balance sheets shall be translated at a spot exchange rate ruling at the balance sheet date. Among the owner's equity items, except the ones as "retained earnings", others shall be translated at the spot exchange rate ruling at the time when they occurred. The income and expense items in the income statements shall be translated at an exchange rate which is determined in a systematic and reasonable way and is approximate to the spot exchange rate

(calculated by the average of starting rate and closing rate on the reporting period) ruling at the transaction date. The foreign exchange difference arisen from the translation of foreign currency financial statements shall be presented separately in the other comprehensive income under the owner's equity in the balance sheet.

Disposal in overseas business, the balance sheet items of other comprehensive income is presented, and the overseas business translation of foreign currency financial statements related to difference from other comprehensive income items into the disposal of profits and losses of the current period; in the disposal of equity investment or other reasons lead to hold environment operating outside the ratio of equity to reduce but not a loss of overseas business control, and the offshore disposal operations in part related to the translation of foreign currency statements difference will belong to minority interests. Do not turn into the profits and losses of the current period. When dealing with overseas operations as an affiliated enterprise or part of the equity of the joint venture, the foreign currency statement translation difference with the overseas operation shall be transferred to the current profit and loss.

Foreign currency cash flows are translated at the spot exchange rate on the day when the cash flows incur. The amounts resulted from change of exchange rate are presented separately in "Effect of foreign exchange rate changes on cash and cash equivalents" of the cash flow statement.

(X) Recognition and measurement of financial instrument

Financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instrument can be classified into financial asset and financial liability and equity instrument. Financial assets and financial liabilities are initially recognised at fair value. For financial assets and liabilities measured at fair value through profit or loss, the transaction costs are recognised in profit or loss as well. For other financial instrument, the transaction costs are recognised in initial measurement.

1. Classification, recognition and measurement of financial asset

Financial assets traded in a conventional manner are recognized and derecognized on the trading days. At initial recognition, financial assets are classified as fair value through profit or loss, held-to-maturity investment, loans and receivables, and financial assets available for sale.

(1) Financial assets at fair value through profit or loss

Include trading financial asset and the designated financial assets at fair value through profit or loss.

Trading financial asset are financial assets that meet one of the following criteria: 1) the purpose of acquiring the financial asset is to sell in short term. 2) Is a part of identifiable financial instruments portfolio which is managed centralized, and there is evidence shows that the Company is planning to gain profit in short term. 3) Is a derivative instrument, except those designated derivative instrument for effective hedging tool, or financial guarantee, or related to instrument that not quoted in an active market whose fair value cannot be measured reliably.

The financial asset meet one of the following criteria, can be classified as the designated financial asset at fair value through profit or loss at initial recognition: 1) if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. 2) The formal document of risk management or investment strategy provides for the management, is managing and evaluating on the basis of fair value of the financial portfolio or financial asset or financial liability.

Financial asset through fair value is initially measured at fair value less dividends that declared but not yet received and interest issued but not yet paid; transaction cost related is directly accounted into profit or loss. Subsequent measurement is at fair value, the movement of fair value and interest and dividend is recognised as profit or loss in the period.

(2) Held-to-maturity investment

Held-to-maturity investment refers to the non-derivative financial assets with fix maturity date, fix or defined recoverable amount, and the Company has intention and ability to hold to maturity.

Held-to-maturity investment initial measured at fair value (less interest issued but not yet paid) plus transaction cost, subsequently measured by effective interest rate at amortised cost through profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (without considering future credit losses), and also considers all fees paid or received between the parties to the contract giving rise to the financial asset and financial liability that are an integral part of the effective interest rate, transaction costs, and premiums or discounts, etc.

(3) Loans and receivables

Loans and receivables are non-derivative financial assets that not quoted in an active market and the recoverable amount is fixed or can be measured reliably. Loans and receivables are classified as notes receivable, account receivable, interest receivable, dividends receivable and other receivable. Initial measured at the amount recorded in contract or agreement with the purchaser. Initial measured at present value if the contract is financing contract. Loan and receivables are measured at amortised cost using the effective interest rate.

(4) Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets designated as available-for-sale at initial recognition, and the financial assets other than financial assets at fair value through profit or loss, loans and receivables, and held-to-maturity investments.

Cost of available-for-sale investments in debt instruments are measured on the basis of the post-amortization cost at period end, which is the initially recognized amount of financial asset or financial liability deducting the already paid principal, plus or minus the accumulated amount of amortization incurred from amortizing the balance between the initially recognized amount and the amount of the maturity date by adopting the actual interest rate method and deducting the impairment loss that have actually incurred. Cost of available-for-sale investments in equity instruments is the initially recognized amount at acquisition.

At recognition, the instrument is initial measured at fair value plus related transaction cost, deduct dividends that declared but not yet received and interest issued but not yet paid. Financial asset held for sale is subsequently measured at fair value, the premium is amortised at the effective interest rate and recognised as interest income. Impairment loss and exchange difference related to amortised cost should be recognised in profit or loss. The change in fair value is recognised as other comprehensive income. As for the equity instrument that not quoted in an active market and the fair value cannot be reliably measured, and derivative financial instrument related to the equity instrument and settled by the equity instrument, measured at cost. At settlement, the difference between consideration received and book value of the financial asset is accounted as profit or loss in the investment, as well as the other comprehensive income recognised before.

2. Transfer of financial assets and measurement

Financial transfer refers to the transfer or delivery of financial assets to another party other than the issuer. The financial transfer is classified into financial asset transfer and partial transfer.

A financial asset is derecognised if either the following three conditions are met: (1) the entity's contractual rights to the cash flows from the financial asset expire, (2) or the financial asset is transferred and almost all the risk and return of the financial asset have been transferred, (3) or the entity has neither transferred nor retained all the risk and return, but abandoned its control over the financial asset.

If the entity has neither transferred nor retained nearly all the risks and rewards of ownership of financial assets, and has not given up control of the financial assets, then the Company continually recognise the relevant financial asset and liability to the extent of continuing involvement.

Substance over form is adopted in judging whether the transfer of financial assets satisfies the condition above. If the transfer of financial asset does not meet the condition for derecognition, the financial assets continue to be recognised and the consideration received is recognised as a financial liability. If the overall transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts is recognised in the current profit and loss: (1) the consideration received for the transfer, plus the accumulated changes in fair value that was originally recognised in owners' equity; (2) The book value of the transferred financial assets. If the partial transfer of financial assets meets the conditions for derecognition, the book value of the transferred financial assets is apportioned between the derecognised portion and the non-recognised portion at their respective fair values, and the difference between the following two amounts is recognised in profit or loss in the period: (1) The consideration received of the derecognised part plus the amount the cumulative amount of changes in fair value that was

directly recognised equity of the derecognised part. (2) The carrying amount of the derecognised portion.

3. Classification, recognition and measurement of financial liabilities

Financial liabilities are classified into financial liabilities measured at fair value through profit or loss and other financial liabilities.

(1) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss, including trading financial liabilities and financial liabilities designated on initial recognition at fair value through profit or loss. The classification is consistent with initial recognition of financial assets that designated on initial recognition at fair value through profit or loss. For such financial liabilities, the subsequent measurement is based on fair value. Gains or losses arising from changes in fair value and dividends and interest expense related to these financial liabilities are recognised in profit or loss.

(2) Other financial liabilities

Derivative financial liabilities that linked to equity instruments which are not quoted in an active market and whose fair value cannot be reliably measured, and must be settled through the delivery of the equity instrument, are subsequently measured at amortised cost. Other financial liabilities are measured at amortised cost using the effective interest rate. The gain or losses arising from derecognition or amortisation is recognised in profit or loss.

(3) Financial guarantee contract

Financial guarantee contracts that are not designated as financial liabilities measured at fair value through profit or loss, are initially recognized at fair value. And subsequent to initial recognition, they are measured at the higher of the amount determined in accordance with PRC GAAP No.13 Contingencies Event and the amount initially recognized less cumulative amortization recognized in accordance with the principles set out in Accounting Standard for Business Enterprises No. 14 – Revenue.

4. Derecognition of financial liabilities

The Company derecognizes a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged or cancelled or has expired. An agreement between the Company (an existing borrower) and existing lender to replace original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new liability.

When the Company derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss. In case that the Company repurchases part of financial liabilities, based on the comparative fair value of the continuing recognition part and the derecognizing part, the company shall allocate the carrying value of the financial liabilities in whole on the repurchase date. Difference between the carrying value allocated to the derecognizing part and the consideration paid (including any non-cash assets transferred or new

financial liabilities assumed) shall be recorded in profit or loss.

5. Equity instrument

An equity instrument is a contract that shows a residual interest in the assets of the company after deducting all liabilities. The Company issues (including refinancing), repurchases, sells or cancels equity instruments as changes in equity. The Company does not recognize the changes in the fair value of equity instruments. Transaction costs associated with equity transactions are deducted from equity.

The Company's distributions to equity instrument holders (excluding stock dividends) reduce shareholders' equity. The Company does not recognize the change in fair value of equity instruments.

The distinction between financial liabilities and equity instruments:

Financial liabilities are liabilities that meet one of the following conditions:

- (1) Contractual obligations to deliver cash or other financial assets to other parties.
- (2) Contractual obligations to exchange financial assets or financial liabilities with other parties under potentially adverse conditions.
- (3) A non-derivative contract that must be settled or can be settled in the future with the company's own equity instruments, and the enterprise will deliver a variable amount of its own equity instruments under the contract.
- (4) Derivative contract that must be settled or can be settled by the company's own equity instruments in the future, except for derivatives contracts that exchange a fixed amount of cash or other financial assets with a fixed amount of their own equity instruments.

If the company cannot unconditionally avoid delivering a contractual obligation by delivering cash or other financial assets, the contractual obligation is consistent with the definition of financial liability. If a financial instrument must be settled or can be settled by the company's own equity instruments, it is necessary to consider whether the company's equity instruments used to settle the instrument, is a substitute for cash or other financial assets, or to make the instrument's holder can enjoy the remaining interest in the assets of the issuer after deducting all liabilities. If it is the former, the instrument is the Company's financial liability; if it is the latter, the instrument is the Company's equity instrument.

6. Derivatives and embedded derivatives

Derivatives are initially measured at fair value on the date of the relevant contract, and are subsequently measured at fair value. A derivative financial instrument with a positive fair value is recognized as an asset, and a negative fair value is recognised as a liability. Except for derivatives that are designated as hedging instruments and are highly effective in hedging, the gains or losses arising from changes in fair value will be determined by the nature of the hedging relationship in accordance with the requirements of the hedge accounting. Changes in fair value of other derivatives are recognised in profit and loss.

For a hybrid instrument that includes an embedded derivative, if it is not designated as a financial asset or financial liability measured at fair value through profit or loss, and the embedded derivative has no close relationship with the main contract in terms of economic characteristics

and risks, and has same condition with embedded derivatives, and separate instrument satisfies definitions for derivatives, the embedded derivatives should be split from the hybrid instrument and treated as separate derivative financial instruments. If the embedded derivative cannot be measured separately at the time of acquisition or on the subsequent balance sheet date, the hybrid instrument is designated as a financial asset or financial liability measured at fair value through profit or loss.

7. Determination of the fair value of financial instruments

The method for determining the fair value of financial assets and financial liabilities is shown in Note III (XI).

8. Impairment of financial assets

The carrying amounts of financial assets (other than those at fair value through profit or loss) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any of such evidence exists, an impairment loss is recognised.

The objective evidences indicating that financial assets are impaired, are one or more events that occurred after the initial recognition of the asset, affecting the estimated future cash flow received by the Company, and the amount can be measured reliably. Objective evidence of impairment of financial assets, including the following observable circumstances: (1) the issuer or the debtor has serious financial difficulties; (2) the debtor has violated the terms of the contract, such as the payment of interest is defaulted or the principal is overdue; (3) The Company makes concessions to the debtor who has financial difficulties due to economic or legal factors; (4) the debtor is likely to close down or carry out financial restructuring; (5) due to major financial difficulties of the issuer, financial assets cannot continue to trade in an active market; (6) It is impossible to identify whether the cash flow of an asset in a group of financial assets has decreased, but after an overall evaluation based on the public data, it is found that the estimated future cash flow has been reduced and the amount is measurable since initially Recognition , including the gradual deterioration of the debtor's ability to pay for the financial assets, or the fact that the debtor's country or region that has an economy problem that could cause the group's financial assets unable to be paid; (7) Significant adverse changes in the technology, market, economic or legal environment where the debtor operations, which may make it impossible for equity instrument investors to recover their investments;(8) The fair value of equity instrument investment has a serious or non-temporary decline; (9) Other objective evidence that shows the financial asset is impaired.

(1) Impairment test of held-to-maturity investments, loans and accounts receivable

Firstly, the financial assets with significant single amount are distinguished and the impairment test is carried out separately. For financial assets with insignificant single amount, the impairment test can be carried out separately or included in the financial asset portfolio with similar credit risk; Financial assets that are not impaired individually (including financial assets that are individually significant and not significant), retest again included in a portfolio of financial assets with similar credit risk. If it is impaired, The carrying value of the financial assets are reduced to recoverable amount, which is the present value of the estimated future cash flows or amortized cost, and the write-down amount is recognized as an impairment loss, which is recognised in profit or loss for

the current period; If the estimated future cash flow of the receivables is similar to its present value, the estimated future cash flows will not be discounted when determining the impairment losses. After the impairment, if there is objective evidence that the value of the financial asset has been restored and it is objectively related to the event occurring after the recognition of the impairment, the previously recognized impairment loss is reversed and transferred back to the book value. The value does not exceed the amortized cost of the financial asset on the reversal date, assuming no impairment had occurred.

(2) Impairment of financial assets available-for-sale

The Company conducts separate inspections of each available-for-sale equity instrument investment on the balance sheet date. For an equity instrument measured at fair value, when the relevant factors determine that the fair value of the equity instrument available-for-sale is a significant or non-temporary decline, it indicates that the equity instrument available-for-sale is impaired. For the equity instrument measured at cost, the company considers whether the technical, market, economic or legal environment in which the invested entity operates is subject to significant adverse changes, and judges whether the equity instrument is impaired.

When the available-for-sale financial assets measured at fair value are impaired, the accumulated losses arising from the decline in fair value that are recognised in other comprehensive income are transferred and recognised in impairment losses. For a debt instrument available-for-sale that has been recognized as an impairment loss, if the value of the financial asset has been restored and it is related to the event occurring after the recognition of the impairment, the previously recognized impairment loss is reversed and transferred to profit or loss. For the equity instrument available—for—sale with impairment loss recognized, the fair value recovery after the period is directly recognized in other comprehensive income.

When the equity instrument available-for-sale measured at cost is impaired, the difference between the book value of the equity instrument and the present value of the future cash flow which is discounted by the rate of similar financial assets in the financial market, is recognized as the impairment, recognised in the current profit or loss, and the impairment loss will not be reversed once recognized.

9. Offset of financial assets and financial liabilities

When the company has the statutory right to offset the recognized financial assets and financial liabilities, and the legal rights can be enforced currently, while the company plans to settle the financial assets on a net basis or liquidate the financial liabilities, the financial assets and financial liabilities are presented in the balance sheet at offset amounts. Apart from that, financial assets and financial liabilities are presented separately in the balance sheet and cannot be offset.

(XI) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures the relevant assets or liabilities at fair value, assuming that the sale of the assets or the transfer of the liabilities is carried out in the principal market of the relevant assets or liabilities; if there is no

principal market, the company assumes that the transaction is carried out in the most advantageous market for the relevant assets or liabilities. The principal market (or the most advantageous market) is the trading market that the company can enter on the measurement date.

The Company uses valuation techniques that are applicable in the current circumstances and that are supported sufficiently by the use of data and other information, taking into account the ability of market participants to generate economic benefits from the highest and best use of the asset, or to sell the asset to other market participants in the best use to generate economic benefits. First use the relevant observable inputs as fair value, and use unobservable inputs only if observable inputs are not available or are not practicable.

Assets and liabilities measured or disclosed at fair value in the financial statements are determined by the lowest-level input value that is significant to the fair value measurement as a whole. Level 1 inputs: quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2 inputs: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs: inputs that are unobservable for the asset or liability. On each balance sheet date, the Company reassesses the assets and liabilities that are recognised in the financial statements that are consistently measured at fair value to determine whether there is a transition between levels of fair value measurement.

(XII) Receivables

1. Receivables with significant amount tested for impairment individually

Basis or standard for significant single amount	Accounts receivable: accounts receivable with the top 5 balances and accounting for more than 10% of the book balance of accounts receivable; accounts with an amount of more than 1 million yuan (including) and accounting for more than 5% of the book balance of accounts receivable; other accounts receivable - accounts for other accounts receivable with the top 5 balances and accounting for more than 10% of the book balance of other accounts receivable; accounts for more than 1 million yuan (including) and accounting for 5% of the book balance of other accounts receivable above.
Method of calculating bad debts	If the impairment test is carried out separately and there is objective evidence that it's impaired, the carrying value is written down to the present value of estimated future cash flow from book value; If it's not impaired, it's classified into portfolio with similar credit risk to calculate bad debts.

2. Bad debt recognised on the basis of classification

Category	Basis	Method
Ageing	The ageing is the basis for confirming the credit risk combination.	Aging analysis.
Related parties, government and other administrations group	Receivables of associated parties and government and other administration.	Recognise bad debt by the difference of present value of future cash flow and book value.

Bad debt on the basis of age:

Age	Percentage of receivable (%)	Percentage of other receivable (%)
Under 1 year (included)	5	5
1 – 2 years	10-30	10-30
2 – 3 years	20-80	20-80
3 – 5 years	50-100	50-100
More than 5 years	100	100

3. Receivables without significant amount but tested for impairment individually

Reason of recognising bad debt separately	Evidence that show the recoverable amount is impaired.
Method of recognising bad debt	Recognise bad debt by the difference of present value of future cash flow and book value.

4. For other receivables (including notes receivable, prepayments, interest receivable, long-term receivables, etc.), bad debts is recognised based on the difference between the present value of future cash flows and its book value.

5. If there is objective evidence that the value of the receivable has been recovered and is related to the events that occurred after the recognition of the loss, the previously recognized impairment loss is reversed and recognised in profit or loss. However, the book value after the reversal does not exceed the amortized cost of the receivable on the reversal date, assuming no provision had occurred.

(XIII) Recognition and measurement of inventories

1. Inventories include the finished products or goods available for sale during daily activities, the products in the process of production, the stuff and material consumed during the process of production or the services offered, materials in transit, consigned processing materials, etc.

2. The company's inventories obtained are measured at actual cost. (1) The purchasing inventories are measured at their actual cost on acquisition. The inventories which are obtained through further processing are measured at procurement costs and processing costs. (2) In debt restructuring, the inventories that the debtor uses to offset the debts are measured based on the fair value of the inventories. (3) For the non-monetary asset exchanges, if it has the commercial substance and the fair value of the assets exchanged can be reliably measured, the non-monetary assets exchanged inventories are usually measured based on the fair value of the assets exchanged out. Unless there is conclusive evidence that the fair value of the assets transferred in is more reliable; the non—monetary assets exchange that do not meet the above condition, and the book value of the assets exchanged out and the related taxes and fees payable are used as the cost of the inventory. (4) Inventories obtained by means of absorption an enterprises under the common control are measured at the book value of the combining party; the inventories obtained by means of absorption an enterprises that not under the common control are determined at fair value.

3. The measure method of the inventories to sale

- (1) Raw materials and commodity stocks are measured at first-in first-out method
 - (2) The cost of development projects are measured including the actual cost of the development land during the construction.
 - (3) Development products to sale are measured based on the area of structure average method.
 - (4) The held for sale development products and relocation housing which are leased temporarily adopt the same depreciation policy which is consistent with that for fixed assets.
 - (5) If the public supporting facilities are complete before development products, the cost of public supporting facilities should be distributed and included in the cost of related development projects based on the respective area ratio of related development projects. Or the Company should estimate the costs of public supporting facilities and include it in the costs of related development products, and adjust it with the difference between estimated and actual when the public supporting facilities are complete.
4. Low value consumables and packaging materials that be leased are recognized in the income statement by one-off method. The packaging materials that be used in the process of production are recognized in the cost directly.
5. On the balance sheet date, the inventory is measured at the lower of the cost and net realizable value. The net realizable value of inventories is the estimated selling price of inventories minus the estimated cost of completion, estimated selling expenses and related taxes. In determining the net realizable value of inventories, based on the solid evidence obtained, taking into account the purpose of holding the inventories and the impact of events after the balance sheet date, unless there is clear evidence that the market price on the balance sheet date is abnormal, the net realizable value of an inventory item is determined on the basis of the market price at the balance sheet date, where:

- (1) Inventories directly used for sale, such as finished products, goods and materials available for sale etc., its net realizable value are measured in the normal business process by the estimated selling price of the inventories minus the estimated sales expenses and related taxes.
- (2) Inventories that need to be processed in the normal production and operation process, its net realizable value is the estimated selling price of the finished product minus the estimated cost of completion, estimated selling expenses and related taxes and fees; On the balance sheet date, if part of the inventory has a contract price agreed and other parts do not, the net realizable value is determined separately, and compared with the corresponding cost, and the inventory impairment is determined separately.

At the end of the year, the inventory impairment is measured according to the individual inventory items; but for a large number of inventories with lower unit prices, the inventory impairment is measured according to the inventory category; the product produced and sold in the same region, having the same or similar end use or purpose, that is difficult to measure separately from other product, are carried out the impairment test together.

After the impairment test for inventory, if the factors which lead to the previously written down in inventory value have disappeared, resulting in the net realizable value of the inventories being

higher than its book value, the amount of the inventory impaired can be reversed through profit and loss.

6. The stock inventory system is a perpetual inventory system.

(XIV) Recognition and measurement of long-term equity investment

The long-term equity investments in this section refers to the long-term equity investment that the company has control, joint control or significant influence on the invested entity, including equity investments in subsidiaries, joint ventures and joint operations. The long-term equity investment that the Company does not have control, joint control or significant influence over the investee is accounted for as a financial asset available-for-sale or a financial asset measured at fair value through profit or loss. The accounting policy is in Note III (X) "Recognition and measurement of financial instruments".

1. Criteria for joint control and major impacts

Joint control refers to the control that is to an arrangement in accordance with the relevant agreement, and the relevant activities must be agreed by the parties sharing the control rights. When the Company and other joint venture parties jointly exercise joint control over the invested entity, and exercise joint control over the invested entity while having rights to the net assets of the invested entity, the invested entity is the joint venture of the company. When judging whether there is joint control, the protective rights enjoyed are not considered

Significant influence refers to the power to participate in making decision on the financial and operational decisions of an enterprise, but it cannot control or jointly control the designation of these policies with other parties. Where the company can exert significant influence on the invested entity, the invested entity is an associate of the company. In determining whether it is possible to exert significant influence on the investee, the investor may directly or indirectly hold the voting shares of the investee and the current potential voting rights held by the investor and other parties are assumed to be converted to the investee equity, including the impact of the current convertible warrants, share options and convertible corporate bonds issued by the investee.

2. Cost of long-term equity investment

(1) For business combination under common control, the combining party pays cash, transfers non-cash assets, assumes debts or issues equity securities as the merger consideration, the share of the book value in the ultimate controlling party's financial statements on the merger date is taken as its initial investment cost. The difference between the initial investment cost of the long-term equity investment and the consideration shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. Obtaining the equity of the merged party under the common control step by step through multiple transactions, and finally forming a business combination under the common control, the accounting treatment depends on whether it should be treated as a "package deal" respectively: if it belongs to "package deal" , treat each transaction as a transaction that obtains control. If it is not a "package deal" , the initial cost of the long-term equity investment shall be the share of the book value of the equity in the ultimate controlling party's consolidated financial statements on the acquisition date. The

difference between the initial cost of the long-term equity investment, and the new payment consideration plus the book value of the previous acquired long-term equity investment on the acquisition date, is adjusted in the capital reserve; if the capital reserve is insufficient to offset, the retained earnings are adjusted. The other comprehensive income recognized using the equity method or arisen from financial assets available-for-sale prior to the acquisition date are not accounted.

(2) In the case of a business combination not under the common control, the company shall use the acquisition cost determined on the purchase date as the initial investment cost of the long-term equity investment. The acquisition cost is the fair value of the assets paid, the liabilities incurred or assumed, and the equity securities issued to acquire the control of the acquiree on the acquisition date. The agency fees and other related expenses incurred in the business combination are included in the profit or loss when incurred; the transaction costs of the equity securities or debt securities issued as a consideration are included in the initial measurement equity securities or debt securities. The contingent consideration agreed is part of the consideration of the business combination and included in the cost of the business combination based on its fair value at the acquisition date. A business combination not under the common control realized step by step, it's depended on whether the multiple transactions are a "package transaction" according to the accounting standards of the enterprise. In the case of a "package transaction", each transaction is recognised as one transaction that acquires control. If it is not a "package deal", the initial investment cost of the long-term equity investment is recognised at cost, which is the book value of the original equity investment plus the new investment cost; If in equity method, related other comprehensive income will not be treated temporarily; if the original held equity investment is a financial asset available-for-sale, the difference between the fair value and the book value, and the accumulated changes of fair value included in other comprehensive income are transferred to profit or loss.

(3) Other equity investments other than long-term equity investments resulted by business combination are initially measured at cost: if the consideration is cash, the cash paid is taken as the initial cost; if the consideration is equity securities, the fair value of the issued equity securities is the initial cost, and the expenses directly related to the issuance of equity securities are determined in accordance with the "Accounting Standards for Business Enterprises No. 37 - Financial Instruments: Presentation"; if the exchange of non-monetary assets have commercial substance and the fair value of the assets exchanged can be reliably measured, the long-term equity investment is initial recognised by the fair value of the assets exchanged and the relevant taxes and fees. Unless there is conclusive evidence that the fair value of the assets transferred in is more reliable; the non-monetary assets that do not meet the above condition are exchanged, use the book value of the assets exchanged out plus the related taxes and fees payable as initial cost of the long-term equity investment. The initial investment cost of a long-term equity investment obtained through debt restructuring is recognised on the basis of fair value. Expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investments are also included in investment costs.

For long-term equity investment through additional investment, forming significant influence ,or joint control but does not form a control, the initial cost of long-term equity investment is the fair value of original held equity investment plus the cost of new investment, subsequently measured

at equity method, in according to PRC GAAP No. 22- Financial Instruments: Recognition and Measurement. If the previously held equity investment is classified as an financial asset available-for-sale, the difference between the fair value and the book value, and the accumulated fair value changes previously recognised in other comprehensive income should be transferred to profit or losses.

3. Subsequent measurement of long-term equity investment and method of recognition of profit or loss

(1) Long-term equity investments measured in cost method

The company's long-term equity investments in subsidiaries are subsequently measured in cost method. Except the actual payment or the cash dividends or profits included in the consideration that have been announced but not yet paid, the company recognizes the investment income according to the dividends declared by the investee.

(2) Long-term equity investments measured in equity method

Long-term equity investments in associates and joint ventures are measured in the equity method.

If the initial investment cost of the long-term equity investments in equity method is greater than the share of fair value of the identifiable net assets of the investee at acquisition, the initial investment cost of the long-term equity investment is not adjusted; If less, the difference shall be recognised in the profit or loss, and the cost of the long-term equity investment should be adjusted accordingly.. After acquiring the long-term equity investment, if the accounting policies and accounting periods adopted by the invested entity are inconsistent with the Company, the financial statements of the invested entity shall be adjusted according to the accounting policies and accounting periods of the Company, and the difference is recognised in investment income and other comprehensive income, as well as the long-term equity investment, on the basis of share in the invested entity. The Company recognises its share of the investee's profit or loss and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. When determining the share of profit from the invested entity, it is based on the fair value of identifiable assets of invested entity at acquisition, added by the adjusted profit from the invested entity. The book value of the long-term equity investment is reduced by the amount attributable to the Company of declared profit or cash dividend of the invested entity.

For the other changes in the owner's equity except the net profit or loss, other comprehensive income and profit distribution of the invested entity, the long-term equity investment's book value is adjusted and recorded in the shareholder's equity. The unrealized internal transaction gains and losses between the company and the joint ventures and joint operation are offset, based on the proportion of the shares that are attributable to the company; the rest is recognised as investment income. In the unrealized internal transaction losses incurred with the investee, it is fully recognized when it belongs to impairment losses.

When the Company shares the loss of the invested company, it recognised in the following order: First, offset the book value of the long-term equity investment. Secondly, if the book value of the long-term equity investment is insufficient, the investment loss will continue to be recognized in the book value of the long-term receivable, to the extent that it substantially constitutes investment

to the invested entity. After the treatment above, if the enterprise still bears additional obligations in accordance with the investment contract, the estimated liabilities shall be recognized according to the contingent obligations and included in the investment losses. If the investee achieves a net profit in the future, the company will recover the share of investment after the unconfirmed loss share is offset.

During the period of holding the investment, if the investee prepares the consolidated financial statements, it shall be recognised on the basis of the net profit, other comprehensive income and changes in other comprehensive equity in the consolidated financial statements that attributable to the investee.

For the business that the company invests in joint ventures and joint operations, if the investor acquires the long-term equity investment but does not form a control, the fair value of the invested business is recognised as the initial investment cost. The difference between the initial cost and the book value of the business is fully recognized in the profit or loss. If the assets sold by the Company to a joint venture or a joint operation constitute a business, the difference between the consideration received and the book value of the business shall be fully recognized in the profit or loss. If the assets purchased by the Company from the joint ventures and joint operations constitute a business, the gains or losses related to the transactions shall be fully recognized according to PRC GAAP No. 20 - Business Combinations.

4. Disposal of long-term equity investments

For the disposal of long-term equity investment, the difference between the book value and the actual price received is recognised in the profit or loss.

(1) Disposal of long-term equity investments under the equity method

For the long-term equity investment under the equity method, if the remaining equity after disposal is still measured under the equity method, the other comprehensive income is adjusted on the portion. The shareholder's equity recognized as a result of changes in the shareholder's equity other than the net profit or loss, other comprehensive income and earning distribution of the investee is recognised in profit or loss.

If the joint control or significant influence on the investment is lost due to the disposal of part of the equity investment, the remaining equity after disposal shall be recognised as financial instrument. The difference between the fair value and book value is recognised in the profit or loss. The other comprehensive income previously recognized of the equity investment is treated on the same basis with the investee's disposal of related assets or liabilities. The shareholder's equity recognized by the investee other than the net profit or loss, other comprehensive income and profit distribution, is transferred to the profit or loss.

(2) Disposal of long-term equity investments under cost method

For long-term equity investments accounted under cost method, the remaining investment after disposal is still accounted under cost method. Other comprehensive income arisen before shall be treated on the same basis as the investee directly disposes of the relevant assets or liabilities, and recognised in profit or loss; the changes in shareholder's equity except net profit or loss, other comprehensive income and profit distribution under equity method are recognised in profit or loss.

If the Company's share of the investee is reduced due to the increase of capital of other investors, causing the loss of control, but the joint control or significant influence can be exerted on the invested entity. The difference between the new share of net assets increased by the capital expansion and the declining share of original book value of the long-term equity investment shall be recognised in the profit or loss; then, the investment is measured under equity method with new proportion assuming it is measured in the equity method in initial since initial investment date.

If the company loses control over the subsidiary due to disposal of part of the equity investment or other reasons, if the remaining equity after disposal can jointly control or exert significant influence on the invested entity, it shall be measured in equity method as if the equity method is used since the acquisition. The other comprehensive income and other comprehensive equity arisen before the purchase date are carried forward. If the remaining equity after disposal cannot be joint control or exerts significant influence, it shall be measured according to "PRC GAAP No. 22 - Financial Instruments: Recognition and Measurement", the difference between the fair value and the book value on the date of loss of control should be recognised in the profit or loss, as well as other comprehensive income and other comprehensive equity.

The Company disposes the equity investment through multiple transactions until the control is lost. If those transactions belong to a same package transaction, the transactions are treated as one transaction that disposes the equity investment of the subsidiary and lose control. The difference between the disposal price and the book value of the long-term equity investment corresponding to the disposed equity before the loss of control is first recognized as other comprehensive income, and when the control is lost, it is transferred to profit or loss.

(XV) Recognition and measurement of investment property

1. Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, including leased land, land that held and prepared for transfer after appreciation, leased buildings (including buildings for rental after construction or development used).

2. An investment property is initially measured at cost and fair value is adopted for subsequent measurement. The accounting policy is chosen by the following reasons:

(1) There is an active trading market in where the investment property is;

(2) There are enough messages about the price and others of those same or similar investment properties for arriving at a sensible estimate of fair value of the investment property from the investment property trading market.

Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Company and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

3. The Company uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortisation policy for the investment property which is consistent with that for fixed assets and intangible assets.

4. Transfers to, or from investment property should be made when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property or inventories, the fair value at the change of use is the 'cost' of the property under its new classification. For a transfer from owner-occupied property or inventories to investment property under cost method, the book value at the change of use is the book value of the property under its new classification; For a transfer to investment property under fair value method, the fair value at the change of use is the book value of the property under its new classification.

5. An investment property should be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal should be calculated as the difference between the net disposal proceeds and the carrying amount of the asset and should be recognised as income or expense in the income statement. Compensation from third parties is recognised when it becomes receivable.

(XVI) Recognition and measurement of fixed assets

1. Definition of fixed assets

Fixed assets refer to tangible assets that have the following characteristics: (1) held for the production of goods, provision of labour, rental or business management; (2) the service life exceeds one fiscal year.

Items of fixed assets should be recognised as assets when: (1) it is probable that the future economic benefits associated with the asset will flow to the entity; (2) the cost of the asset can be measured reliably. Subsequent expenses related to fixed assets are recognised in the cost of fixed assets, if the expense satisfied definition above. For the expense doesn't satisfy the definition, recognised in profit or loss.

2. Fixed assets are initially recognised at cost.

3. Method of classification and depreciation

Fixed assets are depreciated when they are ready for their intended use, and the depreciations are stopped when they are derecognised or classified as held for sale. If the service life of each component of an asset is different or provides economic benefits to the enterprise in different ways, different depreciation rates and depreciation methods are applied, and depreciation is separately provided. The depreciation years and depreciation rates of various classifications are as follows:

Classification	Method	Estimated useful life(years)	Estimated rate of residual (%)	Depreciation rates (%)
Buildings	straight-line method	20-50	0-5	1.90-5.00
Machinery	straight-line method	10-38	5	2.50-9.50
Transportation	straight-line method	5-10	5	9.50-19.00
Electronics & Other equipment	straight-line method	5-15	5	6.33-19.00
Special equipment	straight-line method	5	5	19.00

Classification	Method	Estimated useful life(years)	Estimated rate of residual (%)	Depreciation rates (%)
Office equipment	straight-line method	10-50	0-5	2.00-9.50

Illustration :

(1) The decoration expenses that meet the capitalization criteria shall be depreciated separately using the straight-line method over the shorter of the decoration periods and the remaining useful life of the assets.

(2) For fixed assets that have been impaired, the depreciation rate should also be calculated after deducting the impairment amount.

(3) The depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in accounting estimation.

4. Recognition and measurement for financing leased assets

When the assets leased by the company meet one or more of the following criteria, they are recognized as financing leased asset:

- (1) Ownership of the asset is transferred to the Company at the end of the lease term;
- (2) The Company contains a bargain purchase option to buy the equipment at price that are less than fair market value, and therefore it can be reasonably assumed that the Company will exercise the option at the beginning of the lease term;
- (3) The lease term is for the major part of the economic life of the asset even if title is not transferred;
- (4) At the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; The minimum lease receivable of the lessor amounts to at least substantially all of the fair value of the leased asset;
- (5) The leasing assets have the special nature, and only the tenant can use if there is no major modifications.

A fixed asset held under finance lease is initially recognized at the lower of fair value of the leased asset and the present value of the minimum lease payments, while the amount of the minimum lease payments will be recognized as the entry value of long-term account payable, the difference between them will be recognized as unrecognized financing costs. The initial direct costs such as commissions, attorney's fees, and travelling expenses, stamp duties attributable to the leased item incurred during the process of lease negotiating and signing the leasing agreement shall be recorded in the asset value. Unrealized finance costs will be amortized using actual interest rate method over each period during the lease terms.

The Company adopts depreciation policies for leased assets consistent with those of self-owned fixed assets for the purpose of calculating the depreciation of a leased asset. If it is reasonable to be certain that the lessee will obtain the ownership of the leased asset when the lease term expires, the leased asset shall be fully depreciated over its useful life. If it is not reasonable to be certain

that the lessee will obtain the ownership of the leased asset at the expiry of the lease term, the leased asset shall be fully depreciated over the shorter one of the lease term or its useful life.

5. Other instructions

(1) Fixed assets that have been suspended for three consecutive months due to under-employment and natural disasters are recognized as idle fixed assets (excluding seasonal suspension). Idle fixed assets use the same depreciation method as other fixed assets of the same category.

(2) If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised, and the depreciation and provision for impairment are stopped.

(3) When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

(4) The repair costs of fixed assets cause of regular inspection shall be recorded into the cost of the fixed asset, if there is actual evidence that it meets the conditions of recognizing the fixed asset. Otherwise it shall be recorded into the profits and losses of the current year. In the period of repair, the fixed assets also should be depreciated.

(XVII) Recognition and measurement of construction in process

1. Construction in progress is recognized when the future economic benefits associated with the asset will flow to the Company, and the cost of the asset can be measured reliably. Construction in progress is measured at the actual cost incurred before the asset is ready for its intended use.

2. Construction in progress is transferred to fixed assets at necessary expenditures incurred for it reaching the condition of the intended use. For construction in progress that has reached the condition of the intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value. Adjustment shall be made to the originally and provisionally estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided will not be adjusted.

(XVIII) Recognition and measurement of borrowing costs

Borrowing costs, including interest on borrowings, amortization of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings.

1. Principle of capitalization of borrowing costs

If the borrowing costs incurred can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions, they shall be capitalized and included in the cost of the relevant assets; other borrowing costs are recognized as expenses at the time of occurrence and are recognised in profit or loss.

2. Capitalization period

(1) Capitalization begins when all the following conditions are met: 1) asset expenditure has occurred; 2) borrowing costs have occurred; 3) acquisition, construction or production activities necessary to bring the assets to the intended use begin.

(2) Suspension of capitalization: If the assets eligible for capitalization are interrupted abnormally during the acquisition, construction or production process, and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during the interruption are recognized as expenses until the acquisition, construction or production of the assets resumes. If the interruption is a necessary procedure for the acquisition or construction or production of assets to reach the intended usable state or saleable state, the borrowing costs continue to be capitalized.

(3) Stop capitalization: When the assets purchased, constructed or produced that meet the capitalization conditions reach the expected state, the borrowing costs cease to be capitalized. When part of the assets of the acquisition, construction or production that are completed and can be used separately, the capitalization of the borrowing costs of the part of the assets will be ceased. For each part of the assets purchased, constructed or produced completed separately, but the asset must be used or sold after the completion of the whole asset, and the capitalization of the borrowing costs shall be stopped when the assets are completed as a whole.

3. Method of calculating capitalization rate and amount of borrowing costs

For the purpose of constructing or producing special assets that are eligible for capitalization, the interest expenses actually incurred in the current period of the special loans (including the amortization determined by effective interest rate method), minus the interest income of borrowing funds that have not been used and earned by saving in bank or investing from the temporary investment; if the general borrowing is occupied for the acquisition, construction or production of assets eligible for capitalization, the capitalization amount is calculated by the exceed amount of capital expenditure to the special loan, multiplied by the weighted average cost of general loan. During the capitalization period, the amount of interest capitalization in each accounting period shall not exceed the amount of interest actually incurred in the relevant borrowings in the period. The exchange difference arisen from the foreign currency special loan principal and interest is capitalized during the capitalization period. Auxiliary expenses incurred for special borrowings shall be capitalized if it is occurred before intended status are reached; if they occur after the intended status is reached, auxiliary expenses should be recognised in profit and loss. Auxiliary expenses occurred for general borrowings are recognised in profit or loss in the period in which they arise. The interest should be adjusted by the amortization cost of discount or premium by effective interest rate.

(XIX) Recognition and measurement of intangible assets

1. Intangible assets are initially recognized at cost. The costs of externally acquired intangible assets include their purchase prices, related taxes and surcharges and any other directly attributable expenditure incurred to prepare the asset for its intended use. If the price of acquiring intangible assets is delayed in payment by exceeding normal credit term, which is in substance with financing feature, the cost of the intangible asset shall be recorded on the basis of the present

value of the purchase price. The intangible assets acquired through the debt restructuring shall be recorded at fair value. The difference between the book value of the restructured debts and the fair value of intangible assets used to settle the debt shall be recognized as the gain or loss of current period. On the premise that non-monetary assets trade is of commercial substance and the fair value of the assets traded in or out can be measured reliably, the intangible assets traded in shall be recorded at the fair value of the assets traded out, unless any unambiguous evidence indicates that the fair value of the assets traded in is more reliable; as to the non-monetary assets trade not meeting the aforesaid premise, the cost of the intangible assets shall be based on the book value of the assets traded out and related taxes and surcharges with no gain or loss recognized.

Expenditure related to intangible assets is included in the cost of intangible assets if the relevant economic benefits are probably to flow to the company and the costs can be measured reliably. Expenditure except for this is recognised in profit or loss when incurred.

The acquired land-use rights are usually accounted for as intangible assets. If company develops and constructs the building on its own, the expenditure related to the land-use rights and the cost of the building construction are accounted for as intangible assets and fixed assets, respectively. In the case of externally acquired buildings, the relevant cost is allocated between the land-use rights and the buildings. If it is difficult to allocate them reasonably, all of them are recorded as fixed assets.

2. Useful life and amortization of intangible assets

If the period of economic benefits from the intangible asset can be reasonably determined according to the contractual rights of the intangible assets, the legal rights, industry information, historical experience, or relevant expert opinion etc., the item is recognized as intangible asset with a finite useful life; if the period of economic benefits brought by the item is unable to be reasonably estimated, the item is recognized as intangible asset with an indefinite useful life.

For intangible assets with a finite useful life, the following factors are usually considered in estimating their useful life: (1) the usual life cycle of products produced using the asset, available information on the useful life of similar assets; (2) current status of technology, processes, and their estimates of the future trends; (3) market demand for products or services provided by the asset; (4) actions expected by current or potential competitors; (5) expected maintenance expenditures that ensure the assets enable to bring economic benefits continuously, and the Company's ability to pay for the related expenses; (6) relevant legal provisions or similar restrictions on the duration of the asset control, such as the license period and lease period, etc.; (7) correlations between the useful life of other assets held by the Company. Estimated useful life of intangible assets with a finite useful life:

Item	Estimated basis	Estimated useful lives (years)
Land use right	Certificate registration period of land-use right	30-70
Software	Estimated benefit period	3-5
Forest ownership	Uncertain service life	-
Mining right	Mining Licence	4.8

Intangible assets with a finite useful life are systematically amortized over their service lives in accordance with the expected realization of the economic benefits associated with the intangible assets. If the expected realization is not reliably determined, the straight-line method is used for the amortisation. Intangible assets with an indefinite useful life are not amortized, but the useful life of the intangible assets is reviewed annually and the asset is tested for impairment.

The useful life and amortization method of intangible assets with finite useful lives will be reviewed at the end of each year. If the result is different from previous estimates, the original estimate will be adjusted along with the accounting treatment; it is estimated that an intangible asset is unable to bring future economic benefits, the remaining book value of the intangible assets will be transferred to the current profit and loss.

3. Recognition and measurement of costs of internal research and development project

The costs of internal research and development project can be distinguished with costs of research stage and costs of development stage. Basis for distinguishing research stage and development stage of an internal research and development project: research stage is the activities carried out for the planned investigation and search for obtaining new technology and knowledge, which has the characteristics of planning and exploration; before commercial production or other uses, the application of achievements and other knowledge obtained from the research stage in a plan or design to produce new or substantially improved materials, equipment and products is regarded as development stage, which has the characteristics of pinpointing and is very likely to form results.

As for an internal research and development project, expenditure incurred in the research stage is recognized in profit or loss in the period as incurred. Expenses incurred in the development stage are recognized as intangible assets if all of the following conditions are met: (1) the technical feasibility of completing the intangible asset so that it will be available for use or for sale; (2) the intention to complete the intangible asset for use or for sale; (3) how the intangible asset will generate economic benefits, including there is evidence that the products produced by the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; (5) the expenditures attributable to the development of the intangible asset could be reliably measured. All the expenditures on research and development which cannot be distinguished between research stage and development stage are recognized in the profit or loss when incurred.

(XX) Impairment loss of long-term assets

Long-term equity investments, investment property measured by cost models, and long-term assets such as productive biological assets, non-current assets, construction in progress, oil and gas assets, intangible assets, and goodwill have the following signs, indicating that assets may be impaired:

1. The market price of the asset fell sharply in the current period, and its decline was significantly higher than the expected decline 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 assets are located, will have a significant change in the current period or in the near future, thereby adversely affecting the enterprise;
3. The market interest rate or other market return on investment has increased in the current period, which affects the discount rate of the present value of the estimated future cash flow of the enterprise's assets, resulting in a significant reduction in the recoverable amount of the assets;
4. There is evidence that the asset is obsolete or damaged;
5. The asset has been or will be idle, terminated or planned to be disposed in advance;
6. The evidence reported internally indicates that the economic performance of the asset has been lower or will be lower than expected, such as the net cash flow generated by the asset or the realized operating profit (or loss) is much lower (or higher than) the estimated amount;
7. Other indications that the asset may have been impaired.

If the long-term assets mentioned above show signs of impairment on the balance sheet date, they shall be tested for impairment. If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, the impairment is recognised based on the difference and is included in the impairment loss of income statement. The recoverable amount is the higher of the fair value of the asset less the disposal expense and the present value of the estimated future cash flow of the asset. The method for determining the fair value is detailed in Note III (XI); the disposal expenses include legal fees related to the disposal of assets, related taxes and fees, transportation costs, and direct costs incurred in bringing the assets to a saleable state; The present value of the flow is determined by discounting the estimated future cash flow generated by the asset during its continuous use and final disposal, with an appropriate discount rate selected.

Impairment is calculated and recognised on the basis of individual assets. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined by the asset group to which the asset group belongs. An asset group is the smallest portfolio of assets that can generate cash inflows independently.

Goodwill that is separately presented in the financial statements, when carrying out an impairment test, distributes the book value of goodwill to asset groups or combination of asset groups that is expected to benefit from the synergistic benefits of the business. If the test result indicates that the recoverable amount of the asset group or asset group combination including the assessed goodwill is lower than its book value, the impairment loss is recognized. The amount of impairment loss is first deducted from the book value of the goodwill allocated to the asset group or asset group combination, and then to the book values of assets other than goodwill in the asset group or asset group combination by proportion.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at least once a year at the year end.

Once impairment loss is confirmed to the asset mentioned above, it will not be reversed in the future period.

(XXI) Recognition and amortization of long-term prepaid expenses

Long-term deferred expenses are recorded at actual expenditure and amortized evenly over the beneficial period or within the specified period. If the long-term deferred expense item cannot benefit the entity in future, the amortized value of the item that has not been amortized will be transferred to the profit or loss immediately.

The rent for prepaid operating leased fixed assets is amortized on straight line basis according to the term specified in the lease contract.

The fixed assets improvement expenses leased by operating leases are amortized on straight line basis over the shorter of the remaining lease term and the remaining useful life of the leased assets.

The decoration expenses of the fixed assets leased by the financial lease that meet the capitalization criteria are amortized on straight over the shortest of the intervals of two decoration, the remaining lease term and the remaining useful life of the fixed assets.

(XXII) Employee benefits

Employee benefits refer to various forms of remuneration or compensation provided by an enterprise to receive services provided by the employees or to terminate labour relations. Employee benefits include short-term compensation, post-employment benefits, dismissal welfare and other long-term employee benefits. The benefits provided by the enterprise to the employee's spouse, children, dependants, deceased employee survivors and other beneficiaries are also employee compensation.

Employee benefits are separately presented as the employee benefits payable and other non-current liabilities on the balance sheet.

1. Accounting treatment of short-term employee benefits

During the accounting period in which employees provide services, the actual wages, bonuses and social insurance premiums and housing accumulation funds such as medical insurance premiums, work injury insurance premiums and maternity insurance premiums paid by the employer according to the prescribed standards and proportions, are recorded as liabilities and included in the current profit or loss or related asset costs. If the employee welfare is non-monetary benefit and can be reliably measured, it shall be measured at fair value. If the liability is not expected to be fully paid within twelve months after the end of the annual reporting period in which the employee provides relevant services, and the financial impact is significant, the liability is measured at the discounted amount.

2. Accounting treatment of post-employment benefits

The post-employment benefit plan includes a defined contribution plan and a defined benefit plan. The defined contribution plan is a post-employment benefit plan that the enterprise no longer assumes further payment obligations after the fixed fund is paid to the independent fund; the

defined benefit plan refers to the post-employment benefit plan other than the defined contribution plan.

Defined contribution plans.

The Company pays basic endowment insurance and unemployment insurance for employees according to the relevant provisions of the local government. Company calculates payables according to payment base and proportion specified by the local government, records the liabilities, and includes the related expenditures into the current profit and loss or the relevant asset costs.

In addition to the basic pension insurance, the Company has also established an enterprise annuity payment system (supplementary pension insurance) or an enterprise annuity plan based on the relevant policies of the international enterprise annuity system. The Company pays a fee to the local social insurance institution or an annuity plan according to a certain percentage of the total wages of the employees, and the corresponding expenses are included in the current profit and loss or related asset costs.

3. Accounting treatment of termination benefits

When the company cannot unilaterally withdraw the termination benefits provided by the termination of labor relations plan or reduction proposal, and when the company confirms the costs or expenses related to the reorganization involving the payment of termination benefits, whichever is earlier, the employee compensation liabilities arising from the termination benefits shall be recognized and included in the current profit and loss. However, if the termination benefits are not expected to be fully paid within 12 months after the end of the annual report period, they shall be treated as other long-term employee salaries.

The internal retirement plan of employees shall be treated in the same principle as the above dismissal welfare. The company will include the wages and social insurance premiums to be paid to the early retired from the date when the employees stop providing services to the normal retirement date into the current profit and loss (dismissal welfare) when they meet the conditions for the recognition of estimated liabilities. Economic compensation (such as normal pension) after the official retirement date shall be treated as post employment benefits.

4. Accounting treatment of other long-term employee benefits

Other long-term employee benefits provided by the Company to employees that meet the defined contribution plan shall be accounted for according to the defined contribution plan, otherwise it is accounted for according to the defined benefit plan. However, the “remeasurement of changes in net liabilities or net assets of defined benefit plans” in the relevant employee compensation costs is included in the current profit and loss or related asset costs.

(XXIII) Revenue recognition

1. The principle of revenue recognition

(1) Sale of goods

Sales revenue is recognised when: 1) the Company has transferred to the buyer the significant risks and rewards of ownership; 2) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; 3) the amount of revenue can be measured reliably; 4) It is probable that the economic benefits associated with the transaction will flow to the Company; 5) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(2) Rendering of services

For revenue arising from the rendering of services, provided that all of the following criteria are met(which is, the amount of revenue can be measured reliably; it is probable that the economic benefits will flow to the seller; the stage of completion at the balance sheet date can be measured reliably; the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.), revenue should be recognised by reference to the stage of completion of the transaction at the balance sheet date which is known as the percentage-of-completion method.

If the results of labour service transactions on the balance sheet date cannot be reliably estimated, the revenue should be recognised as following: If the labour costs incurred are estimated to be compensated, the labour service income shall be recognized to the extent of labour costs incurred. If the labour costs incurred cannot be compensated, the labour costs incurred should be recognised in the profit or loss, and the revenue from the rendering of services is not recognized.

(3) Transfer of asset use rights

The revenue from the transfer of asset use rights is recognized when the relevant economic benefits are likely to flow in and the amount can be reliably measured. The amount of interest income shall be recognised by the time and effective interest rate of the use of the company's monetary funds by others; the amount of royalty income shall be recognised in accordance with the relevant contract or agreement.

(4) Construction contract

1) If the result of the construction contract can be reliably estimated on the balance sheet date, the contract revenue and contract expense are recognized based on the percentage of completion method. For the result of the construction contract cannot be reliably estimated on the balance sheet date, if the contract cost can be recovered, the contract revenue is recognized based on the actual contract cost that can be recovered, the contract cost is recognized in profit or loss; If it is not recoverable, it will be recognised as expense immediately, and the contract revenue will not be confirmed.

2) The fixed cost contract that meets all the following conditions indicates that the results can be reliably estimated: the total contract revenue can be reliably measured, the economic benefits related to the contract are likely to flow in, the actual contract costs can be clearly distinguished and reliably measured, and the percentage of completion and the costs that need to be incurred to complete the contract can be reliably measured. The cost added contract also that meets the following conditions indicates that the results can be reliably estimated: the economic benefits associated with the contract are likely to flow in; the actual contract costs can be clearly distinguished and reliably measured.

3) The method for determining the percentage-of-completion of the contract is the proportion of the contracted work that has been completed to the estimated total workload of the contract.

4) As of the balance sheet date, if the construction is finished the actual total contract revenue multiply the percentage of completion less the total contract revenue recognised in previous accounting periods should be recognised as the revenue for the current period. Similarly, the total contract costs multiply the percentage of completion incurred less the total contract costs recognised in previous accounting periods should be recognised as the expenses for the current period. If the construction is not finished the contract revenue multiply the percentage of completion less the total contract revenue recognised in previous accounting periods should be recognised as the revenue for the current period. Similarly, the estimated total contract costs multiply the percentage of completion incurred less the total contract costs recognised in previous accounting periods should be recognised as the expenses for the current period.

5) On the balance sheet date, if the estimated total cost of the contract exceeds the total contract revenue, the estimated loss is recognized as the current expense. For the construction contract under execution, the difference is recognised as inventory impairment; for the contract to be executed, the difference is recognized as the provision.

2. Principle of the revenue recognition of the Company

(1) Sale of goods

Sales revenue is recognised when: 1) the Company has transferred to the buyer the significant risks and rewards of ownership; 2) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; 3) the amount of revenue can be measured reliably; 4) It is probable that the economic benefits associated with the transaction will flow to the Company; 5) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(2) Rendering of services

For revenue arising from the rendering of services, provided that all of the following criteria are met(which is, the amount of revenue can be measured reliably; it is probable that the economic benefits will flow to the seller; the stage of completion at the balance sheet date can be measured reliably; the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.), revenue should be recognised by reference to the stage of completion of the transaction at the balance sheet date which is known as the percentage-of-completion method.

If the results of labour service transactions on the balance sheet date cannot be reliably estimated, the revenue should be recognised as following: If the labour costs incurred are estimated to be compensated, the labour service income shall be recognized to the extent of labour costs incurred. If the labour costs incurred cannot be compensated, the labour costs incurred should be recognised in the profit or loss, and the revenue from the rendering of services is not recognized.

(3) Transfer of asset use rights

The revenue from the transfer of asset use rights is recognized when the relevant economic benefits are likely to flow in and the amount can be reliably measured. The amount of interest

income shall be recognised by the time and effective interest rate of the use of the company's monetary funds by others; the amount of royalty income shall be recognised in accordance with the relevant contract or agreement.

(4) Land development

The Company should recognise the revenue of land development, when the following conditions satisfied: 1) the Company has reported the details of revenue and costs of land development; 2) the final returned revenue of land development is already confirmed; 3) the Company had received the land development repurchase or receipt; 4) the significant risks and rewards of ownership of developed land had been transferred to client; 5) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the repurchased land development project; 6) the amount of revenue can be measured reliably; 7) it is probable that the economic benefits associated with the transaction will flow to the Company; 8) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(5) Resettlement housing development

The Company has contracted to build resettlement housing construction projects of Zhuji Economic Development Zone. When the projects are complete, the Company will settle the payment with clients according with the costs of projects and a certain rate of return. The Company should recognise the revenue of construction, when the following conditions satisfied: 1) the Company had received the resettlement housing development repurchase or receipt; 2) the significant risks and rewards of ownership of resettlement housing had been transferred to clients; 3) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the repurchased resettlement housing development projects; 4) the amount of revenue can be measured reliably; 5) it is probable that the economic benefits associated with the transaction will flow to the Company; 6) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(6) Construction

The Company has contracted to build infrastructure projects of Zhuji Economic Development Zone and Zhuji East Metro. When the projects are complete, the Company will settle the payment with clients according with the costs of projects and a certain rate of return. The Company should recognise the revenue of construction, when the following conditions satisfied: 1) the Company had received the construction repurchase or receipt; 2) the significant risks and rewards of ownership of construction projects had been transferred to client; 3) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the repurchased construction project; 4) the amount of revenue can be measured reliably; 5) it is probable that the economic benefits associated with the transaction will flow to the Company; 6) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(XXIV) Recognition and measurement of government grant

1. Classification of government grant

Government grant is monetary or non-monetary assets the Company obtain from government without compensation. It is classified as government grants related to assets and government grants related to income.

The government grant related to assets refer to the government grant acquired by the company for the purpose of purchasing or constructing of long-term assets, including the financial allocation for the purchase of fixed assets or intangible assets, and the interest discount for special loans for fixed assets; government grants related to income refer to government grants other than government grants related to assets. For government grants that include both, different parts are separately recognised; if it is difficult to distinguish, the whole is classified as a government grant related to income.

The criteria applied in the classification of government grants are:

- (1) If the grants specified in the government document is used for purchasing or construction of long-term assets, or if the expenditure of the grants is mainly used for purchasing or construction of long-term assets, it is classified as government related to the assets.
- (2) Government grants specified in the government documents are all or mainly used to compensate for expense or future expenses, are classified as government grants related to income.
- (3) If the government documents do not clearly specify the target, the government grants is classified in the following ways: 1) Government documents specify the specific items for which the grants are targeted. The grant is split by the proportion of the expenditure that will form the asset and the expenditure that will be included in the expense. The proportion needs to be reviewed on each balance sheet date, and change it if necessary; 2) If Government document only provides a general description of the use and does not specify a specific project, the government grant is recognised as grants related to the income.

2. Recognition time of government grants

The company's government grants are usually recognised when they are actually received and measured at the amount actually received. However, for the financial support funds with conclusive evidence that it can meet the requirements of policy at the end of period, thus can be reasonable assumed it will be received, the government grants are recognised at the amount receivable. Government grants measured in accordance with the receivable amount shall meet the following conditions:

- (1) It is based on the financial support project officially released by the local financial department and disclosed in accordance with the “Regulations on the Openness of Government Information” and its financial fund management measures, and the management measures should be inclusive (open for any compliance application) rather than specific to specific companies;
- (2) The amount of the grants receivable has been verified by the qualified government department, or it can be reasonably calculated according to the relevant and officially issued regulations, and it is expected that there is no significant uncertainty in the amount;

(3) The relevant grants approval has clearly promised the time limit for payment, and the payment is guaranteed by the government budget, so it can be reasonably guaranteed that it can be received within the time limit;

(4) Other relevant conditions (if any) that should be met according to the specific circumstances of the Company and the grants.

3. Accounting treatment of government grants

If the government grants are monetary assets, it is measured at the amount received or receivable; if it is non-monetary assets, it is measured at fair value; if the fair value of non-monetary assets cannot be obtained reliably, it is measured at nominal amount.

Government grants related to assets are written off against the carrying amount of related assets or recognised as deferred. If the government grants related to assets are recognized as deferred, they are amortised in profit or loss in a reasonable and systematic method over the useful lives of related assets. Government grants measured at nominal amounts are recognised directly in profit or loss. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the relevant deferred balance shall be transferred to the profit or loss at the disposal of the assets.

If the government grants related to the income is used to compensate the related costs or expenses of the Company in the future, it is recognized as deferred, and is recognised in the profit or loss or offset related costs with the related costs or expenses; If it is to compensate the relevant costs or expenses already incurred by the enterprise, it is directly recognised in the profit or loss or offset the related costs or expense.

The policy preferential loan interest discount obtained by the company distinguishes the following two cases and separately performs accounting treatment:

(1) The government loans with below-market rate of interest obtained by other subsidiaries of the Company are government loans, which is provided by local finance bureau through bank with below-market rate of interest. The actual amount of the loan received by the Company recognized as borrowings, and the related borrowing costs are calculated according to the principal of the loan and the below-market rate.

(2) The Company's government loans with below-market rate of interest are directly paid to the Company, and the related low rate interest will write off borrowing costs.

If any government grant already recognized needs to be returned to the government, the accounting shall be differed according to the following circumstances:

(1) Originally recognized as offsetting of related assets' book value, assets book value shall be adjusted;

(2) If any deferred income, book value of deferred income shall be offset, excessive portion shall be accounted into income statement;

(3) Other situation, it shall be accounted into income statement directly.

The principle that the government grants to be included in the different items of profit or loss is: The government grants related to the daily activities of the company, which have economic business substance, should be included in other income or reduce the related cost costs; The government grants which is not related to the daily activities of the company is included in the other income and expenditure.

(XXV) Recognition and measurement of deferred tax assets and deferred tax liabilities

1. Recognition and measurement of deferred tax assets and deferred tax liabilities

The Company recognizes the deferred tax using the balance sheet liability method based on the temporary differences between the book value and the tax base of assets and liabilities. The company's current income tax and deferred tax are recognized as income tax expenses or gains in profit or loss, but excluding income tax arising from: (1) business combination; (2) transactions or events directly recognized in the owner's equity.

For deductible temporary differences with the ability to carry forward for subsequent years, and the company is likely to obtain sufficient future taxable income, it should be recognised as deferred tax assets, unless the deductible temporary difference arises in the following transactions:

(1) The transaction is not a business combination, and the transaction affects neither the accounting profit nor the taxable income;

(2) For deductible temporary differences related to investments in subsidiaries, joint ventures and associates, and the deferred tax assets are recognized when the following conditions are met: temporary differences are likely to be reversed in the foreseeable future, and it is likely that the taxable income will be sufficient to offset the deductible temporary difference in the future.

The taxable temporary differences are recognised in the related deferred tax liabilities unless the taxable temporary differences arise from the following transactions:

(1) Initial recognition of goodwill, or initial recognition of assets or liabilities arising from transactions that is not a business combination, does not affect accounting profits or taxable income;

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures and associates, the timing of the reversal of the temporary difference can be controlled and the temporary difference is unlikely to be reversed in the foreseeable future.

The deferred tax asset or liability is calculated by the difference between the book value of assets and liabilities and the tax base (for the items that are not recognized as assets and liabilities but can be determined according to the tax law, the difference between the tax base and the book value) and the adoptable tax rate of the period in which the asset is recovered or liability is repaid.

The deferred tax assets are recognised to the extent that the amount of taxable income likely to be deducted in the future. On the balance sheet date, if there is conclusive evidence that it is probable that sufficient taxable income will be available in the future to offset the deductible temporary differences, the deferred tax assets not recognized in previous accounting periods are recognised. The book value of the deferred tax assets is reviewed. If it is probable that sufficient taxable

income will not be available in the future to offset the benefits of the deferred tax assets, the carrying amount of the deferred tax assets is reduced. If sufficient taxable income becomes available, the amount reduced will be reversed.

2. When there is a statutory right to settle on a net basis, and the Company intend to settle the net amount or realise the asset and settle the liability simultaneously, the current income tax assets and the current income tax liabilities are presented at the net amount after the offset.

When there is a statutory right to settle the current income tax assets and liabilities on a net basis, and the deferred tax assets and liabilities are related to the income tax collected by the same tax authority on the same taxpayer, or related to different taxpayers, however, in the future period in which each of the important deferred tax assets and liabilities are reversed, the taxpayers involved intend to settle the current income tax assets and liabilities on a net basis or acquire assets at the same time and pay off the liabilities, then assets and deferred tax liabilities are presented at the net amount after offset.

(XXVI) Recognition and measurement of leasing business

1. Classification of leases

Leases are classified into finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of an asset, and its ownership may or may not be transferred. Other leases other than finance leases are operating leases.

The conditions for the recognition of finance leases are described in Note III (XVII) 4“Recognition and measurement for financing leased assets”.

2. Accounting treatment of operating lease

(1) Lessor: The lease fee charged leased assets is apportioned on a straight-line basis over the entire lease term without excluding of the rent-free period, and is recognized as the lease-related income. The initial direct expenses related to the lease transaction paid by the company are included in the profit or loss as expense; if the amount is significant; the amount is capitalized, and recognized in the profit or loss in the same period as the lease-related income. When the company assumes the lease-related expenses that should be borne by the lessee, the company deducts the expenses from the total rental income, and distributes the deducted rental expenses over the lease term. Contingent rentals are recognised in profit or loss as incurred.

(2) Lessee: The lease fee paid by the company for renting assets shall be apportioned on a straight-line basis over the entire lease term without excluding of the rent-free period, and recognized in the profit or loss as expense. The initial direct expenses related to the lease transaction paid by the company are recognized in the profit or loss; when the lessor of the assets bears the expenses related to the lease that should be borne by the company, the company deducts the expenses from the total rent, and recognise the deducted rent in profit or loss over the lease term. Contingent rentals are recognised in profit or loss as incurred.

3. Accounting treatment of finance lease

Lessor: At the beginning of the lease period, the company shall use the sum of the minimum lease receivable amount and the initial direct fee as the initial measurement of the finance lease

receivable, and the unrealized financing income is recognised by the difference of the present value and nominal amount of the sum of minimum lease receivable amount, and the initial direct fee and the unguaranteed residual value. The unrealized financing income is recognised as finance income over the lease term by the effective interest rate method. The finance lease receivables after deducting the unrealized financing income is separately presented as the long-term receivable and the long-term receivable due within one year. Contingent rentals are recognised in profit or loss as incurred.

Lessee: At the beginning of the lease period, the Company will use the lower of the fair value of the leased asset and the present value of the minimum lease payment as the book value of the leased asset, and recognises the minimum lease payment amount as the book value of the long-term payable, the difference between them is recognised as unrecognized financial expenses. The initial direct cost is included in the value of the leased asset. The unrecognized financial expenses are recognised as finance expense by effective interest rate over the lease term. The balance of the minimum lease payments after deducting the unrecognized financial expenses is presented as long-term liabilities and long-term liabilities due within one year. Contingent rentals are recognised in profit or loss as incurred.

(XXVII) Description of changes in major accounting policies and accounting estimates

1. Changes in accounting policy

Content and reason of accounting policy change	Approval process
The subsequent measurement of investment property is changed from Cost method to fair value method	The change was approved by the board of directors of the company

[Note] the company adopts the future applicable method for this accounting policy change, the the financial statements of comparable periods have been restated and the items and amounts of the statement that are significantly affected are as follows:

Report items significantly affected	Amount affected by consolidated statement	Amount affected by parent company statement
Balance sheet items at December 31, 2019		
Investment properties	5,896,014.97	-
Deferred tax liabilities	677,291.48	-
Profit statement items in 2019		
Cost of sales	-5,896,014.97	-
Income tax expenses	677,291.48	-
Statement of Changes in equity items in 2019		
Retained earnings	5,218,723.49	-

2. Accounting estimate change description

None.

IV. Taxation

1. Main tax categories and tax rates

Tax categories	Taxation basis	Tax rates
Value added tax (VAT)	Added value arises from selling goods or providing taxable services	3%、5%、6%、9%、13%,etc
Land value increment tax	It shall be levied on the basis of the value-added value of the real estate transferred and the prescribed tax rate and paid in advance according to the type of real estate product	Four progressive rates of excess rate : 30,40,50, 60
Property tax	In case of ad valorem, the residual value after deducting 30% of the original value of the property at one time 1.2% If it is levied from rent, it shall be calculated and paid at 12% of the rental income.	1.2%, 12%
City maintenance and construction tax	Turnover tax amount	7%, 5%,etc
Education surcharges	Turnover tax amount	3%
Local education surcharges	Turnover tax amount	2%
Corporate income tax	Taxable income	25%

2. Tax concessions and approval

Deemed to be high and new tech enterprises, the following subsidiaries of the Company applied the enterprise income tax rate of 15.00% in 2020

No.	Name of tax payer	Certificate number	Time for acquiring the certificate	Valid period
1	Zhejiang Great Southeast Co.,Ltd	GR202033002270	1 December, 2020	Three years
2	Hangzhou Great Southeast Science & Technology Packaging Co., Ltd.	GR201933004269	4 December, 2019	Three years

V. Notes to the consolidated financial statements

The unit of amount in this section is RMB, and the opening balance refers to 1 January 2020, and closing balance refers to 31 December 2020, unless otherwise stated.

(I) Cash at bank and on hand

1. Details

Items	Closing balance	Opening balance
Cash on hand	117,208.61	553,384.33

Items	Closing balance	Opening balance
Cash at bank	11,386,435,377.08	11,800,550,887.73
Other monetary funds	16,820,035.86	269,669,506.83
Total	11,403,372,621.55	12,070,773,778.89
Including: Total amount deposited abroad	164,947,413.40	720,712,097.00

2. At the end of the period, there are frozen bank deposits of RMB 50,000.00, pledged time certificates of deposit of RMB 280,000,000.00, acceptance deposit of RMB 4,011,000.00, letter of credit deposit of RMB 8,235,000.02 and travel deposit of RMB 207,876.05.

3. For the details of foreign currency please refer to Note V (LI) "Foreign Currency".

(II) Financial assets at fair value through profit or loss

1. Details

Items	Closing balance	Opening balance
Financial assets held for trading	32,043,239.84	32,578,156.90
Including: Equity instrument investment	32,043,239.84	32,578,156.90
Financial assets designated to be measured at fair value through profit or loss		87,000,000.00
Including: Equity instrument investment		87,000,000.00
Total	32,043,239.84	119,578,156.90

2. There is no obvious limit to the realization of financial assets at fair value through profit or loss at the end of the year.

(III) Notes receivable

1. Details

Category	Closing balance	Opening balance
Bank acceptance	60,961,220.35	36,119,826.51
Trade acceptance	5,709,230.09	8,886,614.19
Book balance subtotal	66,670,450.44	45,006,440.70
Less: Provision for bad debts	285,461.50	811,659.32
Total book value	66,384,988.94	44,194,781.38

2. Notes receivable endorsed or discounted by the company at the end of the period and not yet due at the balance sheet date

Items	Amount of derecognition at the end of the period	Unrecognized amount at the end of the period
Bank acceptance	81,493,253.83	-
Trade acceptance	-	50,000.00
Subtotal	81,493,253.83	50,000.00

The acceptor of the bank acceptance is a commercial bank. The possibility of not being paid at the expiry of the bank acceptance bill is low because that the commercial bank has a higher credit. The company terminates the confirmation of the endorsed or discounted bank acceptance bill.

(IV) Accounts receivable

(1) Details

Category	Closing balance				
	Book value		Provision for bad and doubtful debts		Net book value
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-
Tested for impairment on group basis	3,360,179,001.11	99.77	44,489,155.08	1.32	3,315,689,846.03
Insignificant but tested for impairment individually	7,751,405.70	0.23	7,751,405.70	100.00	-
Total	3,367,930,406.81	100.00	52,240,560.78	1.55	3,315,689,846.03

Continued:

Category	Opening balance				
	Book blue		Provision for bad and doubtful debts		Net book value
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-
Tested for impairment on group basis	2,541,133,612.95	99.78	33,553,733.05	1.32	2,507,579,879.90
Insignificant but tested for impairment individually	5,661,565.55	0.22	5,661,565.55	100.00	-
Total	2,546,795,178.50	100.00	39,215,298.60	1.54	2,507,579,879.90

2. Details for bad debt provision

(1) Account receivable tested for impairment on group basis

1) Aging group

Aging	Book value	Bad debt provision	Percent (%)
Within 1 year	594,395,267.44	29,719,763.37	5.00
1—2 years	10,450,955.95	2,229,649.57	21.33
2—3 years	4,905,520.70	2,170,029.64	44.24
3—4 years	6,439,649.18	5,112,132.43	79.39
4—5 years	5,770,321.73	2,885,160.87	50.00
More than 5 years	2,372,419.20	2,372,419.20	100.00
Total	624,334,134.20	44,489,155.08	7.13

2) Other combinations

combinations	Book value	Bad debt provision	Percent (%)
Funds from related parties, government departments or administrations	2,735,844,866.91	-	-

(2) Insignificant but tested for impairment individually

Name of the companies	Book value	Bad debt provision	Percent (%)	Reason
Transportation Management Division	5,000,000.00	5,000,000.00	100.00	Estimated to be uncollectible
Henan Yudian Zhongyuan Power Capacitor Co. Ltd	849,223.79	849,223.79	100.00	Estimated to be uncollectible
Nantong Xinxiang Electronic Components Co., Ltd	769,799.56	769,799.56	100.00	Estimated to be uncollectible
Wenzhou Shibo Plastic Membrane Technology Co. Ltd	661,565.55	661,565.55	100.00	Estimated to be uncollectible
Xi 'an JuRong Capacitor Co. Ltd	470,816.80	470,816.80	100.00	Estimated to be uncollectible
Total	7,751,405.70	7,751,405.70	-	

(V) Prepayments

1. Aging analysis

Aging	Closing balance		Opening balance	
	Amount	Percent (%)	Amount	Percent (%)
Within 1 year	515,933,687.12	72.06	172,699,466.84	42.30
1-2 years	36,210,404.61	5.06	198,161,174.09	48.53
2-3 years	151,456,418.73	21.15	25,141,963.85	6.16

Aging	Closing balance		Opening balance	
	Amount	Percent (%)	Amount	Percent (%)
Over 3 years	12,349,244.39	1.72	12,289,483.95	3.01
Total	715,949,754.85	100.00	408,292,088.73	100.00

2. Top 5 prepayments in amount

Name of the company	Closing balance	Aging	Percentage of prepayments (%)	Reason for being unsettled
Zhuji Agricultural and Sideline Products Wholesale Market	155,000,000.00	Within 1 year	21.65	Prepay demolition compensation
Zhejiang Furun Printing & Dyeing Co., Ltd	150,000,000.00	2-3 years	20.95	Prepay demolition compensation
People's Government of Yaojiang Town, Zhuji	99,363,167.00	1-2 years	13.88	Project payment in advance, project unsettled
People's Government of Shanxia Lake Town, Zhuji	60,000,000.00	Within 1 year	8.38	Project payment in advance, project unsettled
Zhuji People's Court	28,700,000.00	Within 1 year	4.01	Land payment in advance
Total	493,063,167.00		68.87	

3. Prepayments with large amount and aged over 1 year

Name of the company	Closing balance	Reason for being unsettled
Zhejiang Furun Printing & Dyeing Co., Ltd	150,000,000.00	Project payment in advance, project unsettled

4. At the end of the year, no significant impairment of prepayments was found; therefore no provision for impairment was recognized.

(VI) Other receivables

1. Details

Items	Closing balance			Opening balance		
	Book balance	Provision for bad and doubtful debts	The book value	Book balance	Provision for bad and doubtful debts	The book value
Interest receivable	182,135,369.68	-	182,135,369.68	160,026,335.84	-	160,026,335.84
Dividends receivable	-	-	-	-	-	-
Other	14,769,850,338.12	223,298,255.11	14,546,552,083.01	14,183,953,845.92	160,956,540.16	14,022,997,305.76

Items	Closing balance			Opening balance		
	Book balance	Provision for bad and doubtful debts	The book value	Book balance	Provision for bad and doubtful debts	The book value
receivables						
Total	14,951,985,707.80	223,298,255.11	14,728,687,452.69	14,343,980,181.76	160,956,540.16	14,183,023,641.60

2. Interest receivable

Project	Closing balance	Opening balance
Inter-enterprise loan	182,135,369.68	160,026,335.84

3. Other receivables

(1) Details

Category	Closing balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-
Tested for impairment on group basis	14,734,890,253.85	99.76	188,338,170.84	1.28	14,546,552,083.01
Insignificant but tested for impairment individually	34,960,084.27	0.24	34,960,084.27	100.00	-
Total	14,769,850,338.12	100.00	223,298,255.11	1.51	14,546,552,083.01

Continued:

Category	Opening balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-
Tested for impairment on group basis	14,182,395,045.92	99.99	159,397,740.16	1.12	14,022,997,305.76
Insignificant but tested for impairment individually	1,558,800.00	0.01	1,558,800.00	100.00	-
Total	14,183,953,845.92	100.00	160,956,540.16	1.13	14,022,997,305.76

(2) Details of bad debt provision

Other receivable tested for impairment on group basis

1) Aging basis

Aging	Book balance	Provision for bad debts	Percent (%)
Within 1 year	297,531,765.52	14,876,588.28	5.00
1-2 years	71,391,369.30	7,153,436.93	10.02
2-3 years	216,625,926.68	44,345,185.34	20.47
3-4 years	118,085,787.30	62,942,893.65	53.30
4-5 years	20,893,184.46	10,446,592.23	50.00
Over 5 years	48,573,474.42	48,573,474.42	100.00
Total	773,101,507.68	188,338,170.85	12.20

2) Other combinations

Combinations	Book balance	Bad debt provision	Withdrawing proportion (%)
Funds from related parties, government departments or administrations	13,961,788,746.17	-	-

3) Insignificant but tested for impairment individually

Name of the company	Book balance	Bad debt provision	Withdrawing proportion (%)	Reason
Zhejiang Xingrong Door Industry Co. Ltd	30,062,284.27	30,062,284.27	100.00	Estimated to be uncollectible
Nanjing Yuening Real Estate Development Co., Ltd. Zhuji Branch	3,339,000.00	3,339,000.00	100.00	Estimated to be uncollectible
Huzhou Traffic Engineering Corporation	1,558,800.00	1,558,800.00	100.00	Estimated to be uncollectible
Total	34,960,084.27	34,960,084.27	100.00	

(3) Description of the nature or content of other receivables with a larger amount

Name of the company	Closing balance	Nature or content of payment
Zhuji Chengdong New City Construction Management Committee	2,829,779,806.46	Temporary loan
Zhuji Municipal Bureau of Finance	2,358,937,818.89	Temporary loan
Zhuji Diankou Comprehensive Control Of Environmental Co., Ltd	1,137,000,000.00	Temporary loan
Zhuji Economic Development Zone Management Committee	899,051,154.16	Temporary loan
Zhuji City Huandong Street Collective Assets Management Company	694,921,246.68	Temporary loan
Zhuji New Rural Reconstruction Office	600,148,275.78	Temporary loan
Zhuji Datang Street Collective Assets Management Company	583,780,288.07	Temporary loan
Zhuji Jinan Street Wangjiajing new collective assets management company	560,000,000.00	Temporary loan

Name of the company	Closing balance	Nature or content of payment
Zhuji Chengdong New City Construction Management Committee	2,829,779,806.46	Temporary loan
Total	9,663,618,590.04	

(VII) Inventories

1. Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Materials in transit	11,784,161.03	-	11,784,161.03	12,257,183.40	-	12,257,183.40
Raw materials	140,520,999.27	2,283,628.37	138,237,370.90	106,149,628.86	3,743,803.08	102,405,825.78
Products in process	33,280,967.84	1,019,256.65	32,261,711.19	46,007,997.54	1,234,254.45	44,773,743.09
Commodity stocks	277,533,637.50	4,549,144.57	272,984,492.93	322,939,539.30	5,938,054.38	317,001,484.92
Products in transit	10,412,370.77	-	10,412,370.77	781,008.49	-	781,008.49
Consigned processing materials	340,441.78	-	340,441.78	348,292.78	-	348,292.78
Low value consumables and turnover materials	410,459.42	-	410,459.42	432,231.68	-	432,231.68
Land assets	7,139,845,364.31	-	7,139,845,364.31	8,905,429,748.45	-	8,905,429,748.45
Housing placement project	7,891,979,952.66	-	7,891,979,952.66	7,824,742,295.06	-	7,824,742,295.06
Engineering construction	169,305,927.18	-	169,305,927.18	165,783,477.71	-	165,783,477.71
Development costs	83,171,211,755.40	-	83,171,211,755.40	69,297,638,009.87	-	69,297,638,009.87
Total	98,846,626,037.16	7,852,029.59	98,838,774,007.57	86,682,509,413.14	10,916,111.91	86,671,593,301.23

(VIII) Other current assets

1. Details

Items	Closing balance	Opening balance
Deductible input VAT	67,246,996.05	63,123,726.82
Input tax to be certified	48,065,881.73	6,527,085.42
Prepaid tax	9,582,257.09	14,848,398.63
Financial products	218,000,000.00	20,000,000.00
Transfer of creditor's rights	-	5,493,376.00
Special plan reserve for asset support of Huanjiang water supply charging right	82,143,120.47	75,095,051.90
Total	425,038,255.34	185,087,638.77

2. At the end of the year, there was no evidence of significant impairment in other current assets, so no provision for impairment was recognized.

(IX) Available-for-sale financial assets

1. Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Available-for-sale equity instruments	5,067,274,362.74	31,000,000.00	5,036,274,362.74	4,234,719,617.63	31,200,000.00	4,203,519,617.63
Measured at cost	5,067,274,362.74	31,000,000.00	5,036,274,362.74	4,234,719,617.63	31,200,000.00	4,203,519,617.63

2. At the end of the year, there is no reclassification from financial asset held to maturity to financial asset held for sale.

3. Available-for-sale financial assets measured at cost

Investee	Book value			
	Opening balance	Increase in current year	Decrease in current year	Closing balance
Zhuji Yuedu Real Estate Co., Ltd	30,000,000.00	-	-	30,000,000.00
Zhuji Sanyue Pearl Industry Investment Partnership (Limited Partnership)	45,000,000.00	105,000,000.00	-	150,000,000.00
Zhejiang Zhuji Rural Commercial Bank Co. LTD	500,000.00	-	-	500,000.00
Zhuji Jianshun Construction Project Investment Partnership (Limited Partnership)	596,450,000.00	-	-	596,450,000.00
Zhejiang Hongyuan Automobile Group Co. Ltd	145,000,000.00	-	-	145,000,000.00

Investee	Book value			
	Opening balance	Increase in current year	Decrease in current year	Closing balance
Zhuji Gaote Jiarui Cheng Investment Partnership (Limited Partnership)	30,000,000.00	-	18,620,000.00	11,380,000.00
Zhuji Hongxin Chensheng Venture Capital Center (Limited Partnership)	20,377,408.00	-	-	20,377,408.00
Zhejiang Zhuji Wanze Equity Investment Fund Partnership (Limited Partnership)	20,100,000.00	3,750,000.00	-	23,850,000.00
Zhuji Gaote Jiaruan Investment Partnership (Limited Partnership)	77,624,953.85	-	9,362,721.09	68,262,232.76
Zhuji Rushan Hui 'an Venture Capital Partnership (Limited Partnership)	30,000,000.00	-	-	30,000,000.00
Zhuji Jiawei Venture Capital Partnership (Limited Partnership)	15,000,000.00	-	-	15,000,000.00
Zhuji Fuhua Industrial Transformation and Upgrading Fund Partnership (Limited Partnership)	37,500,000.00	-	-	37,500,000.00
Zhuji Lianlipin Biao Zhejiang Manufacturing Integrated Circuit Equity Investment Partnership (Limited Partnership)	139,500,000.00	-	-	139,500,000.00
Zhuji Zhejiang Yinhongshen Equity Investment Partnership (Limited Partnership)	47,750,000.00	-	-	47,750,000.00
Zhejiang Lanmei Technology Co., Ltd	30,000,000.00	-	-	30,000,000.00
Zhejiang Zhuji is The First Tao Road Partners(L.P.)	112,500,000.00	-	-	112,500,000.00
Zhejiang Zhuji Lianchuang Yongjun Equity Investment Partnership (Limited Partnership)	58,447,059.00	16,552,941.00	-	75,000,000.00
Shaoxing New Century Rural Digital Film Co. Ltd	50,000.00	-	-	50,000.00
BoCom Guoxin Rongcheng No. 212 Pooled Fund Trust Plan	3,000,000.00	-	-	3,000,000.00
Western Trust - Orchid Pavilion No.1 Pooled Fund Trust Scheme	-	2,000,000.00	-	2,000,000.00
China Shipping Trust - Trust Plan	-	4,000,000.00	-	4,000,000.00
Zhejiang zhuji thermoelectric development co. LTD	37,289,592.02	-	-	37,289,592.02
Zhuji Meichi Middle School	1,000,000.00	-	-	1,000,000.00
Zhejiang Rushan Huixin Venture Capital Partnership (Limited Partnership)	20,000,000.00	-	-	20,000,000.00
Kelun Intelligent Control Co., Ltd	4,500,000.00	-	-	4,500,000.00

Investee	Book value			
	Opening balance	Increase in current year	Decrease in current year	Closing balance
Zhuji Lande Renewable Resources Co. Ltd	10,000,000.00	-	-	10,000,000.00
Zhuji Sanfeng Environmental Protection Energy Co. Ltd	10,000,000.00	-	-	10,000,000.00
Zhuji Capital Huan Equity Investment Partnership (Limited Partnership)	3,000,000.00	-	-	3,000,000.00
Zhuji Dongzhen Linhang Equity Investment Partnership (Limited Partnership)	-	72,000,000.00	-	72,000,000.00
Zhuji Kalamera Technology Co., Ltd	30,000,000.00	-	-	30,000,000.00
Zhuji Gefi Chuangji Equity Investment Partnership (Limited Partnership)	41,250,000.00	74,250,000.00	-	115,500,000.00
Zhejiang Jinlian Industry and Finance Service Co. Ltd	500,000.00	-	-	500,000.00
Zhuji Sangfang Investment Partnership (Limited Partnership)	-	58,935,000.00	-	58,935,000.00
Zhuji Three Gorges Water Environment Comprehensive Management Co. Ltd	-	50,000,000.00	-	50,000,000.00
Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership)	844,000,000.00	-	-	844,000,000.00
Zhejiang Weiyin Medical Diagnostic Technology Co., Ltd	1,000,000.00	-	-	1,000,000.00
Guangdong Yejia Optoelectronic Technology Co., Ltd	50,050,000.00	-	-	50,050,000.00
Zhejiang Kangjie Silk New Material Technology Co. Ltd	30,000,000.00	-	-	30,000,000.00
Zhuji Dingqing Venture Capital Partnership (Limited Partnership)	50,000,000.00	50,000,000.00	-	100,000,000.00
Zhejiang Ningyue Technology Co., Ltd	5,000,000.00	-	-	5,000,000.00
Beijing Wudaokou Education Technology Co., Ltd	10,000,000.00	-	-	10,000,000.00
Zhuji Runding Enterprise Management Partnership (Limited Partnership)	-	15,000,000.00	-	15,000,000.00
Zhuji Haoyue Equity Investment Partnership (limited partnership)	-	72,000,000.00	-	72,000,000.00
Zhejiang Zhongshun Semiconductor Co., Ltd	-	30,000,000.00	-	30,000,000.00
Hangzhou Lanpu Optoelectronic Technology Co., Ltd	20,000,000.00	-	-	20,000,000.00
Zhuji Yunzhi Core Technology Co., Ltd	3,000,000.00	-	-	3,000,000.00
Zhejiang Liufang Carbon Technology Co. Ltd	2,000,000.00	-	-	2,000,000.00

Investee	Book value			
	Opening balance	Increase in current year	Decrease in current year	Closing balance
Hangzhou Fenghui Liuhe Bridge Venture Technology Co. Ltd	8,600,000.00	-	-	8,600,000.00
Zhejiang Ruxin Intelligent Technology Co., Ltd	15,000,000.00	6,000,000.00	-	21,000,000.00
Zhejiang Zhongdi Pure Land Technology Co. Ltd	20,000,000.00	-	-	20,000,000.00
Zhejiang Zhimei Environment Technology Co., LTD	22,500,000.00	7,499,900.00	-	29,999,900.00
Beijing One Heart One Wing Technology Co., Ltd	30,000,000.00	0.00	-	30,000,000.00
Shaoxing Ewa Technology Co., Ltd	-	7,500,000.00	-	7,500,000.00
Zhejiang Bangye Technology Co., Ltd	30,000,000.00	-	-	30,000,000.00
Zhejiang Weilian Technology Co., Ltd	-	30,000,000.00	-	30,000,000.00
Chuyun Technology (Shaoxing) Co., Ltd	-	5,000,000.00	-	5,000,000.00
Zhejiang General Heite Medical Technology Co., Ltd	20,000,000.00	-	20,000,000.00	-
Zhuji Nuoxing Investment Co. Ltd	58,500,000.00	-	-	58,500,000.00
Zhuji Kexin Independent Innovation Information Industry Equity Investment Partnership (Limited Partnership)	54,000,000.00	55,000,000.00	-	109,000,000.00
Zhuji Yingshi Chuangjia Equity Investment Partnership (Limited Partnership)	500,000,000.00	-	-	500,000,000.00
Zhejiang Zhuji Meishu Information Technology Co. Ltd	40,000,000.00	-	-	40,000,000.00
Shanghai Juhong Photoelectric Technology Co., Ltd	15,000,000.00	-	-	15,000,000.00
Shanghai Dingjing Biomedical Technology Co., Ltd	12,436,363.00	25,563,625.20	-	37,999,988.20
Sangtian Intelligent Technology (Shanghai) Co., Ltd	15,000,000.00	-	-	15,000,000.00
Nanjing Bainiu Technology Co., Ltd	10,000,000.00	-	-	10,000,000.00
Beijing Xinbo Electronic Technology Co., Ltd	-	12,000,000.00	-	12,000,000.00
Beijing Xingyun Huan Ying Technology Co., Ltd	-	40,000,000.00	-	40,000,000.00
Zhejiang Warp Speed Technology Co. LTD	13,125,000.00	21,875,000.00	-	35,000,000.00
Zhuji Yingshi Established An Equity Investment Partnership (limited partnership)	300,000,000.00	-	-	300,000,000.00
Zhejiang Heqian Electronic Technology Co., Ltd	120,000,000.00	-	-	120,000,000.00
Shanghai Heqian Electronic Technology Co., Ltd	-	20,000,000.00	-	20,000,000.00

Investee	Book value			
	Opening balance	Increase in current year	Decrease in current year	Closing balance
Zhejiang Qi Ecological Science and Technology Co. LTD	-	75,000,000.00	-	75,000,000.00
Zhejiang Qi Qing Hong Water Science and Technology Group Co. LTD	-	15,000,000.00	-	15,000,000.00
Xiamen International Trust - Trust Industry Guarantee Fund	-	6,711,000.00	-	6,711,000.00
Zhuji Traffic Survey and Design Co. Ltd	-	100,000.00	-	100,000.00
Zhejiang Yuemei Financing Guarantee Co. Ltd	10,000,000.00	-	-	10,000,000.00
Zhejiang Huadu Investment Guarantee Co. Ltd	9,100,000.00	-	-	9,100,000.00
Zhejiang rural economy investment co. LTD	350,000.00	-	-	350,000.00
Zhejiang Rushan Growth Venture Capital Co. Ltd	20,000,000.00	-	-	20,000,000.00
Zhejiang Zhongxin Lihe Technology Financial Service Co., Ltd	5,000,000.00	-	-	5,000,000.00
Shaoxing City Social Security Citizen Card Service Co. Ltd	5,000,000.00	-	-	5,000,000.00
Zhejiang Huarui Huqing Yutang Health Industry Investment Fund Partnership (Limited Partnership)	30,222,215.00	-	-	30,222,215.00
Zhejiang Rushan Huixin Venture Capital Partnership (Limited Partnership)	60,000,000.00	-	-	60,000,000.00
Zhuji Gefi Chuangao Investment Partnership (Limited Partnership)	98,913,137.76	-	-	98,913,137.76
Zhuji Jewelry and Jade Quality Inspection Center Co. Ltd	383,889.00	-	-	383,889.00
Shaoxing Financing Guarantee Co. Ltd	100,000,000.00	-	-	100,000,000.00
Zhuji Yiyin Intelligent Technology Co., Ltd	200,000.00	-	200,000.00	-
Total	4,234,719,617.63	880,737,466.20	48,182,721.09	5,067,274,362.74

Continued:

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Zhuji Yuedu Real Estate Co., Ltd	30,000,000.00	-	-	30,000,000.00	10.00	-

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Zhuji Sanyue Pearl Industry Investment Partnership (Limited Partnership)	-	-	-	-	29.994	5,207,679.67
Zhejiang zhuji rural commercial bank co. LTD	-	-	-	-	0.07	92,700.00
Zhuji Jianshun Construction Project Investment Partnership (Limited Partnership)	-	-	-	-	37.3587	-
Zhejiang Hongyuan Automobile Group Co. Ltd	-	-	-	-	13.2715	-
Zhuji Gaote Jiarui Cheng Investment Partnership (Limited Partnership)	-	-	-	-	19.98	-
Zhuji Hongxin Chensheng Venture Capital Center (Limited Partnership)	-	-	-	-	15.00	-
Zhejiang Zhuji Wanze Equity Investment Fund Partnership (Limited Partnership)	-	-	-	-	15.00	-
Zhuji Gaote Jiaruan Investment Partnership (Limited Partnership)	-	-	-	-	14.90	-
Zhuji Rushan Hui 'an Venture Capital Partnership (Limited Partnership)	-	-	-	-	14.29	-
Zhuji Jiawei Venture Capital Partnership (Limited Partnership)	-	-	-	-	14.36	367,155.10
Zhuji Fuhua Industrial Transformation and Upgrading Fund Partnership (Limited Partnership)	-	-	-	-	20.00	-
Zhuji Lianlipin Biao Zhejiang Manufacturing Integrated Circuit Equity Investment Partnership (Limited Partnership)	-	-	-	-	20.00	-
Zhuji Zhejiang Yinhongshen Equity Investment Partnership (Limited Partnership)	-	-	-	-	19.10	-
Zhejiang Lanmei Technology Co., Ltd	-	-	-	-	4.53	-
Zhejiang Zhuji is The First Tao Road	-	-	-	-	11.51	-

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Partners(L.P.)						
Zhejiang Zhuji Lianchuang Yongjun Equity Investment Partnership (Limited Partnership)	-	-	-	-	25.10	-
Shaoxing New Century Rural Digital Film Co. Ltd	-	-	-	-	10.00	-
BoCom Guoxin Rongcheng No. 212 Pooled Fund Trust Plan	-	-	-	-	-	-
Western Trust - Orchid Pavilion No.1 Pooled Fund Trust Scheme	-	-	-	-	-	-
China Shipping Trust - Trust Plan	-	-	-	-	-	-
Zhejiang zhuji thermoelectric development co. LTD	-	-	-	-	17.40	-
Zhuji Meichi Middle School	1,000,000.00	-	-	1,000,000.00	100.00	-
Zhejiang Rushan Huixin Venture Capital Partnership (Limited Partnership)	-	-	-	-	5.00	-
Kerun Electric Power Co., Ltd	-	-	-	-	1.17	-
Zhuji Lande Renewable Resources Co. Ltd	-	-	-	-	10.00	-
Zhuji Sanfeng Environmental Protection Energy Co. Ltd	-	-	-	-	16.67	-
Zhuji Capital Huan Equity Investment Partnership (Limited Partnership)	-	-	-	-	10.00	-
Zhuji Dongzhen Linhang Equity Investment Partnership (Limited Partnership)	-	-	-	-	38.7096	-
Zhuji Kalamera Technology Co., Ltd	-	-	-	-	8.33	-
Zhuji Gefi Chuangji Equity Investment Partnership (Limited Partnership)	-	-	-	-	14.09	-

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Zhejiang Jinlian Industry and Finance Service Co. Ltd	-	-	-	-	5.00	-
Zhuji Sangfang Investment Partnership (Limited Partnership)	-	-	-	-	19.99	1,016,084.42
Zhuji Three Gorges Water Environment Comprehensive Management Co. Ltd	-	-	-	-	20.00	-
Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership)	-	-	-	-	21.5644	-
Zhejiang Weiyin Medical Diagnostic Technology Co., Ltd	-	-	-	-	5.00	-
Guangdong Yejia Optoelectronic Technology Co., Ltd	-	-	-	-	8.4944	-
Zhejiang Kangjie Silk New Material Technology Co. Ltd	-	-	-	-	20.2703	-
Zhuji Dingqing Venture Capital Partnership (Limited Partnership)	-	-	-	-	48.7805	-
Zhejiang Ningyue Technology Co., Ltd	-	-	-	-	20.00	-
Beijing Wudaokou Education Technology Co., Ltd	-	-	-	-	16.5415	-
Zhuji Runding Enterprise Management Partnership (Limited Partnership)	-	-	-	-	99.6678	-
Zhuji hao yue equity investment partnership (limited partnership)	-	-	-	-	99.80	-
Zhejiang Zhongshun Semiconductor Co., Ltd	-	-	-	-	30.00	-
Hangzhou Lanpu Optoelectronic Technology	-	-	-	-	7.1175	-

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Co., Ltd						
Zhuji Yunzhi Core Technology Co., Ltd	-	-	-	-	5.00	-
Zhejiang Liufang Carbon Technology Co. Ltd	-	-	-	-	20.00	-
Hangzhou Fenghui Liuhe Bridge Venture Technology Co. Ltd	-	-	-	-	10.75	-
Zhejiang Ruxin Intelligent Technology Co., Ltd	-	-	-	-	12.174	-
Zhejiang Zhongdi Pure Land Technology Co. Ltd	-	-	-	-	12.00	-
Zhejiang zhimei environment technology co., LTD	-	-	-	-	11.0103	-
Beijing One Heart One Wing Technology Co., Ltd	-	-	-	-	12.50	-
Shaoxing Ewa Technology Co., Ltd	-	-	-	-	5.00	-
Zhejiang Bangye Technology Co., Ltd	-	-	-	-	19.3548	-
Zhejiang Weilian Technology Co., Ltd	-	-	-	-	16.122	-
Chuyun Technology (Shaoxing) Co., Ltd	-	-	-	-	7.6942	-
Zhejiang General Heite Medical Technology Co., Ltd	-	-	-	-	-	-
Zhuji Nuoxing Investment Co. Ltd	-	-	-	-	84.9651	4,720,297.02
Zhuji Kexin Independent Innovation Information Industry Equity Investment Partnership (Limited Partnership)	-	-	-	-	49.8753	3,488,000.00
Zhuji Yingshi Chuangjia Equity Investment Partnership (Limited Partnership)	-	-	-	-	99.8004	-
Zhejiang Zhuji Meishu Information	-	-	-	-	6.7308	-

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Technology Co. Ltd						
Shanghai Juhong Photoelectric Technology Co., Ltd	-	-	-	-	2.9126	-
Shanghai Dingjing Biomedical Technology Co., Ltd	-	-	-	-	6.9982	-
Sangtian Intelligent Technology (Shanghai) Co., Ltd	-	-	-	-	6.9767	-
Nanjing Bainiu Technology Co., Ltd	-	-	-	-	5.00	-
Beijing Xinbo Electronic Technology Co., Ltd	-	-	-	-	0.7996	-
Beijing Xingyun Huan Ying Technology Co., Ltd	-	-	-	-	8.00	-
Zhejiang warp speed technology co. LTD	-	-	-	-	12.7273	-
Zhuji Yingshi established an equity investment partnership (limited partnership)	-	-	-	-	99.67	-
Zhejiang Heqian Electronic Technology Co., Ltd	-	-	-	-	30.00	-
Shanghai Heqian Electronic Technology Co., Ltd	-	-	-	-	2.8986	-
Zhejiang qi ecological science and technology co. LTD	-	-	-	-	6.581	-
Zhejiang qi qing hong water science and technology group co. LTD	-	-	-	-	30.00	-
Xiamen International Trust - Trust Industry Guarantee Fund	-	-	-	-	-	35,257.59
Zhuji Traffic Survey and Design Co. Ltd	-	-	-	-	10.00	-

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Zhejiang Yuemei Financing Guarantee Co. Ltd	-	-	-	-	9.09	-
Zhejiang Huadu Investment Guarantee Co. Ltd	-	-	-	-	9.09	163,113.21
Zhejiang rural economy investment co. LTD	-	-	-	-	0.58	-
Zhejiang Rushan Growth Venture Capital Co. Ltd	-	-	-	-	20.00	-
Zhejiang Zhongxin Lihe Technology Financial Service Co., Ltd	-	-	-	-	1.45	-
Shaoxing City Social Security Citizen Card Service Co. Ltd	-	-	-	-	14.29	-
Zhejiang Huarui Huqing Yutang Health Industry Investment Fund Partnership (Limited Partnership)	-	-	-	-	15.00	-
Zhejiang Rushan Huixin Venture Capital Partnership (Limited Partnership)	-	-	-	-	15.00	-
Zhuji Gefi Chuangao Investment Partnership (Limited Partnership)	-	-	-	-	9.30	-
Zhuji Jewelry and Jade Quality Inspection Center Co. Ltd	-	-	-	-	19.19	-
Shaoxing Financing Guarantee Co. Ltd	-	-	-	-	10.00	-
Zhuji Yiyin Intelligent Technology Co., Ltd	200,000.00		200,000.00	-	-	-
Total	31,200,000.00	-	200,000.00	31,000,000.00	-	15,090,287.01

4. Reasons for the provision for impairment of available-for-sale financial assets and explanations

Changes in the impairment of available-for-sale financial assets during the period:

Category	Available-for-sale equity instruments
Impairment amount withdrawn at the beginning of the period	31,200,000.00
Accrual in current period	-
Including : Transfer of other comprehensive income into	-
Decrease in current year	200,000.00
Including : Transfer of fair value increased back after the period	-
Closing balance	31,000,000.00

(X) Long-term receivables

1. Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Finance leases	1,550,249.99	-	1,550,249.99	1,550,249.99	-	1,550,249.99
Including: Unrealized financing income	250,249.99	-	250,249.99	250,249.99	-	250,249.99
Guarantee deposits of Finance leases	448,860,000.00	-	448,860,000.00	437,060,000.00	-	437,060,000.00
Issuing margin of ABS asset-backed securities of Huanjiang water	10,000,000.00	-	10,000,000.00	10,000,000.00	-	10,000,000.00
Total	460,410,249.99	-	460,410,249.99	448,610,249.99	-	448,610,249.99

2. At the end of the year, there was no evidence of significant impairment in long-term receivables, so no provision was recognized.

(XI) Long-term equity investments

1. Classification

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
In joint ventures	434,317,024.38	-	434,317,024.38	442,197,499.01	-	442,197,499.01
In associates	918,714,716.24	-	918,714,716.24	955,750,578.42	-	955,750,578.42
Total	1,353,031,740.62	-	1,353,031,740.62	1,397,948,077.43	-	1,397,948,077.43

2. Details

Investee	Initial investment	Opening balance	Movement in current year			
			Additional investment	Reduction in investment	Invest income recognised under equity method	Movement in other comprehensive income
(1) Joint ventures						
Zhejiang Suichang Jiyang Shanhai Collaborative Industrial Park Development Co., Ltd	125,000,000.00	420,634,859.57	-	-	1,234,788.37	10,083,940.85
Tao Zhu Business School	500,000.00	2,490,251.43	-	-	-126,815.84	-
Zhuji City Transportation Investment Petrochemical Management Co., Ltd	10,000,000.00	19,072,388.01	-	-	-	-
(2) Associates						
Zhuji Information Network Co., Ltd	4,750,517.31	6,621,333.24	-	-	8,145,327.54	-
Zhejiang Feida Precision Machinery Co., Ltd	7,000,000.00	5,984,515.41	-	-	974,085.98	-
Zhejiang Feida New Material Co., Ltd	7,000,000.00	7,778,383.86	-	-	-189,825.11	-
Zhejiang Jinhe Intelligent Equipment Co., Ltd	6,000,000.00	4,185,392.68	-	4,185,392.68	-	-
Zhejiang Feida Environmental Protection Technology Co., Ltd	44,343,322.08	354,698,480.62	-	-	9,234,365.78	-
Zhuji Jiazipin logo Zhejiang manufacturing equity investment partnership	250,000,000.00	250,000,000.00	-	-	-477,211.06	-
Zhejiang Dongxin Energy Conservation Technology Co., Ltd	11,400,000.00	11,470,555.49	-	-	-5,473,777.77	-
Zhejiang Jiyang Electronic Technology Co., Ltd	10,500,000.00	8,384,104.15	-	8,384,104.15	-	-
Zhuji Fuhua Industrial Transformation and Upgrading Fund Partnership (Limited Partnership)	8,000,000.00	7,607,573.89	-	-	7,314,609.50	-
Henan Yuneng Feida environmental protection co. LTD	26,000,000.00	23,805,798.79	-	-	-12,583,303.06	4,873.93
Zhuji Jida Real Estate Co. LTD	24,000,000.00	23,977,210.37	-	3,000,000.00	-1,174,107.74	-

Investee	Initial investment	Opening balance	Movement in current year			
			Additional investment	Reduction in investment	Invest income recognised under equity method	Movement in other comprehensive income
Zhuji City Zhongjiyuan Construction Development Co. Ltd	30,000,000.00	-	30,000,000.00	-	-	-
Zhuji Bishui Environmental Technology Co., Ltd	54,000,000.00	40,592,850.65	-	-	-354,222.36	-
Zhuji Chuangxiao Investment Partnership (Limited Partnership)	38,700,000.00	40,756,167.08	-	27,540,000.00	-736,835.63	-
Zhejiang Zhian Technology Co., Ltd	2,500,000.00	1,863,832.29	-	-	-21,332.78	-
Zhuji Dalian equity investment partnership (limited partnership)	90,000,000.00	90,028,214.57	-	90,028,214.57	-	-
Zhuji Gaoying equity investment partnership (limited partnership)	39,000,000.00	38,992,598.84	61,000,000.00	-	-3,759,221.37	-
Zhuji Yaohe Pharmaceutical Investment Partnership (Limited Partnership)	30,000,000.00	30,003,566.33	-	-	7,300,143.13	-
Zhuji Capital Huan Equity Investment Partnership (Limited Partnership)	9,000,000.00	9,000,000.16	-	-	-157,767.49	-
Total	827,693,839.39	1,397,948,077.43	91,000,000.00	133,137,711.40	9,148,900.09	10,088,814.78

Continued:

Investee	Movement in current year				Closing balance	Impairment at year end
	Movements of other equipment	Cash dividends or profit declared	Impairment	Others		
(1) Joint ventures						
Zhejiang Suichang Jiyang Shanghai Collaborative Industrial Park Development Co., Ltd	-	-	-	-	431,953,588.79	-
Tao Zhu Business School	-	-	-	-	2,363,435.59	-
Zhuji City Transportation Investment Petrochemical Management Co., Ltd	-	-	-	-19,072,388.01	-	-

Investee	Movement in current year				Closing balance	Impairment at year end
	Movements of other equipment	Cash dividends or profit declared	Impairment	Others		
(2) Associates						
Zhuji Information Network Co., Ltd	-	-	-	-	14,766,660.78	-
Zhejiang Feida Precision Machinery Co., Ltd	-	-	-	-	6,958,601.39	-
Zhejiang feida new material co. LTD	-	-	-	-	7,588,558.75	-
Zhejiang Jinhe Intelligent Equipment Co. Ltd	-	-	-	-	-	-
Zhejiang Feida Environmental Protection Technology Co., Ltd	-	-	-	-	363,932,846.40	-
Zhuji Jiazipin logo Zhejiang manufacturing equity investment partnership	-	-	-	-	249,522,788.94	-
Zhejiang Dongxin Energy Saving Technology Co. Ltd	-	-	-	-	5,996,777.72	-
Zhejiang Jiyang Electronic Technology Co., Ltd	-	-	-	-	-	-
Zhuji Fuhua Industrial Transformation and Upgrading Fund Partnership (Limited Partnership)	-	-	-	-	14,922,183.39	-
Henan yuneng feida environmental protection co. LTD	-	-	2,943,952.27	-	8,283,417.39	2,943,952.27
Zhuji ji da real estate co. LTD	-	-	-	-	19,803,102.63	-
Zhuji City Zhongjiyuan	-	-	-	-	30,000,000.00	-

Investee	Movement in current year				Closing balance	Impairment at year end
	Movements of other equipment	Cash dividends or profit declared	Impairment	Others		
Construction Development Co. Ltd						
Zhuji Bishui Environmental Technology Co. Ltd	-	-	-	-	40,238,628.29	-
Zhuji Chuangxiao Investment Partnership	-	-	-	-	12,479,331.45	-
Zhejiang Zhian Technology Co., Ltd	-	-	-	-	1,842,499.51	-
Zhuji Dalian Equity Investment Partnership (Limited Partnership)	-	-	-	-	-	-
Zhuji Gaoying Equity Investment Partnership (Limited Partnership)	-	-	-	-	96,233,377.47	-
Zhuji Yaohe Pharmaceutical Investment Partnership (Limited Partnership)	-	-	-	-	37,303,709.46	-
Zhuji Capital Huan Equity Investment Partnership (Limited Partnership)	-	-	-	-	8,842,232.67	-
Total	-	-	2,943,952.27	-19,072,388.01	1,353,031,740.62	2,943,952.27

3. At the end of the year, no significant impairment of long-term equity investment was found; therefore no provision for impairment was recognised.

(XII) Investment property

1. Details

Items	Opening balance	Increase in current year				Decrease in current year		Fair value change	Closing balance
		Purchasing	Inventory / fixed assets / construction in progress	Business combination	Others	Disposal	Other transfer		
Houses and buildings	3,651,348,145.77	80,156,247.40	1,462,928,000.00	1,498,641,596.60	112,440,239.00	-	-	57,425,940.23	6,862,940,169.00

2. The fair value of relevant investment real estate is based on the Asset Appraisal Report issued by Zhejiang Shaoxing Boyue Real Estate Asset Appraisal Co., Ltd. (Zhejiang Shaoxing Boyue) [2021] No. ZC008), Zhuji City Zhongtianhe Land Real Estate Appraisal Co., Ltd., issued by Zhuji City Zhongtianhe Land Real Estate Appraisal Co., Ltd., issued by Zhuji City Zhongtianhe Land Real Estate Appraisal Co., Ltd., issued by Zhuji City Zhongtianhe Land Appraisal Co., Ltd., issued by Zhuji City Zhongtianhe Land Appraisal Co., Ltd. No. 04, Zhu Zhongtian Zhengfang (Bi) 2020 No. FG105, Zhu Zhongtian Zhengfang (Bi) 2020 No. FG106, Zhu Zhongtian Zhengfang (Bi) 2020 No. FG107, Zhu Zhongtian Zhengfang (Bi) 2020 No. TG016 No., Zhu Zhongtianzheng (2020)(appraisal) No. TG015, Zhongming Pingbaozi [2021] No. 3047, 3001, 3069 appraisal report issued by Zhongming International Assets (Beijing) Co., Ltd., Zhongshui Zhiyuan Asset Appraisal Co., Ltd. issued by Zhongshui Zhiyuan Bao Zi [2021] No. 020160 evaluation report, determined that the current period of investment real estate fair value changes increased.

3. For the security items in the ending investment real estate, please refer to the instructions in Note IX.

(XIII) Fixed assets

1. Details

Items	Closing balance	Opening balance
Fixed assets	13,497,891,699.08	13,451,929,231.67

2. Fixed assets

(1) Details

Items	Opening balance	Increase in current year				Decrease in current year		Closing balance
		Purchasing	Transfer from construction in progress	Business combination	Others	Disposal	Others	
(1) Book value								
Buildings	6,456,226,363.86	622,260,089.31	72,509,940.54	51,364,893.00	193,692,484.10	3,664,325.45	806,951,520.97	6,585,437,924.39
Plant machinery and equipment	4,063,679,619.40	30,589,124.75	81,636,593.69	8,750,714.00	2,690,159.00	2,560,582.61	-	4,184,785,628.23
Transportation	321,300,990.84	69,149,048.12	-	21,928,931.75	12,505,477.70	29,304,791.38	-	395,579,657.03

Items	Opening balance	Increase in current year				Decrease in current year		Closing balance
		Purchasing	Transfer from construction in progress	Business combination	Others	Disposal	Others	
Electronic and other equipment	219,256,550.04	77,780,506.88	1,141,469.33	28,760,991.22	178,959,194.91	375,844.00	-	505,522,868.38
Special equipment	4,786,446,668.44	30,569,873.43	90,392,789.92	-	4,911,710.17	-	-	4,912,321,041.96
Reservoir assets	1,902,122,350.00	-	-	-	-	-	-	1,902,122,350.00
Total	17,749,032,542.58	830,348,642.49	245,680,793.48	110,805,529.97	392,759,025.88	35,905,543.44	806,951,520.97	18,485,769,469.99
(2) Accumulated depreciation		Accrual						
Buildings	1,075,544,882.27	235,714,954.70	-	3,604,495.69	9,359,222.05	675,138.60	35,421,407.30	1,288,127,008.81
Plant machinery and equipment	1,369,692,454.02	169,254,195.69	18,214,250.70	4,790,881.04	-	1,534,153.90	-	1,560,417,627.55
Transportation	169,590,154.42	38,110,192.00	-	8,247,380.80	186,032.45	27,681,211.26	-	188,452,548.41
Electronic and other equipment	94,893,121.51	35,619,586.85	-	6,168,408.55	12,809,821.41	358,066.67	-	149,132,871.65
Special equipment	1,110,774,515.54	146,331,023.93	-	-	-	-	-	1,257,105,539.47
Reservoir assets	224,341,428.37	38,458,530.58	-	-	-	-	-	262,799,958.95
Total	4,044,836,556.13	663,488,483.75	18,214,250.70	22,811,166.08	22,355,075.91	30,248,570.43	35,421,407.30	4,706,035,554.84
(3) Impairment loss								
Buildings	4,725.73	-	-	-	-	-	-	4,725.73
Plant machinery and equipment	249,312,531.32	23,656,361.18	5,936,089.63	-	-	16,989.52	-	278,887,992.61
Transportation	185,706.92	-	-	-	-	-	-	185,706.92
Electronic and other equipment	2,763,790.81	-	-	-	-	-	-	2,763,790.81
Special equipment	-	-	-	-	-	-	-	-
Reservoir assets	-	-	-	-	-	-	-	-
Total	252,266,754.78	23,656,361.18	5,936,089.63	-	-	16,989.52	-	281,842,216.07
(4) Net book value								
Buildings	5,380,676,755.86	-	-	-	-	-	-	5,297,306,189.85

Items	Opening balance	Increase in current year				Decrease in current year		Closing balance
		Purchasing	Transfer from construction in progress	Business combination	Others	Disposal	Others	
Plant machinery and equipment	2,444,674,634.06	-	-	-	-	-	-	2,345,480,008.07
Transportation	151,525,129.50	-	-	-	-	-	-	206,941,401.70
Electronic and other equipment	121,599,637.72	-	-	-	-	-	-	353,626,205.92
Special equipment	3,675,672,152.90	-	-	-	-	-	-	3,655,215,502.49
Reservoir assets	1,677,780,921.63	-	-	-	-	-	-	1,639,322,391.05
Total	13,451,929,231.67	-	-	-	-	-	-	13,497,891,699.08

(2) Information of temporary idle fixed assets

Items	Original book value	Accumulated depreciation	Impairment	Book value	Notes
Plant machinery and equipment	202,039,046.70	51,477,203.29	50,640,055.98	99,921,787.43	-

(3) Information of fixed assets leased in through financing leases

None.

(4) Information of fixed assets leased out through operating leases

None.

(5) For the fixed assets used for borrowing collateral at the end of the period, please refer to the instructions in Note IX.

(XIV) Construction in process

1. Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Construction in process	4,319,818,400.94	-	4,319,818,400.94	2,781,253,356.69	-	2,781,253,356.69

2. Construction in process

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Yongning reservoir project	1,652,794,820.65	-	1,652,794,820.65	1,643,465,234.25	-	1,643,465,234.25

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Puyang River Management Phase II Project	612,418,249.39	-	612,418,249.39	337,113,028.88	-	337,113,028.88
Shanxiahua Project	565,039,724.10	-	565,039,724.10	12,071,772.76	-	12,071,772.76
Fengqiao college	373,800,763.25	-	373,800,763.25	54,896,034.10	-	54,896,034.10
People's Hospital Project	114,381,639.00	-	114,381,639.00	99,887,310.00	-	99,887,310.00
Xishi Palace Expansion Phase II Project	102,945,162.28	-	102,945,162.28	143,060.00	-	143,060.00
Zhaojiabu Grain Depot Expansion (Phase II)	81,850,690.45	-	81,850,690.45	81,173,419.65	-	81,173,419.65
Zhuji City Industry and Education Integration Public Training Base Project	80,000,000.00	-	80,000,000.00	-	-	-
Water works and pipe network supporting projects	96,155,546.48	-	96,155,546.48	105,956,142.79	-	105,956,142.79
The upgrading and renovation project of Wuxai Scenic Spot	69,872,897.78	-	69,872,897.78	3,500,000.00	-	3,500,000.00
The eighth batch of central government small farmland water conservancy project in Zhuji	60,909,594.23	-	60,909,594.23	56,718,561.94	-	56,718,561.94
Jiyang Jinshi Calligraphy and Painting Museum Project	52,696,546.27	-	52,696,546.27	-	-	-
Wuxie Hurun Manor	38,149,777.59	-	38,149,777.59	12,788,111.95	-	12,788,111.95
Parking lot engineering	22,564,983.70	-	22,564,983.70	20,384,979.43	-	20,384,979.43
Zhuji Wuxijiang Cultural Square	20,711,044.64	-	20,711,044.64	-	-	-
Huandong Street External Builders Management Service Center	19,834,084.34	-	19,834,084.34	2,206,887.88	-	2,206,887.88
The first-stage construction of Zhuji smart tourism	18,418,821.06	-	18,418,821.06	-	-	-
Chengdong transfer hub and bus service platform project	17,955,474.84	-	17,955,474.84	4,801,694.70	-	4,801,694.70
Wuxai Yangtangling Tourism Complex	17,086,530.00	-	17,086,530.00	17,086,530.00	-	17,086,530.00
Justice Bureau Public Service Center Decoration Project	13,328,925.40	-	13,328,925.40	-	-	-
Trails	10,873,886.80	-	10,873,886.80	1,512,930.00	-	1,512,930.00

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Shanxiahua factory areat	8,992,947.79	-	8,992,947.79	1,419,809.84	-	1,419,809.84
Grass-roots Reform of Tax Bureau	6,189,801.33	-	6,189,801.33	2,450,604.26	-	2,450,604.26
Service center of migrant workers of Yingdianjie Town	4,629,144.91	-	4,629,144.91	2,450,604.26	-	2,450,604.26
Beautiful rural landscape belt west line	-	-	-	49,188,763.47	-	49,188,763.47
Diaphragm production line technical renovation project	-	-	-	45,990,940.15	-	45,990,940.15
Renovation of Xintingbu Wharf	-	-	-	15,900,598.33	-	15,900,598.33
Logistics grain depot expansion project	-	-	-	15,864,074.82	-	15,864,074.82
Huandong Recycled Water Plant Supporting Piping Network Project	4,198,745.55	-	4,198,745.55	13,999,341.86	-	13,999,341.86
Shaoxing Nurse School Reconstruction and Extension Project (Phase I)	-	-	-	13,000,000.00	-	13,000,000.00
Other project	254,018,599.11	-	254,018,599.11	167,282,921.37	-	167,282,921.37
Total	4,319,818,400.94	-	4,319,818,400.94	2,781,253,356.69	-	2,781,253,356.69

(2) The increase or decrease of major projects under construction

Items	Opening balance	Increase in current period	Transferred to fixed assets in the current period	Other decrease in the current period	Closing balance
Yongning reservoir project	1,643,465,234.25	9,329,586.40	-	-	1,652,794,820.65
Puyang River Management Phase II Project	337,113,028.88	275,305,220.51	-	-	612,418,249.39
Shanxiahua Project	12,071,772.76	552,967,951.34	-	-	565,039,724.10
Fengqiao college	54,896,034.10	318,904,729.15	-	-	373,800,763.25
People's Hospital Project	99,887,310.00	14,494,329.00	-	-	114,381,639.00
Xishi Palace Expansion Phase II Project	143,060.00	102,802,102.28	-	-	102,945,162.28
Zhaojiabu Grain Depot Expansion (Phase II)	81,173,419.65	677,270.80	-	-	81,850,690.45
Zhuji City Industry and Education Integration Public	-	80,000,000.00	-	-	80,000,000.00

Items	Opening balance	Increase in current period	Transferred to fixed assets in the current period	Other decrease in the current period	Closing balance
Training Base Project					
The upgrading and renovation project of Wuxai Scenic Spot	3,500,000.00	66,372,897.78	-	-	69,872,897.78
The eighth batch of central government small farmland water conservancy project in Zhuji	56,718,561.94	4,191,032.29	-	-	60,909,594.23
Jiyang Jinshi Calligraphy and Painting Museum Project	-	52,696,546.27	-	-	52,696,546.27
Wuxie Hurun Manor	12,788,111.95	25,361,665.64	-	-	38,149,777.59
Parking lot engineering	20,384,979.43	2,180,004.27	-	-	22,564,983.70
Zhuji Wuxijiang Cultural Square	-	20,711,044.64	-	-	20,711,044.64
Huandong Street External Builders Management Service Center	2,206,887.88	17,627,196.46	-	-	19,834,084.34
The first-stage construction of Zhuji smart tourism	-	18,418,821.06	-	-	18,418,821.06
Chengdong transfer hub and bus service platform project	4,801,694.70	13,153,780.14	-	-	17,955,474.84
Justice Bureau Public Service Center Decoration Project	-	13,328,925.40	-	-	13,328,925.40
Beautiful rural landscape belt west line	49,188,763.47	1,210,351.09	-	50,399,114.56	-
Diaphragm production line technical renovation project	45,990,940.15	1,093,578.03	47,084,518.18	-	-
Renovation of Xintingbu Wharf	15,900,598.33	876,351.38	16,776,949.71	-	-
Logistics grain depot expansion project	15,864,074.82	2,560,995.00	18,425,069.82	-	-
Huandong Recycled Water Plant Supporting Piping Network Project	13,999,341.86	95,504,524.71	105,305,121.02	-	4,198,745.55
Shaoxing Nurse School Reconstruction and Extension Project (Phase I)	13,000,000.00	7,000,000.00	20,000,000.00	-	-
Total	2,483,093,814.17	1,696,768,903.64	207,591,658.73	50,399,114.56	3,921,871,944.52

(3) At the end of the year, no significant impairment of construction in process was found; therefore no provision for impairment was recognized.

(XV) Intangible assets

1. Details

Items	Opening balance	Increase in current year				Decrease in current year		Closing balance
		Purchasing	Internal R&D	Business combination	Others	Disposal	Others[Note]	
(1) Book balance								
Land use rights	1,750,230,578.28	525,260,091.43	-	9,377,550.00	5,439,720.00	19,678.15	59,283,345.00	2,231,004,916.56
Software use rights	1,291,830.05	1,793,390.33	-	-	-	-	-	3,085,220.38
Forest ownership	100,164,680.00	-	-	-	-	-	-	100,164,680.00
Mining right	-	474,331,808.00	-	-	-	-	-	474,331,808.00
Total	1,851,687,088.33	1,001,385,289.76	-	9,377,550.00	5,439,720.00	19,678.15	59,283,345.00	2,808,586,624.94
(2) Accumulated depreciation		Recognise	Others			Disposal	Others	
Land use rights	226,578,113.09	51,567,732.24	-	957,291.56	303,457.96	1,544.37	8,637,414.84	270,767,635.64
Software use rights	851,475.21	164,540.73	-	-	-	-	-	1,016,015.94
Forest ownership	-	-	-	-	-	-	-	-
Mining right	-	-	-	-	-	-	-	-
Total	227,429,588.30	51,732,272.97	-	957,291.56	303,457.96	1,544.37	8,637,414.84	271,783,651.58
(3) Book value								
Land use rights	1,523,652,465.19	-	-	-	-	-	-	1,960,237,280.92
Software use rights	440,354.84	-	-	-	-	-	-	2,069,204.44
Forest ownership	100,164,680.00	-	-	-	-	-	-	100,164,680.00
Mining right	-	-	-	-	-	-	-	474,331,808.00
Total	1,624,257,500.03	-	-	-	-	-	-	2,536,802,973.36

(XVI) Goodwill

1. Original book value of goodwill

Name of invested entity or matter generating business reputation	Opening balance	Increase in current year		Decrease in current year		Closing balance
		Business combination	Others	Disposal	Others	
Zhejiang Great Southeast Co.,Ltd	593,507,468.55	-	-	-	-	593,507,468.55

Name of invested entity or matter generating business reputation	Opening balance	Increase in current year		Decrease in current year		Closing balance
		Business combination	Others	Disposal	Others	
Jiangsu Feida Baokai Electric co., LTD	54,397,501.40	-	-	-	-	54,397,501.40
Total	647,904,969.95	-	-	-	-	647,904,969.95

(XVII) Long-term prepaid expenses

Items	Opening balance	Increase in current year	Amortised in current year	Other reduction	Closing balance
Bond issue fee amortization	55,182,774.88	40,939,979.24	29,910,046.05	-	66,212,708.07
Decoration expense	4,382,536.35	4,152,816.74	2,664,155.70	-	5,871,197.39
Investment center construction cost	3,866,801.30	-	773,360.26	-	3,093,441.04
2014 Island shore greening project	2,414,649.28	-	268,294.32	-	2,146,354.96
Funding for the eighth phase of ecological restoration project	6,835,993.96	52,548.00	706,759.68	-	6,181,782.28
Repair and maintenance of vessels and docks	5,849,087.43	757,000.00	817,071.63	-	5,789,015.80
Other projects	962,625.89	2,073,769.99	309,873.02	-	2,726,522.86
Highway billboard removal costs	1,340,146.23	-	1,340,146.23	-	-
Demolition of spending	-	4,245,283.02	151,961.83	-	4,093,321.19
Intellectual property	276,439.62	-	42,188.16	-	234,251.46
Huang Shan rental fee	1,088,855.00	-	219,204.00	-	869,651.00
Zhejiang brand street lamp monitoring marking installation project	-	327,787.69	291,919.08	-	35,868.61
Zhejiang brand hosiery market monitoring project	-	1,100,000.00	600,000.00	-	500,000.00
Finance Leasing Service Fees	-	8,691,666.65	4,899,999.96	-	3,791,666.69
Zhuji Law Enforcement Case Management Center project renovation	-	12,099,671.17	1,344,407.91	-	10,755,263.26
Zhuji Yingdianjie town 12 Du village share economic cooperative rent	-	1,105,785.00	100,525.91	-	1,005,259.09
Total	82,199,909.94	75,546,307.50	44,439,913.74	-	113,306,303.70

(XVIII) Deferred tax assets/ Deferred tax Liabilities

1. Non offset deferred income tax assets

Item of deferred tax assets	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Assets depreciation reserves	68,627,054.48	17,156,763.62	33,387,640.04	8,346,910.01
Accrued expenses	173,013.76	43,253.44	918,436.92	229,609.23
Deductible loss	23,908,917.56	5,977,229.39	29,853,603.60	7,463,400.90
Total	92,708,985.80	23,177,246.45	64,159,680.56	16,039,920.14

2. Non offset deferred income tax Liabilities.

Item of deferred tax Liabilities	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax Liabilities	Taxable temporary differences	Deferred tax Liabilities
Changes in fair value in current profits and losses (increase)	57,425,940.23	14,356,485.06	43,655,300.00	10,913,825.00
Changes in fair value of investment property	3,756,882,359.04	939,220,589.76	1,966,039,135.56	491,509,783.89
Total	3,814,308,299.27	953,577,074.82	2,009,694,435.56	502,423,608.89

(XIX) Other non-current assets

Items	Closing balance	Opening balance
Advance payment for equipment	6,422,815.20	12,151,594.80
Advance payment for non-current assets	580,674,162.41	-
Advance payment for equity transfer	128,053,855.50	5,000,000.00
Zhuji Section of Hangzhou-Changzhou Railway Passenger Dedicated Line	565,580,000.00	565,580,000.00
Total	1,280,730,833.11	582,731,594.80

(XX) Short-term borrowings

1. Details

Category	Closing balance	Opening balance
Credit loans	1,763,605,771.39	1,015,593,203.87
Mortgage loans	120,100,000.00	83,000,000.00
Pledge loans	28,500,000.00	-
Guaranteed loans	5,418,775,000.00	2,001,170,500.00
Mortgage, pledge and guaranteed loan	-	26,243,766.78
Pledge and Guaranteed loans	31,665,457.85	40,000,000.00
Total	7,362,646,229.24	3,166,007,470.65

2. Short-term borrowings during the extension period

Lender	Category	Amount of borrowing	Maturity date of extension
Agricultural Development Bank of China	Credit loans	7,380,000.00	2021/12/17
Agricultural Development Bank of China	Credit loans	23,400,000.00	2021/12/24
Agricultural Development Bank of China	Credit loans	20,380,200.00	2021/9/25
Agricultural Development Bank of China	Credit loans	13,697,600.00	2021/7/23
Agricultural Development Bank of China	Credit loans	16,919,000.00	2020/10/22
Agricultural Development Bank of China	Credit loans	6,000,000.00	2021/9/25
Agricultural Development Bank of China	Credit loans	6,000,000.00	2021/8/26
Agricultural Development Bank of China	Credit loans	3,408,000.00	2021/7/23
Agricultural Development Bank of China	Credit loans	750,000.00	2021/9/25
Total		97,934,800.00	

(XXI) Notes payable

1. Details

Items	Closing balance	Opening balance
Banker's acceptance bill	20,055,000.00	20,250,000.00
Trade acceptance draft	50,000.00	73,960,689.46
Total	20,105,000.00	94,210,689.46

(XXII)Accounts payable**(1) Details**

Aging	Closing balance	Opening balance
Within 1 year	763,147,193.93	704,846,899.71
1-2 years	261,380,324.26	47,052,043.30
2-3 years	37,185,653.97	51,578,017.62
Over 3 years	86,451,405.73	113,966,558.60
Total	1,148,164,577.89	917,443,519.23

(2) Significant account payable and aged over 1 year

Name of company	Closing balance	Reason of unpaid or transferred
Zhejiang Guangchuan Construction Co., Ltd	37,171,413.00	Payment is not settled before completion
Zhejiang Zhengbang Hydropower Construction Co., Ltd	19,841,080.00	Payment is not settled before completion
Total	57,012,493.00	

(XXIII) Advance from customers**1. Details**

Aging	Closing balance	Opening balance
Within 1 year	443,517,036.42	459,295,150.72
1-2 years	113,271,756.44	75,055,432.67
2-3 years	5,155,950.40	11,387,368.15
Over 3 years	178,965,270.52	224,636,242.51
Total	740,910,013.78	770,374,194.05

2. Significant advance from customers and aged over 1 year

Name of company	Closing balance	Reason of unpaid or not transferred
Resettlement Work Office of Yongning Reservoir Project	97,709,263.45	Project unsettle
Zhuji Diankou Rural Development Investment Co. Ltd	41,750,000.00	House unfinished
Total	139,459,263.45	

(XXIV) Employee benefits payable

1. Details

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
(1) Short-term employee benefits	54,138,818.99	804,916,699.99	777,329,156.80	81,726,362.18
(2) Post-employment benefits - setting up a defined contribution plan	1,360,800.82	11,734,211.18	12,986,504.14	108,507.86
(3) Termination benefits	-	346,973.00	346,973.00	-
Total	55,499,619.81	816,997,884.17	790,662,633.94	81,834,870.04

2. Short-term employee benefits

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
(1) Wages, bonuses, allowances and subsidies	49,550,285.50	705,758,511.14	678,289,129.84	77,019,666.80
(2) Welfare	2,205,543.92	30,961,982.74	31,682,545.96	1,484,980.70
(3) Social insurance	752,533.55	28,385,022.77	27,672,013.62	1,465,542.70
Including: Medical insurance	701,067.16	27,954,219.80	27,190,710.13	1,464,576.83
Industrial injury insurance	21,842.41	214,311.79	235,971.51	182.69
Maternity insurance	29,623.98	216,491.18	245,331.98	783.18
(4) Housing accumulation fund	9,799.30	35,191,729.70	35,187,114.20	14,414.80
(5) Labor union fund and employee education expenses	1,620,656.72	3,629,986.35	3,509,641.35	1,741,001.72
(6) Short term paid absence	-	989,467.29	988,711.83	755.46
Total	54,138,818.99	804,916,699.99	777,329,156.80	81,726,362.18

3. Post-employment benefits - setting up a defined contribution plan

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
(1) Endowment insurance	1,315,073.05	10,373,261.56	11,581,144.38	107,190.23
(2) Unemployment insurance	45,727.77	239,814.21	284,224.35	1,317.63
(3) Enterprise annuity payment	-	1,062,197.84	1,062,197.84	-
Total	1,360,800.82	11,675,273.61	12,927,566.57	108,507.86

(XXV) Taxes payable

Items	Closing balance	Opening balance
VAT	82,675,073.92	114,030,112.77
Business tax	55,513,626.03	55,163,258.05
Urban maintenance and construction tax	8,097,407.44	10,584,521.47
Corporate income tax	381,030,559.84	284,556,383.75
Property tax	22,409,471.62	6,681,075.64
Stamp duty	310,507.69	204,934.96
Land value increment tax	36,876.32	106,564.80
Land use tax	64,121,220.09	55,798,766.74
Education surcharge	3,800,044.82	4,956,434.59
Local education surcharges	2,079,408.08	2,912,971.43
Special fund for water conservancy construction	21,661.49	21,661.49
Withholding personal income tax	2,182,826.55	547,271.59
Disability insurance	4,683.07	29,217.76
Vehicle purchase tax	-	2,999.25
Other	1,218,506.27	1,268,200.07
Total	623,501,873.23	536,864,374.36

(XXVI) Other payables

1. Details

Items	Closing balance	Opening balance
Interest payable	923,987,962.38	587,204,932.96
Dividends payable	3,349,813.36	-
Other payables	5,404,878,112.01	5,312,641,144.72
Total	6,332,215,887.75	5,899,846,077.68

2. Interest payable

Items	Closing balance	Opening balance
Short-term borrowings	12,504,044.68	2,059,953.54

Items	Closing balance	Opening balance
Instalment Interest due to repaid on long-term borrowings	98,931,778.05	47,662,811.28
Corporate bonds	695,846,762.02	494,583,271.79
Long-term payable	88,830,640.36	42,460,088.43
Interest on other current liabilities	27,874,737.27	438,807.92
Total	923,987,962.38	587,204,932.96

3. Dividends payable

Items	Closing balance	Opening balance	Reasons for non-payment over 1 year
Common Share dividend	3,349,813.36	-	-

4. Other payables

(1) Details

Items	Closing balance	Opening balance
Within 1 year	1,722,027,079.93	2,266,211,881.83
1-2 years	1,602,083,268.67	865,895,766.00
2-3 years	680,120,304.05	802,380,039.16
Over 3 years	1,400,647,459.36	1,378,153,457.73
Total	5,404,878,112.01	5,312,641,144.72

(2) Significant other payable and aged over 1 year

Items	Closing balance	Reason of unsettle
Zhuji Municipal Bureau of Finance	951,867,692.92	Current account
Zhuji Jianshun Construction Project Investment Partnership (Limited Partnership)	596,450,000.00	Current account
Zhuji Charity Federation	160,000,000.00	Current account
Zhuji Municipal People's Government Jiyang Sub-district Office	130,000,000.00	Current account
Total	1,838,317,692.92	

(3) Description of the nature or content of other payables with a larger amount

Name of company	Closing balance	Nature or content
Zhuji Municipal Bureau of Finance	1,501,672,664.60	Current account
Zhuji Jianshun Construction Project Investment Partnership (Limited Partnership)	596,450,000.00	Current account

Name of company	Closing balance	Nature or content
Zhuji Charity Federation	200,250,000.00	Current account
Zhuji Municipal People's Government Jiyang Sub-district Office	145,000,000.00	Current account
Total	2,443,372,664.60	

(XXVII) Non-current liabilities due within one year

1. Details

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	9,483,777,856.84	8,237,620,000.00
Debentures payable due within 1 year	3,022,243,900.00	861,000,000.00
Long-term payable due within 1 year	4,052,305,085.92	1,825,085,032.77
Total	16,558,326,842.76	10,923,705,032.77

2. Long-term borrowings due within one year

(1) Details

Categories	Closing balance	Opening balance
Pledge loans	441,250,000.00	298,500,000.00
Mortgage loans	30,008,085.95	99,500,000.00
Guaranteed loans	5,282,090,000.00	4,544,420,000.00
Credit loans	1,430,000,000.00	1,620,000,000.00
Mortgage and Pledge loans	400,000,000.00	400,000,000.00
Mortgage and Guaranteed loans	315,000,000.00	134,000,000.00
Pledge and Guarantee loans	1,105,429,770.89	672,500,000.00
Mortgage, Pledge and Guaranteed loans	480,000,000.00	468,700,000.00
Total	9,483,777,856.84	8,237,620,000.00

(2) Top 5 in amount of long-term borrowings due within one year

Loan unit	Borrowing date	Due date	Currency	Closing balance
Ping An Bank Co., Ltd. Shaoxing Branch	2019/5/24	2021/5/24	RMB	700,000,000.00
China Minsheng Banking Corporation, Shaoxing Branch	2017/8/10	2021/8/10	RMB	400,000,000.00
Shaoxing Zhuji Branch, Bank	2018/1/2	2021/12/31	RMB	310,000,000.00

Loan unit	Borrowing date	Due date	Currency	Closing balance
of Beijing Co., Ltd				
Bank of Ningbo Co.,Ltd. Shaoxing Branch	2017/10/17	2021/10/17	RMB	300,000,000.00
Industrial and Commercial Bank of China Zhuji Branch	2018/12/12	2021/9/10	RMB	300,000,000.00
Total	-	-	-	2,010,000,000.00

3. Debentures payable due within one year

Names of bonds	Face value	Issue date	Term	Issue Amount	Opening balance	Repayments in current year	Increase in current year	Closing balance
18 Huanjiang Water Stock Bond	704,000,000.00	2018/11	6Years	704,000,000.00	101,000,000.00	101,000,000.00	473,000,000.00	473,000,000.00
13 Yuedu Bond	1,200,000,000.00	2013/12/12	7Years	1,200,000,000.00	240,000,000.00	240,000,000.00	-	-
15 Yuedu Bond	1,100,000,000.00	2015/4/7	7Years	1,100,000,000.00	220,000,000.00	220,000,000.00	220,000,000.00	220,000,000.00
16 Zhuji City East debt	1,500,000,000.00	2016/8/26	7Years	1,500,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00
US dollar-denominated bonds 1	230,000,000.00 dollars	2018/12/12	3Years	230,000,000.00 dollars	-	-	1,500,727,000.00	1,500,727,000.00
US dollar-denominated bonds 2	81,000,000.00 dollars	2018/12/24	3Years	81,000,000.00 dollars	-	-	528,516,900.00	528,516,900.00
Total					861,000,000.00	861,000,000.00	3,022,243,900.00	3,022,243,900.00

4. Long-term payable due within one year

Name of company	Closing balance
Huarong Financial Leasing Co., Ltd	300,000,000.00
AVIC International Leasing Co., Ltd	75,000,000.00
Zhejiang Chouzhou Financial Leasing Co. Ltd	66,600,386.49
Yongwin Financial Leasing Co., Ltd	15,000,000.00
Ping An International Finance Leasing Co., Ltd	80,000,000.00
Far East Hongxin Finance Leasing Co., Ltd	139,517,004.12
Zhuji Charity Federation	10,000,000.00
Jiangsu Financial Leasing Co., Ltd	30,000,000.00
Chongqing Bside Chongqing Finance Leasing Co., Ltd	30,000,000.00
Huaxia Financial Leasing Co., Ltd	60,000,000.00
Wing win financial leasing company limited	46,000,000.00

Name of company	Closing balance
Jiyin Financial Leasing Co., Ltd	50,000,000.00
Zhejiang Yuantong Pawn Co., Ltd	59,531,680.45
Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership)	161,600,000.00
Zhejiang Zheyin Financial Leasing Co., Ltd	110,000,000.00
Hubei Financial Leasing Co., Ltd	20,000,000.00
Guangzhou Yuexiu Financial Leasing Co., Ltd	97,735,430.48
Far East International Finance Leasing Co., Ltd	33,333,333.32
Qingdao qingyin financial leasing co. LTD	32,639,621.88
CGN International Finance Leasing Co. Ltd	48,480,224.00
Huarong Financial Leasing Co., Ltd	55,869,749.80
Ping An International Financial Leasing (Tianjin) Co., Ltd	59,269,855.91
Zhejiang Airport Finance Leasing Co. Ltd	66,574,377.00
Bank of Communications International Trust Co., Ltd	300,000,000.00
Yongwin Finance Leasing Co., Ltd	54,000,000.00
China National Foreign Trade Financial & Leasing Co., Ltd	164,588,373.98
Jiangsu Financial Leasing Co. Ltd	36,301,026.00
Jiyin Financial Leasing Co., Ltd	68,181,818.20
Western Trust Co. Ltd	100,000,000.00
Huarong Financial Leasing Co., Ltd	24,353,534.21
Ligen Finance Leasing (Shanghai) Co., Ltd	14,000,000.00
Guangzhou Yuexiu Financial Leasing Co., Ltd	50,000,000.00
Foshan Haisheng Financial Leasing Co., Ltd	39,204,150.00
Zhejiang Zheyin Financial Leasing Co., Ltd	38,560,066.59
Huabao Duding (Shanghai) Finance Leasing Co., Ltd	48,471,608.06
Yongwin Financial Leasing Co., Ltd	25,000,000.00
Jiushi Finance Leasing (Shanghai) Co., Ltd	40,500,000.00
Cornerstone International Finance Leasing Co., Ltd	20,000,000.00
Ping An International Financial Leasing (Tianjin) Co., Ltd	39,711,859.63

Name of company	Closing balance
Beijing hengtai puhui information service co. LTD	109,870,000.00
China Fortune International Trust Co. Ltd	198,500,000.00
Xiamen International Trust Co., Ltd	50,000,000.00
Chengtong Finance Leasing Co., Ltd	30,000,000.00
Chengtong Finance Leasing Co., Ltd	20,000,000.00
Zhejiang Huijin Finance Leasing Co. Ltd	20,000,000.00
AVIC International Leasing Co., Ltd	51,297,061.32
Huishang Bank Financial Leasing Co., Ltd	30,000,000.00
Huishang Bank Financial Leasing Co., Ltd	20,000,000.00
Zhejiang Chouzhou Financial Leasing Co. Ltd	40,000,000.00
Xiamen Jinyuan Finance Leasing Co. Ltd	83,271,430.46
Gansu Lanyin Financial Leasing Co. Ltd	33,333,333.34
Chongqing Nongshang Financial Leasing Co. Ltd	80,000,000.00
Yongwin Financial Leasing Co., Ltd	20,000,000.00
AVIC Neuch Financial Leasing (Shanghai) Co., Ltd	75,000,000.00
Shandong Tongda Financial Leasing Co. Ltd	33,333,333.32
Shandong Tongda Financial Leasing Co. Ltd	33,333,333.32
Far East International Finance Leasing Co., Ltd	14,000,000.00
Huaxia Financial Leasing Co., Ltd	82,671,168.76
China National Foreign Trade Financial & Leasing Co., Ltd	117,671,325.28
China Resources Shun International Trust Co. Ltd	200,000,000.00
Total	4,052,305,085.92

(XXVIII) Other current liabilities

Items	Closing balance	Opening balance
Short term bonds payable	113,170,000.00	236,410,000.00
Far East International Finance Leasing Co., Ltd	208,000,000.00	-
Total	321,170,000.00	236,410,000.00

(XXIX) Long-term borrowings

Categories	Closing balance	Opening balance
Credit loans	1,550,000,000.00	2,510,000,000.00
Mortgage loans	472,942,107.32	-
Pledge loans	3,882,550,000.00	5,342,250,000.00
Guaranteed loans	9,713,210,000.00	10,222,720,000.00
Mortgage and pledge loans	1,700,000,000.00	2,100,000,000.00
Mortgage and guaranteed loans	1,096,000,000.00	531,000,000.00
Pledge and guaranteed loans	6,755,000,000.00	6,880,429,770.89
Mortgage, pledge and guaranteed loans	842,600,000.00	1,322,600,000.00
Total	26,012,302,107.32	28,908,999,770.89

(XXX) Bonds payable

1. Details

Items	Closing balance	Opening balance
Face value of bond	26,103,206,100.00	18,401,100,000.00

2. Movement in debentures payable

Name	Face value	Issue date	Term	Issue amount	Opening balance	Current issue	Accrued interest at face value	Amortization of surplus and discount	Current repayment	Current repayment	Closing balance
16 Zhuji State-Owned 01 Bond	2,000,000,000.00	2016/9/30	5 Years	2,000,000,000.00	2,000,000,000.00	-	-	-	-	-	2,000,000,000.00
17 Zhuji State-Owned Bond 01	1,000,000,000.00	2017/6/30	7 Years	1,000,000,000.00	1,000,000,000.00	-	-	-	200,000,000.00	-	800,000,000.00
17 Zhuji State-Owned Bond 02	1,300,000,000.00	2017/7/31	7 Years	1,300,000,000.00	1,300,000,000.00	-	-	-	260,000,000.00	-	1,040,000,000.00
18 Huanjiang Water Stock Bond	704,000,000.00	2018/11	6 Years	704,000,000.00	473,000,000.00	-	-	-	-	473,000,000.00	-
16 Zhuji City East debt	1,500,000,000.00	2016/8/26	7 Years	1,500,000,000.00	900,000,000.00	-	-	-	-	300,000,000.00	600,000,000.00
18 Zhuji State-Owned MTN001	1,500,000,000.00	2018/3/22	5 Years	1,500,000,000.00	1,500,000,000.00	-	-	-	-	-	1,500,000,000.00
US dollar-denominated bonds 1	230,000,000.00 dollars	2018/12/12	3 Years	230,000,000.00 dollars	1,578,536,000.00	-	-	-	-	1,578,536,000.00	-
US	81,000,000.00	2018/12/24	3 Years	81,000,000.00	555,919,200.00	-	-	-	-	555,919,200.00	-

Name	Face value	Issue date	Term	Issue amount	Opening balance	Current issue	Accrued interest at face value	Amortization of surplus and discount	Current repayment	Current repayment	Closing balance
dollar-denominated bonds 2	dollars			dollars							
19 Zhuji State-Owned PPN001	3,500,000,000.00	2019/1/25	3 Years	3,500,000,000.00	3,500,000,000.00						3,500,000,000.00
19 Zhuzi 01 Bond	1,800,000,000.00	2019/10/29	5 Years	1,800,000,000.00	1,800,000,000.00						1,800,000,000.00
Overseas USD Bond 626	189,000,000.00 dollars	2019/6/26	3 Years	189,000,000.00 dollars	1,353,644,800.00				120,438,700.00		1,233,206,100.00
19 Zhuxin 01 Bond	2,000,000,000.00	2019/11/26	3+2 Years	2,000,000,000.00	2,000,000,000.00						2,000,000,000.00
15 Yuedu Bond	1,100,000,000.00	2015/4/7	7 Years	1,100,000,000.00	440,000,000.00				220,000,000.00		220,000,000.00
20 Zhuzi 01 Bond	1,000,000,000.00	2020/1/10	5 Years	1,000,000,000.00		1,000,000,000.00					1,000,000,000.00
20 Zhuzi 03 Bond	1,200,000,000.00	2020/5/28	5 Years	1,200,000,000.00		1,200,000,000.00					1,200,000,000.00
20 Zhuji State-Owned PPN001	500,000,000.00	2020/8/28	3 Years	500,000,000.00		500,000,000.00					500,000,000.00
20 Zhuzi 05 Bond	1,000,000,000.00	2020/12/23	5 Years	1,000,000,000.00		1,000,000,000.00					1,000,000,000.00
20 Zhucheng 01 Bond	1,800,000,000.00	2020/1/17	5 Years	1,800,000,000.00		1,800,000,000.00					1,800,000,000.00
20 Zhucheng 02 Bond	2,200,000,000.00	2020/6/17	5 Years	2,200,000,000.00		2,200,000,000.00					2,200,000,000.00
20 Zhudong 01 Bond	1,500,000,000.00	2020/6/19	3 Years	1,500,000,000.00		1,500,000,000.00					1,500,000,000.00
20 Zhudong 02 Bond	500,000,000.00	2020/11/19	3 Years	500,000,000.00		500,000,000.00					500,000,000.00
20 Zhujiao 01 Bond	1,500,000,000.00	2020/10/20	5 Years	1,500,000,000.00		1,500,000,000.00					1,500,000,000.00
Goods - ABS	200,000,000.00	2020/10/23	3 Years	200,000,000.00		200,000,000.00		10,000,000.00			190,000,000.00
Recycling water plant pipe network project special debt	20,000,000.00	2020/6/1	10 Years	20,000,000.00		20,000,000.00					20,000,000.00
Total					18,401,100,000.00	11,420,000,000.00			470,000,000.00	3,247,893,900.00	26,103,206,100.00

Note: The reduction of Overseas US Dollar debt 626 and other RMB 120,438,700.00, the reduction of US dollar-denominated bonds 1 and other RMB 77,809,000.00, and the reduction of US dollar-denominated bonds 2 and other RMB 27,402,300.00 are due to the reduction of exchange rate fluctuations, and the reduction of other RMB 3,022,243,900.00 are due within one year. Non-current liabilities due within one year are presented.

(XXXI) Long-term payable

1. Details

Items	Closing balance	Opening balance
Long-term payable	13,575,699,436.86	10,382,244,646.64
Special payables	3,310,740,526.34	5,640,606,252.07
Total	16,886,439,963.20	16,022,850,898.71

2. Long-term payable

(1) Details

Items	Closing balance	Opening balance
Far East Hongxin Finance Leasing Co., Ltd	625,422,211.18	226,276,814.26
Ping An International Financial Leasing (Tianjin) Co., Ltd	99,713,279.93	476,164,238.08
Huarong Financial Leasing Co., Ltd	520,692,966.36	1,122,143,541.68
AVIC International Leasing Co., Ltd	279,197,463.44	105,494,524.76
Huishang Bank Financial Leasing Co., Ltd	110,000,000.00	160,000,000.00
Beijing Hengtai Puhui Information Service Co. LTD	-	199,220,000.00
Suyin Financial Leasing Co., Ltd	-	83,097,870.00
Ping An International Finance Leasing Co., Ltd	293,469,242.61	320,000,000.00
Qingdao Urban and Rural Construction Finance Leasing Co., Ltd	44,438,982.00	81,576,426.89
Ligen Finance Leasing (Shanghai) Co., Ltd	28,000,000.00	56,000,000.00
Guangzhou Yuexiu Financial Leasing Co., Ltd	373,512,938.87	210,000,000.00
Maxwealth Financial Leasing Co.,Ltd	1,037,000,000.00	907,000,000.00
China Resources Shenzhen International Investment Trust Co. Ltd	300,000,000.00	200,000,000.00
Zhejiang Chouzhou Financial Leasing Co. Ltd	190,961,642.38	299,536,592.21
Xiamen Jinyuan Finance Leasing Co. Ltd	87,297,838.28	170,569,268.74
Gansu Lanyin Financial Leasing Co. Ltd	16,666,666.65	49,999,999.99
Chongqing Nongshang Financial Leasing Co. Ltd	120,000,000.00	200,000,000.00
China Fortune International Trust Co. Ltd	-	150,000,000.00
Xiamen International Trust Co., Ltd	299,400,000.00	50,000,000.00
Land Reserve Center of Zhuji Municipal People's Government	1,600,000,000.00	1,600,000,000.00
Foshan Haisheng Financial Leasing Co., Ltd	96,911,615.80	173,127,247.55

Items	Closing balance	Opening balance
Zhejiang Zheyin Financial Leasing Co., Ltd	267,902,547.49	182,605,286.13
Huabao Duding (Shanghai) Finance Leasing Co., Ltd	130,287,370.41	224,130,789.34
Shanghai Yuansheng Financial Leasing Co., Ltd	-	83,333,333.33
Jiushi Finance Leasing (Shanghai) Co., Ltd	124,800,000.00	196,900,000.00
Cornerstone International Finance Leasing Co., Ltd	30,000,000.00	70,000,000.00
Jiangsu Financial Leasing Co., Ltd	83,698,974.00	145,000,000.00
Changjiang United Financial Leasing Co. Ltd	-	210,000,000.00
Jiyin Financial Leasing Co., Ltd	202,272,727.25	306,250,000.00
Zhejiang Airport Finance Leasing Co. Ltd	71,008,337.62	137,582,714.62
Bank of Communications International Trust Co., Ltd	-	300,000,000.00
Zhuji Charity Federation	-	10,000,000.00
Huaxia Financial Leasing Co., Ltd	-	210,000,000.00
Chongqing Bside Chongqing Finance Leasing Co., Ltd	-	160,000,000.00
Zhejiang Yuantong Pawn Co., Ltd	-	175,035,999.06
Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership)	-	1,131,200,000.00
China Agricultural Development Key Construction Fund Co. Ltd	114,000,000.00	-
Zhejiang Provincial Finance Bureau	1,081,431,009.17	-
China National Foreign Trade Financial & Leasing Co., Ltd	570,740,376.19	-
Western Trust Co. Ltd	100,000,000.00	-
China Shipping Trust Co. Ltd	400,000,000.00	-
Hangzhou Chengtou Leasing Co., Ltd	250,000,000.00	-
20 Zhejiang Debt 23	300,000,000.00	-
Zhejiang Zhuji New City Investment ZR001	500,000,000.00	-
Accounts Receivable Debt Financing	430,690,000.00	-
Huaxia Financial Leasing Co., Ltd	326,727,237.56	-
Bank of Hangzhou Co., Ltd	300,000,000.00	-
AVIC Neuch Financial Leasing (Shanghai) Co., Ltd	225,000,000.00	-
Xinyuan CAPITAL Management Co., Ltd	150,000,000.00	-

Items	Closing balance	Opening balance
Shandong Tongda Financial Leasing Co. Ltd	83,333,333.38	-
Far East International Finance Leasing Co., Ltd	21,000,000.00	-
Chongqing Bside Chongqing Finance Leasing Co., Ltd	130,000,000.00	-
Huaxia Financial Leasing Co., Ltd	150,000,000.00	-
CGN International Finance Leasing Co	78,351,691.00	-
Zhuji Charity Federation	10,000,000.00	-
Zhejiang Yuantong Pawn Co., Ltd	115,504,318.61	-
Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership)	969,600,000.00	-
Hubei Financial Leasing Co., Ltd	170,000,000.00	-
Far East International Finance Leasing Co., Ltd	66,666,666.68	-
Total	13,575,699,436.86	10,382,244,646.64

3. Special payables

Items	Opening balance	Increase in current year	Transferred in current year	Closing balance
Financial allocation	3,378,888,726.20	1,540,504,895.42	3,560,335,894.25	1,359,057,727.37
Primary industry special funds	2,066,825.00	-	-	2,066,825.00
Grain storage safety installations and purchase facilitate people installations counterpart funding	707,492.00	-	707,492.00	-
Modern agricultural rice industry upgrading project	1,000,000.00	-	-	1,000,000.00
Liveable village construction project capital	122,838,000.00	-	-	122,838,000.00
Transformation of passenger station	18,000,000.00	-	-	18,000,000.00
Special actions for the three reforms in 2015	348,869,400.00	-	-	348,869,400.00
Yang Shufan Special Fund	1,280,844,187.97	-	858,630,534.90	422,213,653.07
Gaohu store and prevent flood reconstruction project	-	20,000,000.00	-	20,000,000.00
2018 Special Government Debt (environmental improvement)	-	320,000,000.00	-	320,000,000.00
Puyang River Regulation Phase II Project	432,218,050.90	201,150,000.00	-	633,368,050.90
The eighth batch of small irrigation and water conservancy projects of central finance in Zhuji City	55,173,570.00	8,153,300.00	-	63,326,870.00

Items	Opening balance	Increase in current year	Transferred in current year	Closing balance
Total	5,640,606,252.07	2,089,808,195.42	4,419,673,921.15	3,310,740,526.34

(XXXII) Deferred income

1. Details

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Government subsidies	164,480,940.28	19,070,000.00	20,839,270.42	162,711,669.86
twice supplying water for high building	129,039,605.12	24,832,006.63	30,783,743.15	123,087,868.60
Initial installation cost of rural household project	52,350,980.83	70,342,937.91	5,404,869.13	117,289,049.61
Unrealized financing profits	195,779.99	-	65,260.00	130,519.99
Total	346,067,306.22	114,244,944.54	57,093,142.70	403,219,108.06

2. Project involving government subsidies

Items	Opening balance	Increase in current year	Amortisation in current year		Other movement	Closing balance	Related to assets/revenue
			Transferred in	Amount			
Lamp subsidy	5,099,956.46	-	Other income	5,099,956.46	-	-	Related to income
Sewage pipeline construction subsidy	4,413,393.42	-	Other income	247,479.96	-	4,165,913.46	Related to asset
Smart agriculture construction subsidy	12,000,000.00	-	Other income	-	-	12,000,000.00	Related to asset
Subsidies for construction project of new optical film materials with annual output of 50,000 tons	58,977,069.71	-	Other income	3,875,306.69	-	55,101,763.02	Related to asset
Subsidies for construction project of new functional BOPET packaging film with annual output of 60,000 tons	155,555.54	-	Other income	16,666.67	-	138,888.87	Related to asset
Ultra-thin capacitive film technical renovation project with annual output of 8,000 tons	14,944,000.16	-	Other income	1,494,399.96	-	13,449,600.20	Related to asset

Items	Opening balance	Increase in current year	Amortisation in current year		Other movement	Closing balance	Related to assets/revenue
			Transferred in	Amount			
Return of land transfer fees	68,890,964.99	-	Other income	2,153,517.34	-	66,737,447.65	Related to asset
COVID-19 Health expenditure funds	-	10,000,000.00	Other income	7,951,943.34	-	2,048,056.66	Related to income
ousing and urban construction subsidies	-	9,070,000.00	Other income	-	-	9,070,000.00	Related to income
Total	164,480,940.28	19,070,000.00		20,839,270.42	-	162,711,669.86	

[Note] For the details of projects involving government subsidies and the method of allocation, please refer to the explanation in Note V (LII) "Government subsidies".

(XXXIII) Paid-in capital

1. Details

Investor	Opening balance	Percent at beginning (%)	Increase in current year	Decrease in current year	Closing balance	Percent at end of year (%)
Zhuji City, State-owned Assets Supervision and Administration Commission	800,000,000.00	100.00	-	-	800,000,000.00	100.00

(XXXIV) Capital reserve

1. Details

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Capital premium	32,407,383,892.24	-	130,000,000.00	32,277,383,892.24
Other capital reserve	16,046,731,552.12	4,836,957,090.66	1,994,922,844.73	18,888,765,798.05
Total	48,454,115,444.36	4,836,957,090.66	2,124,922,844.73	51,166,149,690.29

2. The reason and details of the change in capital reserve during the reporting period

According to the document of State-owned Assets Supervision and Administration Commission of Zhuji City (State-owned Assets Supervision and Administration Commission of Zhuji City [2020] No. 1), the Company received 100% of the shares of Zhuji Yuedu Investment Development Co.,Ltd. held by State-owned Assets Supervision and Administration Commission of Zhuji City for free. Since the company is under the final control of Zhuji Municipal State-owned Assets Management Co.,Ltd., and the control is not temporary, the merger is a business merger under the same control, and the initial capital reserve -- other capital reserve is increased by RMB 5,372,555,768.72;

According to the working letter of the Bureau of Finance of Zhuji City, Zhejiang Province, the Company reduced the investment and reduced the capital reserve - capital premium of RMB 130,000,000.00.

The Company's joint venture, Zhejiang Suichang Jiyang Shanhai Co-operation Industrial Park Development Co., Ltd. (the Company's shareholding ratio is 50%), changed other interests by RMB 20,167,881.70 during the current period, and the Company increased its capital reserves by the shareholding ratio -- other capital reserves by RMB 10,083,940.85;

The subsidiary of the company, Zhuji Urban & Rural Investment Group Co., Ltd., received 3,000,000.00 yuan from the Municipal Administration Office of Zhuji City, Zhejiang Province, which is the dividend payable by Zhuji Information Pipes Network Co., Ltd., and the Municipal Administration Office of Zhuji City transferred it to Zhuji Urban & Rural Investment Group Co., Ltd., free of charge, as the capital investment. Increase in capital reserves - other capital reserves RMB 3,000,000.00.

The company's subsidiary Zhuji Urban & Rural Investment Group Co., Ltd. received from the Zhejiang Province Zhuji City Bureau of Finance allocated assets of 133,764,906.78 yuan, increased capital reserves - other capital reserves of 133,764,906.78 yuan.

The company's subsidiary Zhuji Cultural Tourism Group Co., Ltd. received from Zhejiang Province Zhuji City Finance Bureau allocated funds of 939,475,165.33 yuan, increased capital reserves - other capital reserves 939,475,165.33 yuan.

Zhuji Huanjiang International Trade City Development Co., Ltd, a subsidiary of the Company, received 162,000,000.00 RMB from the Finance Bureau of Zhuji City, Zhejiang Province, and increased its capital reserves - other capital reserves 162,000,000.00 RMB.

The subsidiary of the company, Zhuji Cereal&Oil Purchase and Store Co.,Ltd. received 30,228,829.82 yuan from the Finance Bureau of Zhuji City, Zhejiang Province, and increased the capital reserve - other capital reserve 30,228,829.82 yuan.

The company's subsidiary Zhuji Yuedu Investment Development Co.,Ltd.in this period according to the documents of the Bureau of Finance, reduced land use rights, reduced capital reserves - other capital reserves 1,152,188,457.59 yuan.

The company's subsidiary Zhuji City East New City Construction Co.,Ltd. this period according to the documents of the Bureau of Finance, reduced land use rights, reduced capital reserves - other capital reserves 475,288,137.14 yuan.

The company's subsidiary, Zhuji City Transport Infrastructure construction co., LTD., according to the bureau of Zhuji city, Zhejiang province on the part of the business transfer of state-owned assets to Zhuji City Real Estate Trading Co., LTD. Notice the money holdings (2020) no. 61, received the Xizi apartment, Xinxing courtyard, Huadu District, Anping District around the housing, Increase in capital reserves - other capital reserves RMB 2,046,728,200.00.

Zhejiang Huanjiang Media Group Co., Ltd, a subsidiary of the Company, according to the opinion of Zhejiang Zhuji Municipal Bureau of Finance on Huanjiang Media's request for free transfer of the assets of the former financial and tax printing plant, transfers the assets of the former financial

and tax printing plant into the capital reserve and increases the capital reserve of 5,021,400.00 yuan.

Zhejiang Huanjiang Media Group Co., Ltd., a subsidiary of the Company, was incorporated into Zhuji Binjiang Real Estate Development Co., Ltd., according to the notice of Zhejiang Huanjiang Media Group Co., Ltd. 's Implementation Plan for Integration and Reorganization issued by the Zhuji Municipal Committee Office of the Communist Party of China (No. [2018]78), with additional capital reserves of RMB 4,966,674.22;

The company's subsidiary is Zhuji New City Investment and Development Group Co., LTD. According to the agency and staffing committee office of the CPC Zhuji Committee issued "about the Jiyang street Zhuang road on the second floor of the 57 property free of charge transfer to a new city investment and development group co., LTD. Report and zhuji city, zhejiang province issued by the bureau of finance" to the public, new city investment group "about the zhuang road 57 Jiyang streets No. 2 real estate free transfer to the report of the New City Investment and Development Group Co., Ltd. "Suggestions", the company received into the Jiyang Street No. 57 Shangzhuang Road on the second floor real estate 3,686,300.00 yuan, increase capital reserves - other capital reserves 3,686,300.00 yuan;

According to the document of Management Committee of Zhejiang Zhuji Economic Development Zone, the subsidiary of the Company, Zhuji New City Investment and Development Group Co., LTD, received capital investment of RMB 107,703,640.00 and increased capital reserve of RMB 107,703,640.00 - other capital reserve of RMB 107,703,640.00;

The subsidiary of the company, Zhuji City Traffic Investment Group Co., Ltd., according to the documents of State-owned Assets Supervision and Management Office of the People's Government of Zhuji City, will transfer the shares of Zhuji City Traffic Engineering Supervision Consulting Co., Ltd. and Zhuji City Heng Road Traffic Engineering Inspection Co., Ltd., and increase the capital reserves - other capital reserves of 5,085,876.74 yuan;

The company's subsidiary is Zhuji City Traffic Investment Group Co., Ltd., according to the state-owned assets supervision and administration of the people's government office "about agreed to zhuji city highway engineering company in enterprise restructuring matters such as the approval of (the state-owned assets supervision and administration commission [2018] no. 33) and zhuji city transport department on the agree to restructuring of zhuji city highway engineering company of approval" (the pay Fu [2020] No. 11), the Zhuji City Transportation Road Engineering Co., Ltd. equity into the increase of capital reserves - other capital reserves of 79,941,225.92 yuan;

The company's subsidiary Zhuji City Traffic Investment Group Co., Ltd.. According to the documents of Zhejiang Province Zhuji City Finance Bureau, the special payables allocated by the Bureau of Finance and the Bureau of Communications into capital investment, increase the capital reserves - other capital reserves 1,305,270,931.00 yuan;

The company's subsidiary Zhuji City Traffic Investment Group Co., Ltd. in this period according to the documents of the Bureau of Finance, reduced land use rights, reduced capital reserves - other capital reserves 367,446,250.00 yuan.

(XXXV) Other comprehensive income

Items	Opening balance	Movement in current year (+,-)					Closing balance
		Amount incurred before income tax in the current period	Less: Amount recognized into other comprehensive income in previous period and transferred to the current profits and losses	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount attributable to minority shareholders after tax	
(1) Other comprehensive income which cannot be reclassified into profits and losses	-10,204.70	4,873.93	-	-	4,873.93	-	-5,330.77
Other comprehensive income which cannot be transferred to profit or loss under the equity method	-10,204.70	4,873.93	-	-	4,873.93	-	-5,330.77
(2) Other comprehensive income which will be reclassified into profits and losses in the future	174,350.06	494,792,694.44	-	1,196,812.25	493,595,882.19	-	493,770,232.25
1) Difference arising from translation of financial statements in foreign currency	174,350.06	6,301,569.56	-	-	6,301,569.56	-	6,475,919.62
2)Others	-	488,491,124.88	-	1,196,812.25	487,294,312.63	-	487,294,312.63
Total	164,145.36	494,797,568.37	-	1,196,812.25	493,600,756.12	-	493,764,901.48

(XXXVI) Surplus reserve

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Statutory surplus reserve	24,774,299.44	-	-	24,774,299.44

(XXXVII) Retained earnings

1. Details

Items	Current year	Previous year
Retained earnings at end of previous year	4,393,075,063.13	4,288,920,921.58
Plus: adjustment of undistributed profit at the beginning of the year	1,237,913,852.93	1,098,848,332.39
Adjustment to retained earnings at the beginning of current year	5,630,988,916.06	5,387,769,253.97
Plus: net profit attributable to equity holders of parent	393,438,645.83	354,222,697.80
The net profit of the merged party before the merger	-	-
Change of defined benefit plan carried forward to retained earnings	-	-
Less: appropriation of statutory surplus reserve	-	-
Withdraw general risk reserves	-	-
Common Stock dividends payable	153,150.69	-
Income from turning over state-owned capital	23,180,000.00	111,003,035.71
Retained earnings at the end of the period	6,001,094,411.21	5,630,988,916.06

2. Adjustment of the details of undistributed profits at the beginning of the period

(1) Due to the change of accounting policy, the undistributed profit at the beginning of the period was 5,218,723.49 yuan.

(2) The change of the scope of consolidation caused by the same control has affected the undistributed profit at the beginning of the period of 1,232,695,129.44 yuan.

3. Description of profit distribution

Zhuji Anshun Security Service Co., Ltd., a subsidiary of the company, turned in 23,180,000.00 yuan of state-owned capital income as required by Zhuji Finance Bureau; Zhuji Shengshi hechuang investment partnership (limited partnership), a subsidiary of the company, distributed income of 153,150.69 yuan according to the partnership agreement.

(XXXVIII) Operating revenue / costs of sales

1. Details

Items	Current year		Previous year	
	Revenue	Cost of sale	Revenue	Cost of sale
Main business	9,367,505,433.55	8,323,955,360.53	7,390,346,901.76	6,707,973,176.18
Other business	165,726,169.92	116,819,455.18	227,674,799.86	69,841,617.01
Total	9,533,231,603.47	8,440,774,815.71	7,618,021,701.62	6,777,814,793.19

2. Operating revenue / costs of sales (business categories)

Name of business	Current year		Previous year	
	Revenue	Cost of sale	Revenue	Cost of sale
Copper trade	2,948,734,878.65	2,946,771,370.67	2,323,457,835.19	2,342,708,257.69
Pipe installing	102,717,415.18	68,218,597.99	58,834,292.25	46,703,271.79
Tap water sales	278,326,278.95	227,522,719.28	285,341,572.10	241,630,285.21
Sewage treatment	29,799,884.30	36,796,842.02	53,526,426.49	48,636,333.99
Sales revenue of optical film	1,454,498,504.91	1,128,462,062.55	819,240,380.22	657,509,020.72
Radio and television film media	347,589,762.30	263,283,083.00	183,203,790.08	107,812,749.11
Transport income	24,232,325.48	132,332,758.14	35,945,090.25	147,398,424.22
Oil and gas sales	56,030,236.73	49,018,123.62	7,920,421.79	6,114,226.33
Sales revenue of sand, steel	19,686,502.87	15,208,715.77	-	-
Revenue from grain and oil sales	137,787,565.74	156,411,169.10	114,057,031.12	150,659,045.39
Manufacture and Processing of Mechanical equipment & Warehouse logistics services	430,896,988.44	321,323,099.13	318,650,433.24	213,658,949.46
Resettlement housing development	317,287,121.90	274,115,959.63	245,580,609.44	228,999,391.89
Hosiery City rental and property management fees	69,941,605.67	10,332,631.07	-	-
Security, vehicle rescue, maintenance and other	286,089,466.28	241,245,102.60	168,227,421.08	90,986,475.18
Crop seed sales	11,036,120.34	8,590,830.10	11,764,456.05	8,615,673.32
Revenue from sanitation services	135,713,161.91	101,421,016.76	11,742,198.31	15,286,193.33
Tourism Service Revenue	131,648,383.72	183,388,674.08	46,857,219.10	81,191,822.18

Name of business	Current year		Previous year	
	Revenue	Cost of sale	Revenue	Cost of sale
Tuition and fees	31,629,933.00	6,421,408.68	27,788,235.00	6,849,191.99
Merchandise sales revenue	49,260,266.92	36,812,431.98	25,304,848.56	25,456,939.93
Construction	2,385,784,570.53	2,034,639,542.24	2,529,883,469.53	2,160,449,623.89
Land development	-	-	51,198,979.10	46,668,096.00
Other service	118,814,459.73	81,639,222.12	71,822,192.86	80,639,204.56
Total	9,367,505,433.55	8,323,955,360.53	7,390,346,901.76	6,707,973,176.18

(XXXIX) Taxes and surcharges

Items	Current year	Previous year
Urban maintenance and construction tax	5,626,211.89	6,097,693.55
Land use tax	10,573,969.84	48,337,502.50
Property tax	19,862,541.18	36,436,179.59
Education surcharges	3,386,241.81	3,148,750.70
Local education surcharges	1,260,246.14	2,044,693.13
Stamp duty	3,917,981.33	4,405,883.59
Water conservancy construction fund	-	22,950.61
Disability insurance	1,506,981.49	1,142,999.12
Vehicle and vessel tax	313,291.09	424,100.62
Land value increment tax	21,467.36	-
Others	771,133.05	1,399,162.06
Total	47,240,065.18	103,459,915.47

[Note] The calculation standards for business taxes and levies refer to Note IV of the note of financial statements.

(XL) Financial expenses

Items	Current year	Previous year
Interest expenditure	2,494,579,389.85	1,591,167,561.84
Less: interest income	415,202,342.83	387,673,720.55

Items	Current year	Previous year
Exchange gains and losses	-118,654,777.96	-45,876,108.77
Commission charges	15,507,945.48	9,210,563.07
Others	2,416,523.70	28,251,521.76
Total	1,978,646,738.24	1,195,079,817.35

(XLI) Other income

Government grants project	Current year	Previous year	Related to assets/revenue
Sewage pipeline construction subsidy	247,479.96	247,479.96	Related to Assets
Land transfer fee subsidy	2,153,517.34	2,153,517.34	Related to Assets
Subsidy for construction project of new optical film materials with an annual output of 50000 tons	3,875,306.69	2,965,083.65	Related to Assets
Subsidy for construction project of new functional BOPET packaging film with annual output of 60000 tons	16,666.67	8,333.33	Related to Assets
Technical transformation project of ultrathin capacitor membrane with annual output of 8000 tons	1,494,399.96	747,199.98	Related to Assets
Street lamp subsidy	5,099,956.46	22,900,043.54	Related to Assets
COVID-19 pneumonia health expenditure fund	7,951,943.34	-	Related to Assets
The renovation project of the waste water discharge pipeline of the metal surface treatment center	646,254.00	-	Related to Assets
Tax deduction	6,757,495.22	2,975,144.09	Related to Revenue
Social security return	57,424.74	142,345.89	Related to Revenue
Return of individual income tax service charge	21,822.99	23,176.86	-
Zhuji energy and water saving product certification Award	-	14,700.00	Related to Revenue
Zhuji market supervision patent subsidy	-	3,180.00	Related to Revenue
Funds for the third batch of science and technology projects of Panhuo District Finance and audit department in 19 years	-	6,000.00	Related to Revenue
R & D investment reward for science and technology enterprises	148,280.00	-	Related to Revenue
Reward for foreign trade development in 2019	43,700.00	-	Related to Revenue
Huangshan Town Government Export Award	29,200.00	-	Related to Revenue
Subsidy for job stabilization	50,932.20	-	Related to Revenue

Government grants project	Current year	Previous year	Related to assets/revenue
Rework subsidy	1,000.00	-	Related to Revenue
Awards for foreign trade policy projects in 2019	37,000.00	-	Related to Revenue
Annual fee subsidy for domestic authorized invention patents	2,040.00	-	Related to Revenue
Fund subsidy of Yinzhou District intelligent technology transformation project in 2020	165,900.00	-	Related to Revenue
Subsidy for water balance test project of Yinzhou District in 2020	30,000.00	-	Related to Revenue
The unemployment insurance fund of Ningbo Yinzhou District Employment Management Center subsidizes workers for training	28,500.00	-	Related to Revenue
Awards for large scale manufacturing enterprises in Hangzhou	1,000,000.00	-	Related to Revenue
Subsidy of street lamp company	42,000,000.00	-	Related to Revenue
Zhuji market supervision and Administration Bureau's direct subsidy to enterprise	20,000.00	-	Related to Revenue
Subsidy for wetland management and protection	745,000.00	-	Related to Revenue
Subsidy for volunteers in public welfare posts	117,868.00	-	Related to Revenue
Rural tourism subsidy income of B area reconstruction project of shizidu B & B	200,000.00	-	Related to Revenue
Reward and subsidy income of global tourism policy	348,618.70	-	Related to Revenue
Provincial special fund for housing and urban construction in 2019	3,790,000.00	-	Related to Revenue
Special subsidy for urban affordable housing project of central finance in 2019	830,000.00	-	Related to Revenue
Special funds for science and technology support	12,042,800.00	-	Related to Revenue
Financial tuition free subsidy	2,000,000.00	2,000,000.00	Related to Revenue
Provincial supplementary funds for the construction of provincial advantageous specialty (Nursing)	2,000,000.00	975,039.00	Related to Revenue
Provincial Grain Reserve subsidy	3,071,100.00	3,101,200.00	Related to Revenue
Subsidies for Municipal Grain and oil reserves	25,428,133.32	27,544,406.20	Related to Revenue
Turnover grain and oil subsidies	900,000.00	900,000.00	Related to Revenue
Subsidy for retired elites	1,800,000.00	1,800,000.00	Related to Revenue
Basic subsidies for employees	1,700,000.02	1,700,000.00	Related to Revenue
Jiashanxia removal subsidies	249,999.98	250,000.03	Related to Revenue

Government grants project	Current year	Previous year	Related to assets/revenue
Military oil and gas subsidies	25,017.34	28,313.75	Related to Revenue
Other food subsidies	4,849,783.33	3,144,190.08	Related to Revenue
Subsidy income of grain price difference	8,346,408.41	21,491,898.23	Related to Revenue
Subsidy for over standard late grain expenses	9,777,403.71	13,249,969.27	Related to Revenue
Subsidy for early Valley disposal expenses	445,147.40	3,576,613.10	Related to Revenue
Other sporadic subsidies	108,192.71	70,000.00	Related to Revenue
Financial subsidy for water plant pumping station project	-	1,911,394.00	Related to Revenue
Loss subsidy for Zhuji Public Transport Co., Ltd	77,189,992.75	64,626,703.27	Related to Revenue
Oil price subsidy	7,513,200.00	10,366,997.00	Related to Revenue
Low fare subsidy	1,757,288.59	2,577,016.24	Related to Revenue
Public cinema subsidy	750,000.00	750,000.00	Related to Revenue
Student film subsidy	1,201,584.00	771,906.00	Related to Revenue
Rural 2131 film subsidies	2,073,560.00	2,203,520.00	Related to Revenue
Subsidy for bus platform operation	6,000,000.00	12,667,218.04	Related to Revenue
Other government subsidies	5,655,622.35	1,416,427.53	Related to Revenue
Subsidy fund for the second phase of provincial recycling pilot project	-	165,000.00	Related to Revenue
Over revenue sharing funds of towns and townships	-	200,000,000.00	Related to Revenue
Operating subsidy	-	16,000,000.00	Related to Revenue
Veterans funding in 2018	-	57,726.52	Related to Revenue
Public welfare post subsidies for veterans	313,919.02	332,776.01	Related to Revenue
Subsidy for open economy group exhibition	894,000.00	-	Related to Revenue
Subsidy for official vehicles	7,500,000.00	-	Related to Revenue
Total	261,503,459.20	425,864,518.91	

[Note] For details of government subsidies included in other income of the current period, please refer to note V (LII) "Government grants".

(XLII) Investment income

1. Details

Items	Current year	Previous year
Gains/(losses) on long-term equity investments accounted for using equity method	9,148,900.09	16,787,730.32
Gains/(losses) on disposing long-term equity investments	7,094,073.78	4,255,105.75
Gains/(losses) on financial assets at fair value through profit or loss during the holding period	1,115,479.77	909,653.00
Gains/(losses) on available for sale financial assets during the holding period	15,090,287.01	31,058,488.01
Investment income from disposal of financial assets measured at fair value through profit or loss	-	1,379,533.76
Investment income from disposal of available for sale financial assets	2,029,702.95	-
Other investment income	9,708,314.76	-1,005,964.35
Total	44,186,758.36	53,384,546.49

2. Long-term equity investment income measured by equity method

Name of investee	Current year	Previous year
Zhejiang Suichang Jiyangshanghai Collaborative Industrial Park Development Co., Ltd	1,234,788.37	63,844.83
Tao Zhu Business School	-126,815.84	-6,341.71
Zhuji City Transportation Investment Petrochemical Management Co., Ltd	-	2,636,107.01
Zhuji Information Network Co., Ltd	8,145,327.54	1,870,815.93
Zhejiang Feida Precision Machinery Co., Ltd	974,085.98	-198,400.14
Zhejiang Feida New Material Co., Ltd	-189,825.11	-
Zhejiang Jinhe Intelligent Equipment Co., Ltd	-	-1,030,889.55
Zhejiang Feida Environmental Protection Technology Co., Ltd	9,234,365.78	15,999,565.86
Zhuji Jiazipinzibiao Zhejiang Manufacturing Equity Investment Partnership	-477,211.06	-
Zhejiang Dongxin Energy Conservation Technology Co., Ltd	-5,473,777.77	18,414.98
Zhejiang Jiyang Electronic Technology Co., Ltd	-	-467,558.53
Zhuji Fuhua Transformation And Upgrading Of Industrial Fund Partnership (Limited Partnership)	7,314,609.50	7,079.66
Henan Yuneng Feida Environmental Protection Co., Ltd	-12,583,303.06	-2,183,996.51
Zhuji Jida Real Estate Co., Ltd	-1,174,107.74	-3,572.97
Zhuji Bishui Environmental Technology Co., Ltd	-354,222.36	-1,407,653.83

Name of investee	Current year	Previous year
Zhuji Chuangxiao Investment Partnership (Limited Partnership)	-736,835.63	1,991,593.97
Zhejiang Zhian Technology Co., Ltd	-21,332.78	-525,658.57
Zhuji Gaoying Equity Investment Partnership (limited partnership)	-3,759,221.37	-7,401.16
Zhuji Yaohe Pharmaceutical Investment Partnership (limited partnership)	7,300,143.13	3,566.33
Zhuji Zihuan equity investment partnership (limited partnership)	-157,767.49	0.15
Zhuji Dalian equity investment partnership (limited partnership)	-	28,214.57
Total	9,148,900.09	16,787,730.32

3. The company does not have significant restrictions on the repatriation of investment income.

(XLIII) Gains from changes in fair values

Items	Current year	Previous year
Financial assets at fair value through profit or loss	-534,917.06	18,171,842.26
Including: income from changes in fair value of derivative financial instruments	-	13,518,630.13
Investment real estate measured by fair value	57,425,940.23	43,655,300.00
Total	56,891,023.17	61,827,142.26

(XLIV) Assets impairment loss

Items	Current year	Previous year
Loss on bad debt	-73,092,847.72	-34,319,972.97
Loss on Inventory	-2,147,962.69	6,188,542.10
Impairment loss of fixed assets	-23,564,867.39	8,142,203.31
Impairment loss of Intangible assets	-	1,476,863.69
Total	-98,805,677.80	-18,512,363.87

(XLV) Income from asset disposal

Items	Current year	Previous year
Gains/(losses) on disposing non-current assets that not classified to available for sale non-current assets	31,903,864.23	-222,587.68

Items	Current year	Previous year
Including : fixed assets	22,101,790.23	-223,071.07
Intangible assets	-	483.39
Others	9,802,074.00	-
Total	31,903,864.23	-222,587.68

(XLVI)Non-operating income

1. Details

Items	Current year	Previous year
Donation	1,179,461.00	601,487.42
Government grants	1,992,559,914.64	1,387,216,102.29
Consideration income from equity payment	464,204,392.18	-
Incentive funds	28,000.00	-
Forfeited and liquidated damages income	1,649,108.13	1,298,508.01
The payable unable to pay	188,248.48	-
Loss of non-current assets scrap gain	104,450.87	102,135.16
Others	5,559,727.86	64,275.91
Total	2,465,473,303.16	1,389,282,508.79

2. Government subsidies included in current non-operating income

Items	Current year	Previous year	Related to assets/revenue
Government subsidies	1,967,584,982.40	1,387,116,102.29	Related to revenue
Reward for one enterprise and one policy	19,180,900.00	-	Related to revenue
Reward for Xiashengshang in 2019	3,115,900.00	-	Related to revenue
Subsidy for Liangzhi	60,000.00	-	Related to revenue
Street reward	21,800.00	-	Related to revenue
Reward and subsidy for photovoltaic construction enterprises	90,000.00	-	Related to revenue
Reward for talent introduction by social forces	-	100,000.00	Related to revenue
Receive subsidies for the preparation of the 14th five year plan	808,000.00	-	Related to revenue
Other sporadic subsidies	1,698,332.24	-	Related to revenue

Items	Current year	Previous year	Related to assets/revenue
Total	1,992,559,914.64	1,387,216,102.29	

[Note] For the accounting treatment and documents which the government grants included in non-operating income are on basis of please refer to Note V (LII) "Government grants".

(XLVII) Non-operating expenses

Items	Current year	Previous year
Donation	24,312,710.82	1,130,400.00
Abnormal losses	-	1,868,485.44
Inventory loss	14.25	3,905,312.84
Loss of assets being scrapped or damaged	2,152,835.20	571,033.09
Fine expenses	1,042,763.49	21,596,889.41
Compensation and liquidated damages	1,700.00	681,355.83
Tax Delay Charge	290,515.62	9,563,916.20
Others	20,615,060.69	1,767,056.61
Total	48,415,600.07	41,084,449.42

(XLVIII) Income tax expenses

Items	Current year	Previous year
Current income tax expenses	145,094,308.77	61,338,918.38
Deferred tax expenses	38,799,225.08	23,384,135.28
Total	183,893,533.85	84,723,053.66

(XLIX) Other comprehensive income

For other comprehensive income, please refer to note V (XXXV) to the description of "other comprehensive income" for details.

(L) Supplementary information on statement of cash flow

1. Supplementary information on statement of cash flow

Items	Current year	Previous year
(1) Reconciliation of net profit/(loss)to cash flows from	-	-

Items	Current year	Previous year
operating activities:		
Net profit	632,244,337.57	481,189,871.30
Add: Impairment	98,805,677.80	18,512,363.87
Depreciation of Investment properties, fixed assets, Oil and gas assets, productive biological assets	663,488,483.75	410,492,999.54
Amortisation of intangible assets	51,732,272.97	44,668,906.18
Amortisation of long-term prepaid expenses	44,439,913.74	37,521,894.65
Losses on disposal of fixed assets intangible assets and other long-term assets (“-“means gain)	31,903,864.23	222,587.68
Losses on scrap fixed assets (“-“means gain)	2,048,398.58	4,374,210.77
Losses from changes in fair value	-56,891,023.17	-61,827,142.26
Financial expenses (“-“means gain)	1,953,139,269.06	1,157,617,732.52
Losses arising from investments (“-“means gain)	-44,186,758.36	-53,384,546.49
Decrease in deferred tax assets (“-“means increase)	-7,137,326.31	-10,322,948.31
Increase in deferred tax liabilities (“-“means decrease)	451,153,465.93	437,009,019.78
Decrease in inventories (“-“means increase)	-10,488,434,819.74	-6,763,071,566.76
Decrease in operating receivables (“-“means increase)	-8,256,885,683.80	6,948,076,257.32
Increase in operating payables (“-“means decrease)	7,098,725,668.45	-6,275,107,464.03
Loss on disposal of non-current assets (Other than financial instruments, long-term equity investments and investment property) or disposal teams (excluding subsidiaries and operations) (“-“means gain)	-	-
Others	57,151,801.84	162,571,740.20
Net cash flows from operating activities	-7,768,702,457.46	-3,461,456,084.05
(2) Investing and financing activities that do not involve cash receipts and payment:		
Conversion of debt into capital	-	-
Reclassification of convertible bonds expiring within one year as current liability	-	-
Non-current assets acquired under finance leases	-	-
(3) Net increase/(decrease) in cash and cash equivalents	-	-
Cash at end of year	11,110,868,745.48	11,803,633,067.30

Items	Current year	Previous year
Less: Cash at the beginning of year	11,803,633,067.30	8,483,523,221.83
Add: Cash equivalents at end of year	-	-
Less: Cash equivalents at the beginning of year	-	-
Net increase/(decrease) in cash and cash equivalents	-692,764,321.82	3,320,109,845.47

2. Net cash payment for acquisition of subsidiaries

Items	Amount
Cash or cash equivalent paid in the current period for business combination that occurred in the current period	80,000,000.00
Including: Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	65,736,000.00
Zhuji Tangsheng Socks Co., Ltd	14,264,000.00
Less: the cash subsidiaries held in the acquisition date	212,185,489.67
Including: Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	212,184,572.79
Zhuji Tangsheng Socks Co., Ltd	916.88
Add: Cash or cash equivalent paid in the current period for business combination that occurred in the previous period	
Including: Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	-
Zhuji Tangsheng Socks Co., Ltd	-
Net cash payment for acquisition of subsidiaries	-132,185,489.67

3. Cash and cash equivalents

Items	Closing balance	Opening balance
(1)Cash	11,110,868,745.48	11,803,633,067.30
Including: Cash on hand	117,208.61	553,384.33
Bank deposits that can be used for payment at any time	11,106,385,377.08	11,549,841,792.83
Other monetary fund that can be used for payment at any time	4,366,159.79	253,237,890.14
(2)Cash equivalents	-	-
Including: Bond investments maturing within three months	-	-
(3) Cash and cash equivalents at end of year	11,110,868,745.48	11,803,633,067.30
Including: the cash and cash equivalents which are limited of the parent company or the subsidiaries within the group	-	-

Note : Explain supplementary information on statement of cash flow

The closing balance of cash in the cash flow statement in 2020 is RMB 11,110,868,745.48, the closing balance of monetary funds in the balance sheet on December 31, 2020 is RMB 11,403,372,621.55, and the difference is RMB 292,503,876.07, which is the closing balance of cash flow performance fund after deducting the frozen bank deposit of RMB 50,000.00, pledged time certificates of deposit of RMB 280,000,000.00, acceptance deposit of RMB 4,011,000.00, letter of credit deposit of RMB 8,235,000.02 and travel deposit of RMB 207,876.05 that does not meet the cash and cash equivalents standards.

The closing balance of cash in the cash flow statement of 2019 is RMB 11,803,633,067.30, the closing balance of monetary funds in the balance sheet on December 31, 2019 is RMB 12,070,773,778.89, and the difference is RMB 267,140,711.59, which is the closing balance of cash flow performance fund after deducting the frozen bank deposit of RMB 709,094.90 that does not meet the cash and cash equivalents standards, and other monetary funds of RMB 266,431,616.60 (the pledged time deposit certificate is RMB 250,000,000.00, the bill deposit is RMB 7,087,500.00, the guarantee deposit is RMB 760,200.00, and the letter of credit deposit is 8,380,016.69 yuan, the travel deposit of RMB 207,876.05).

(LI) Foreign Currency

1. Details

Items	Balance in foreign currency	Exchange rate	Balance in RMB
Cash at bank and on hand			-
Including: USD	27,770,709.92	6.5249	181,201,105.16
Euro	19,557.39	8.0250	156,948.05
HKD	26,100.94	0.8416	21,966.55
Yen	1.00	0.0632	0.06
Accounts receivable			
Including: USD	3,826,877.55	6.5249	24,969,993.33
Accounts payable			
Including: USD	7,429,120.00	6.5249	48,474,265.09
Short-term loan			
Including: Euro	11,000,000.00	8.0250	88,275,000.00
USD	4,546,500.00	6.5249	29,665,457.85
Bonds payable			-
Including: USD	500,000,000.00	6.5249	3,262,450,000.00

2. The explanation of overseas subsidiaries

The subsidiaries of The Company ZHUJIDEVELOPMENTLIMITED and HUANJIANG INTERNATIONAL TRADING CO., LIMITED operate in Hong Kong, so that the functional currency of it is determined as USA Dollars (USD);

The functional currency of the overseas subsidiaries of The Company is determined as USA Dollars (USD) in accordance with the primary economic environment in which it operates, and as of the end of the period the functional currency is not changed.

(LII) Government grants

Items	Included in Balance sheet	Included in current profit or loss	
		Included in income sheet	Amount
Sewage pipeline construction subsidy	Deferred income	Other income	247,479.96
Subsidy for Land transfer fee	Deferred income	Other income	2,153,517.34
Subsidy for construction project of new optical film materials with an annual output of 50000 tons	Deferred income	Other income	3,875,306.69
Subsidy for construction project of new functional BOPET packaging film with annual output of 60000 tons	Deferred income	Other income	16,666.67
Technical transformation project of ultrathin capacitor membrane with annual output of 8000 tons	Deferred income	Other income	1,494,399.96
Street lamp construction subsidy	Deferred income	Other income	5,099,956.46
COVID-19 Health expenditure funds	Deferred income	Other income	7,951,943.34
The renovation project of the waste water discharge pipeline of the metal surface treatment center	Other income	Other income	646,254.00
R & D investment reward for science and technology enterprises	Other income	Other income	148,280.00
Reward for foreign trade development in 2019	Other income	Other income	43,700.00
Huangshan Town Government Export Award	Other income	Other income	29,200.00
Subsidy for job stabilization	Other income	Other income	50,932.20
Rework subsidy	Other income	Other income	1,000.00
Awards for foreign trade policy projects in 2019	Other income	Other income	37,000.00

Items	Included in Balance sheet	Included in current profit or loss	
		Included in income sheet	Amount
Annual fee subsidy for domestic authorized invention patents	Other income	Other income	2,040.00
Fund subsidy of Yinzhou District intelligent technology transformation project in 2020	Other income	Other income	165,900.00
Subsidy for water balance test project of Yinzhou District in 2020	Other income	Other income	30,000.00
The unemployment insurance fund of Ningbo Yinzhou District Employment Management Center subsidizes workers for training	Other income	Other income	28,500.00
Awards for large scale manufacturing enterprises in Hangzhou	Other income	Other income	1,000,000.00
Subsidy of the Street lamp company	Other income	Other income	42,000,000.00
Zhuji market supervision and Administration Bureau's direct subsidy to enterprise	Other income	Other income	20,000.00
Subsidy for wetland management and protection	Other income	Other income	745,000.00
Subsidy for volunteers in public welfare posts	Other income	Other income	117,868.00
Rural tourism subsidy income of B area reconstruction project of shizidu B & B	Other income	Other income	200,000.00
Reward and subsidy income of global tourism policy	Other income	Other income	348,618.70
Provincial special fund for housing and urban construction in 2019	Other income	Other income	3,790,000.00
Special subsidy for urban affordable housing project of central finance in 2019	Other income	Other income	830,000.00
Special funds for fiscal support for science and technology	Other income	Other income	12,042,800.00
Financial tuition free subsidy	Other income	Other income	2,000,000.00
Provincial superior specialty (Nursing) construction provincial supplementary funds	Other income	Other income	2,000,000.00
Provincial reserve grain and oil subsidies	Other income	Other income	3,071,100.00
Municipal reserve grain and oil subsidies	Other income	Other income	25,428,133.32
Turnover grain and oil subsidies	Other income	Other income	900,000.00
Subsidy for retired elites	Other income	Other income	1,800,000.00
Basic subsidies for employees	Other income	Other income	1,700,000.02

Items	Included in Balance sheet	Included in current profit or loss	
		Included in income sheet	Amount
Jiashanxia removal subsidies	Other income	Other income	249,999.98
Military oil and gas subsidies	Other income	Other income	25,017.34
Other food subsidies	Other income	Other income	4,849,783.33
Grain price difference subsidy income	Other income	Other income	8,346,408.41
Subsidy for over standard late grain expenses	Other income	Other income	9,777,403.71
Subsidy for early Valley disposal expenses	Other income	Other income	445,147.40
Other sporadic subsidies	Other income	Other income	108,192.71
Subsidy to cover operating losses of Zhuji Public Transport Co., Ltd	Other income	Other income	77,189,992.75
The subsidy to the oil	Other income	Other income	7,513,200.00
Low fare subsidy	Other income	Other income	1,757,288.59
Public cinema subsidy	Other income	Other income	750,000.00
Income of film screening in school	Other income	Other income	1,201,584.00
Rural 2131 film subsidies	Other income	Other income	2,073,560.00
Bus platform operate expenses	Other income	Other income	6,000,000.00
Other Government grants	Other income	Other income	5,655,622.35
Public welfare post subsidies for veterans	Other income	Other income	313,919.02
Subsidy for open economy group exhibition	Other income	Other income	894,000.00
Subsidy for official vehicles	Other income	Other income	7,500,000.00
Income from Tax deduction	Other income	Other income	6,757,495.22
Social security return	Other income	Other income	57,424.74
Reward for one enterprise and one policy	Non-operating income	Non-operating income	19,180,900.00
Reward for Xiashengshang in 2019	Non-operating income	Non-operating income	3,115,900.00
Subsidy for Liangzhi	Non-operating income	Non-operating income	60,000.00
Reward form Street Department	Non-operating income	Non-operating income	21,800.00

Items	Included in Balance sheet	Included in current profit or loss	
		Included in income sheet	Amount
Reward and subsidy for photovoltaic construction enterprises	Non-operating income	Non-operating income	90,000.00
Receive subsidies for the preparation of the 14th five year plan	Non-operating income	Non-operating income	808,000.00
Other sporadic subsidies	Non-operating income	Non-operating income	1,698,332.24
Government grants [Note]	Non-operating income	Non-operating income	1,967,584,982.40
Total			2,254,041,550.85

[Note]According to the documents of Zhuji Municipal People's government, the company received the financial subsidy fund of RMB 1,967,584,982.40 in 2020.

VI. Changes in consolidation scope

The data listed in this section is RMB unless otherwise stated.

(I) Business combination not under common control

1. Details of business combination not under common control in the current year

Name of acquired party	Time point of equity acquisition	Cost of equity acquisition	Proportion of equity acquisition	Equity acquisition mode
Zhuji Diankou Sanxin Technology Pioneer Park Management Co., Ltd	2020-1-1	29,103,938.91	100.00	Buy in
Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	2020-1-13	82,170,000.00	100.00	Buy in
Zhuji Tangsheng Socks Co., Ltd	2020-1-13	17,830,000.00	100.00	Buy in

Continue:

Name of acquired party	Acquisition date	Determination basis of date of purchase	Income of the acquiree from the date of purchase to the end of the period	Net profit of the acquiree from the date of purchase to the end of the period
Zhuji Diankou Sanxin Technology Pioneer Park Management Co., Ltd	2019-12-31	Equity transfer agreement	6,084,632.25	20,728,329.63
Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	2020-1-10	Equity transfer agreement	62,015,212.46	-24,031,607.40
Zhuji Tangsheng Socks Co., Ltd	2020-1-10	Equity transfer agreement	-	-5,017,710.24

2. Consolidation cost and goodwill

Consolidation cost	Zhuji Diankou Sanxin Technology Pioneer Park Management Co., Ltd	Zhejiang Datang Light-Textile Industry Waycheng Co., Ltd	Zhuji Tangsheng Socks Co., Ltd
--Cash	29,103,938.91	82,170,000.00	17,830,000.00
Total consolidated costs	29,103,938.91	82,170,000.00	17,830,000.00
Less: fair value share of identifiable net assets obtained	29,103,938.91	460,599,930.16	103,604,462.02
The amount of goodwill / combination cost less than the fair value share of the identifiable net assets obtained	-	-378,429,930.16	-85,774,462.02

3. Identifiable assets and liabilities of the acquired party on the date of purchase

	Zhuji Diankou Sanxin Technology Pioneer Park Management Co., Ltd		Zhejiang Datang Light-Textile Industry Waycheng Co., Ltd		Zhuji Tangsheng Socks Co., Ltd	
	Fair value on the date of purchase	Carrying amount on date of purchase	Fair value on the date of purchase	Carrying amount on date of purchase	Fair value on the date of purchase	Carrying amount on date of purchase
Cash at bank and on hand	474,189.72	474,189.72	212,184,572.79	212,184,572.79	916.88	916.88
Accounts receivable	-	-	-	-	31,790,000.00	31,790,000.00
Prepayments	505,421.00	505,421.00	-	-	-	-
Other receivables	24,180,000.00	24,180,000.00	349,580,120.61	349,580,120.61	51,600,751.55	51,600,751.55
Other current assets	116,580.05	116,580.05	-	-	-	-
Investment property	112,707,309.00	112,707,309.00	1,307,302,787.60	1,307,302,787.60	78,631,500.00	78,631,500.00
Fixed assets	42,089,949.03	35,164,922.54	9,129,703.63	9,129,703.63	41,860.10	41,860.10
Long-term prepaid expenses	-	-	12,899,454.34	12,899,454.34	-	-
Less: Short-term borrowings	-	-	375,650,000.00	375,650,000.00	-	-
Accounts payable	319,978.00	319,978.00	8,025,026.81	8,025,026.81	-	-
Advance from customers	445,473.00	445,473.00	48,273,085.18	48,273,085.18	-	-

	Zhuji Diankou Sanxin Technology Pioneer Park Management Co., Ltd		Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd		Zhuji Tangsheng Socks Co., Ltd	
	Fair value on the date of purchase	Carrying amount on date of purchase	Fair value on the date of purchase	Carrying amount on date of purchase	Fair value on the date of purchase	Carrying amount on date of purchase
	Employee benefits payable	-	-	317,450.60	317,450.60	-
Taxes payable	-	-	181,564.99	181,564.99	-	-
Other payables	110,065,317.98	110,065,317.98	201,050,039.83	201,050,039.83	46,805,367.52	46,805,367.52
Long-term borrowings	29,500,000.00	29,500,000.00	436,133,064.61	436,133,064.61	-	-
Long-term payable	-	-	140,000,000.00	140,000,000.00	-	-
Deferred income tax liabilities	10,638,740.91	10,638,740.91	220,734,726.68	220,734,726.68	11,655,198.99	11,655,198.99
Net assets	29,103,938.91	22,178,912.42	460,731,680.27	460,731,680.27	103,604,462.02	103,604,462.02
Less: minority equity	-	-	131,750.11	131,750.11	-	-
Net assets obtained	29,103,938.91	22,178,912.42	460,599,930.16	460,599,930.16	103,604,462.02	103,604,462.02

Method and main assumptions for determining the fair value on the date of purchase

Base on the report of Shao Tianyang Pingbaozi [2019] No.267 issued by Shaoxing Tianyang Real Estate Appraisal Co., Ltd of that base date is December 18, 2019 and thinking about the influence of the deferred tax, the fair value share of the identifiable net assets acquired of Zhuji Diankou Sanxin Technology Pioneer Park Management Co., Ltd is amount of RMB 29,103,938.91.

Base on the report of Shao Tianyang Pingbaozi [2020] No.268 issued by Shaoxing Tianyang Real Estate Appraisal Co., Ltd of that base date is November 30, 2019 and thinking about the influence of the deferred tax, the fair value share of the identifiable net assets acquired of Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd is amount of RMB 460,599,930.16.

Base on the report of Shao Tianyang Pingbaozi [2020] No.268 issued by Shaoxing Tianyang Real Estate Appraisal Co., Ltd of that base date is November 30, 2019 and thinking about the influence of the deferred tax, the fair value share of the identifiable net assets acquired of Zhuji Tangsheng Socks Co., Ltd is amount of RMB 103,604,462.02.

(II) Business combination under common control

1. Details of business combination under common control in the current year

Name of the company	Proportion of shares acquired in business combination(%)	Basis for business combination under the same control	Combination date	Basis for the combination date
Zhuji Yuedu Investment Development Co., Ltd	100.00	Controlled by the same Shareholder	2020-2-29	Actual control

Continue:

Name of the company	Ultimate controller	Income from the beginning of the period to acquisition date	Net profit from the beginning of the period to acquisition date	Income of the merged party in the comparing period	Net profit of the merged party in the comparing period
Zhuji Yuedu Investment Development Co., Ltd	Zhuji SASAC	61,537,485.12	-109,469,443.01	1,238,354,838.02	193,641,568.63

Note: According to the document of Zhuji Municipal People's Government Office (2020 No.1), the 100% shares of Zhuji Yuedu Investment Development Co., Ltd were transferred freely to Zhuji Urban & Rural Investment Group Co., Ltd which is the subsidiary of the Company by Zhuji SASAC on February 29, 2020. Because Zhuji Yuedu Investment Development Co., Ltd and Zhuji Urban & Rural Investment Group Co., Ltd are both controlled by Zhuji SASAC, and the control is not temporary, the business combination is a combination under common control. For the period, the Company included it in the consolidation scope and adjusted the comparative data in the consolidated financial statement in accordance with "PRC GAAP No.20 Business combination".

2. Combination cost

Combination cost	Zhuji Yuedu Investment Development Co., Ltd
--Cash	-
--Book value of non-cash assets	-
--Book value of assumed or issued debts	-
--Book value of issued equity securities	-
--Contingent consideration agreed	-

3. Assets and liabilities of the merged parties

Items	Zhuji Yuedu Investment Development Co., Ltd	
	Combination date	End of last period
Cash at bank and on hand	2,302,041,639.69	1,332,178,396.73
Accounts receivable	1,013,244,722.81	1,004,191,958.96
Prepayments	53,971,589.68	70,824,326.69
Otherreceivables	1,123,615,670.19	652,052,273.22

Items	Zhuji Yuedu Investment Development Co., Ltd	
	Combination date	End of last period
Inventories	11,752,961,114.24	12,749,380,965.02
Othercurrentassets	14,630.13	2,746,373.59
Available-for-salefinancialassets	60,500,000.00	45,500,000.00
Long-termreceivables	-	22,500,000.00
Investmentproperties	3,326,013,400.00	3,326,013,400.00
Fixedassets	1,526,941,633.53	1,474,642,505.12
Constructioninprocess	439,761,355.57	418,373,145.12
Intangibleassets	913,222,387.44	794,285,483.88
Long-termprepaidexpenses	19,890,474.99	19,929,157.86
Deferredtaxassets	660,347.89	660,347.89
Less: Short-term borrowings	961,000,000.00	967,740,016.90
Accounts payable	39,920,617.54	42,039,530.95
Advance from customers	225,680,653.69	199,130,464.33
Employee benefits payable	3,974,728.35	11,222,219.42
Taxes payable	28,541,933.14	30,366,151.96
Other payables	7,508,828,832.85	4,167,273,460.91
Non-current liabilities due within one year	1,186,993,423.07	1,484,393,394.15
Other current liabilities	149,750,000.00	236,410,000.00
Long-term borrowings	1,591,500,000.00	1,693,140,000.00
Bonds payable	437,780,017.45	437,780,017.45
Long-term payable	3,052,084,099.87	4,381,553,301.76
Deferred income	32,862,011.82	1,729,923.89
Deferred tax liabilities	505,030,420.53	501,746,317.41
Net assets	6,808,892,227.85	7,758,753,534.95
Less: Non-controlling interests	-	250,655.33
Net assets acquired	6,808,892,227.85	7,758,502,879.62

(III) Changes of consolidation scope due to other reasons

1. Subsidiaries increased by direct establishment or investment

In December 2020, the subsidiary Zhuji Yuedu Investment Development Co., Ltd invested to establish Zhuji Chengtou Real Estate Development Co., Ltd. The company completed the business registration on December 11, 2020. The registered capital is RMB 100.00 million, of which Zhuji Yuedu Investment Development Co., Ltd contributed RMB 100.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In April 2020, the subsidiary Zhuji Xingcheng Industrial Investment Co., Ltd invested to establish Zhuji City Transport Service Co., Ltd. The company completed the business registration on April 3, 2020. The registered capital is RMB 10.00 million, of which Zhuji Xingcheng Industrial Investment Co., Ltd contributed RMB 10.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In May 2020, the subsidiary Zhuji Urban & Rural Investment Group Co., Ltd invested to establish Zhuji Chenghe Environmental Protection Technology Co., Ltd. The company completed the business registration on May 26, 2020. The registered capital is RMB 5.00 million, of which Zhuji Urban & Rural Investment Group Co., Ltd contributed RMB 5.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In May 2020, the subsidiary Zhuji Urban & Rural Investment Group Co., Ltd invested to establish Zhuji Chenghua Sludge Treatment Technology Co., Ltd. The company completed the business registration on May 25, 2020. The registered capital is RMB 30.00 million, of which Zhuji Urban & Rural Investment Group Co., Ltd contributed RMB 30.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In April 2020, the subsidiary Zhejiang Huanjiang Media Group Co., Ltd invested to establish Zhuji Yuerong Network Technology Co., Ltd. The company completed the business registration on April 3, 2020. The registered capital is RMB 10.00 million, of which Zhejiang Huanjiang Media Group Co., Ltd contributed RMB 10.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In December 2020, the subsidiary Zhejiang Huanjiang Media Group Co., Ltd invested to establish Zhuji Yuepu Printing Co., Ltd. The company completed the business registration on December 1, 2020. The registered capital is RMB 2.00 million, of which Zhejiang Huanjiang Media Group Co., Ltd contributed RMB 2.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In December 2020, the subsidiary Zhejiang Huanjiang Media Group Co., Ltd invested to establish

Zhuji Yuetong Intelligent Parking Management Co., Ltd. The company completed the business registration on December 15, 2020. The registered capital is RMB 2.00 million, of which Zhejiang Huanjiang Media Group Co., Ltd contributed RMB 2.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In July 2020, the subsidiary Zhuji Traffic Infrastructure Construction Co., Ltd invested to establish Zhuji Yuesheng Education Development Co., Ltd. The company completed the business registration on July 9, 2020. The registered capital is RMB 100.00 million, of which Zhuji Traffic Infrastructure Construction Co., Ltd contributed RMB 100.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In August 2020, the subsidiary Zhuji Traffic Infrastructure Construction Co., Ltd invested to establish Zhuji Jiaotou Real Estate Co., Ltd. The company completed the business registration on August 25, 2020. The registered capital is RMB 10.00 million, of which Zhuji Traffic Infrastructure Construction Co., Ltd contributed RMB 10.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In June 2020, the subsidiary Zhuji Traffic Infrastructure Construction Co., Ltd invested to establish Zhejiang Bosheng Trading Co., Ltd with Zhejiang IRON&STEEL International Trade Co., Ltd. The company completed the business registration on June 18, 2020. The registered capital is RMB 30.00 million, of which Zhuji Traffic Infrastructure Construction Co., Ltd contributed RMB 28.50 million, accounting for 95% of its registered capital, and Zhejiang Bosheng Trading Co., Ltd contributed RMB 1.50 million. The Company has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In August 2020, the subsidiary Zhuji Traffic Infrastructure Construction Co., Ltd invested to establish Zhuji Yuexing Mining Co., Ltd with Zhejiang Communications Resources Investment Co., Ltd. The company completed the business registration on August 24, 2020. The registered capital is RMB 50.00 million, of which Zhuji Traffic Infrastructure Construction Co., Ltd contributed RMB 37.50 million, accounting for 75% of its registered capital, and Zhejiang Bosheng Trading Co., Ltd contributed RMB 12.50 million. The Company has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In July 2020, the subsidiary Zhejiang Linhang Investment Co., Ltd invested to establish Zhuji Hi Tech Trade Co., Ltd. The company completed the business registration on July 23, 2020. The registered capital is RMB 10.00 million, of which Zhejiang Linhang Investment Co., Ltd contributed RMB 10.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In December 2020, the subsidiary Zhejiang Linhang Investment Co., Ltd invested to establish Zhuji Yuhang Construction Development Co., Ltd with Zhuji Ciwu Town Collectively-owned

Assets Operation Company. The company completed the business registration on December 18, 2020. The registered capital is RMB 10.00 million, of which Zhejiang Linhang Investment Co., Ltd contributed RMB 5.10 million, accounting for 51% of its registered capital, and Zhuji Ciwu Town Collectively-owned Assets Operation Company contributed RMB 4.90 million. The Company has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In July 2020, the subsidiary Zhuji State Owned Capital Investment Holding Co., Ltd invested to establish Zhuji Enterprise Rescue Investment Co., Ltd. The company completed the business registration on July 30, 2020. The registered capital is RMB 270.00 million, of which Zhuji State Owned Capital Investment Holding Co., Ltd contributed RMB 270.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In October 2020, the subsidiary Zhuji Property Rights Trading Co., Ltd invested to establish HUANJIANG INTERNATIONAL TRADING CO., LIMITED. The company completed the business registration on October 7, 2020. The registered capital is HKD 50,000.00, of which Zhuji Property Rights Trading Co., Ltd contributed HKD 50,000.00, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In November 2020, the subsidiary Zhuji Property Rights Trading Co., Ltd invested to establish Zhuji Guangxin Engineering Management Co., Ltd. The company completed the business registration on November 17, 2020. The registered capital is USD 4.00 million, of which Zhuji Property Rights Trading Co., Ltd contributed USD 4.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In April 2020, the subsidiary Zhuji Jingchuangrong Investment Co., Ltd invested to establish Zhuji Jingkaiqifu Enterprise Management Co., Ltd. The company completed the business registration on April 27, 2020. The registered capital is RMB10.00 million, of which Zhuji Jingchuangrong Investment Co., Ltd contributed RMB 10.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In April 2020, the subsidiary Zhuji Jingchuangrong Investment Co., Ltd invested to establish Zhuji Jingkaiqiyou Enterprise Management Co., Ltd. The company completed the business registration on April 27, 2020. The registered capital is RMB10.00 million, of which Zhuji Jingchuangrong Investment Co., Ltd contributed RMB 10.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In September 2020, the subsidiary Zhuji Anshun Security Service Co., Ltd invested to obtain Zhejiang Yihao Garden Construction Co., Ltd and its subsidiary Zhejiang Xingxing garden Engineering Co., Ltd. The company completed the business registration on September 15, 2020. The registered capital is RMB10.00 million, of which Zhuji Anshun Security Service Co., Ltd

contributed RMB 10.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In September 2020, the subsidiary Zhuji Economic Development General Company invested to establish Zhuji Taozhu Xihu Farmers Market Co., Ltd. The company completed the business registration on September 16, 2020. The registered capital is RMB 100.00 million, of which Zhuji Economic Development General Company contributed RMB 100.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In September 2020, the subsidiary Zhuji Economic Development General Company invested to establish Zhuji Taozhu Kaiyuan Farmers Market Co., Ltd. The company completed the business registration on September 16, 2020. The registered capital is RMB 50.00 million, of which Zhuji Economic Development General Company contributed RMB 50.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In December 2020, the subsidiary Zhuji Yongxin Education Investment Co., Ltd demerged to establish Zhuji Taozhu Kaiyuan Farmers Market Co., Ltd. The company completed the business registration on December 10, 2020. The registered capital is RMB 120.00 million, of which Zhuji Economic Development General Company contributed RMB 120.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In October 2020, the Company invested to establish Shaoxing Fengqiao College Hotel Management Co., Ltd. The company completed the business registration on October 26, 2020. The registered capital is RMB10.00 million, of which the Company contributed RMB 10.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In August 2020, the subsidiary Zhuji Transportation Investment Group Co., Ltd invested to establish Zhejiang Ruisheng Real Estate Development Co., Ltd. The company completed the business registration on August 4, 2020. The registered capital is RMB 50.00 million, of which Zhuji Transportation Investment Group Co., Ltd contributed RMB 50.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In March 2020, the subsidiary Zhuji Transportation Investment Group Co., Ltd invested to establish Zhuji Traffic Investment Group Public Car Service Co., Ltd. The company completed the business registration on March 17, 2020. The registered capital is RMB 20.00 million, of which Zhuji Transportation Investment Group Co., Ltd contributed RMB 20.00 million, accounting for

100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In March 2020, the subsidiary Zhuji Transportation Investment Group Co., Ltd invested to establish Zhuji Jiaotou Car Rental Service Co., Ltd. The company completed the business registration on March 10, 2020. The registered capital is RMB 5.00 million, of which Zhuji Transportation Investment Group Co., Ltd contributed RMB 5.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

According to the document Shiweiban[2018] No.78 of Zhuji Municipal Office of CPC, the 100% shares of Zhuji Binjiang Real Estate Development Co., Ltd were transferred freely to Zhejiang Huanjiang Media Group Co., Ltd. The company completed the business registration on November 23, 2020. The registered capital is RMB 5.00 million, of which Zhejiang Huanjiang Media Group Co., Ltd contributed RMB 5.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of completing the business registration, it has been included in the scope of consolidated financial statements.

In April 2020, according to the document of Zhuji SASAC, the 100% shares of Zhuji Traffic Engineering Supervision Consulting Co., Ltd were transferred freely to Zhuji Transportation Investment Group Co., Ltd. The company completed the business registration on April 17, 2020. The registered capital is RMB 2.00 million, of which Zhuji Traffic Engineering Supervision Consulting Co., Ltd contributed RMB 2.00 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of completing the business registration, it has been included in the scope of consolidated financial statements.

In April 2020, according to the document of Zhuji SASAC, the 100% shares of Zhuji Henglu Traffic Engineering Testing Co., Ltd were transferred freely to Zhuji Transportation Investment Group Co., Ltd. The company completed the business registration on April 9, 2020. The registered capital is RMB 50,000.00, of which Zhuji Traffic Engineering Supervision Consulting Co., Ltd contributed RMB 50,000.00, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of completing the business registration, it has been included in the scope of consolidated financial statements.

In October 2020, according to the document Zhuji SASAC[2018] No.33 of Zhuji SASAC and Zhujiaofu[2020] No.11 of Zhuji Transportation Bureau, the 100% shares of Zhuji Highway Engineering Company were transferred freely to Zhuji Transportation Investment Group Co., Ltd. The company completed the business registration on October 21, 2020. The registered capital is RMB 10.08 million, of which Zhuji Traffic Engineering Supervision Consulting Co., Ltd contributed RMB 10.08 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of completing the business registration, it has been included in the scope of consolidated financial statements.

In January 2020, the subsidiary Zhuji Transportation Infrastructure Construction Co., Ltd signed the concerted action agreement with Sinopec Marketing Co., Ltd to actually control Zhuji Jiaotou Petrochemical Operation Co., Ltd. Therefore, since the date of the agreement signed, it has been

included in the scope of consolidated financial statements.

2. There is no consolidation by merger in this period.

VII. Equity in other entities

The data listed in this section is in RMB 10,000.00 unless otherwise stated.

(I) Equity in subsidiaries

1. Composition of enterprise group

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
Zhuji Urban & Rural Investment Group Co., Ltd	Level 1	Zhuji	Zhuji	Communal facilities management	100.00	-	Transferred
Zhuji Chengdong New City Construction Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Yuedu Investment Development Co., Ltd.	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Cultural Tourism Group Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Xishi Hometown Tourism Development Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhejiang Wuxie Tourism Development Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Shanxiahu Pearl Town Investment Development Co., Ltd	Level 4	Zhuji	Zhuji	Wholesale industry	-	100.00	Transferred
Zhuji Huanjiang Real Estate Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Fengxi Cultural Tourism Development Co., Ltd	Level 5	Zhuji	Zhuji	Retail	-	51.00	Transferred
Zhuji Tangjiangyan Scenic Tourism Development Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Qianfo Mountain Scenic Tourism Development Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhejiang Baita Lake Ecotourism Development Co., Ltd	Level 4	Zhuji	Zhuji	Communal facilities management	-	100.00	Transferred
Zhuji Baitahu Fishery Resources Management Co., Ltd	Level 5	Zhuji	Zhuji	Fishing industry	-	100.00	Transferred
Zhuji Baitahu Tourism Development Co., Ltd	Level 5	Zhuji	Zhuji	Water conservancy, environment and Communal facilities management	-	100.00	Transferred

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
Zhuji Huanjiang Landscape Engineering Co., Ltd	Level 4	Zhuji	Zhuji	Construction industry	-	100.00	Transferred
Zhuji Xishi Youli Travel Agency Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Xingcheng Property Co., Ltd.	Level 4	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Huansha Small Town Construction Investment Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Huanjiang International Trade City Development Co., Ltd	Level 3	Zhuji	Zhuji	Rental & Business services	-	75.00	Transferred
Zhuji Huanjiang Business Management Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Yuefeng Seed Industry Co., Ltd	Level 4	Zhuji	Zhuji	Wholesale industry	-	100.00	Transferred
Zhuji Health Investment Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Health Technology Co., Ltd	Level 5	Zhuji	Zhuji	Research and experimental development industry	-	100.00	Transferred
Shaoxing Nursing School	Level 5	Zhuji	Zhuji	Education	-	100.00	Transferred
Zhuji Cereal & Oil Purchase and Store Co., Ltd	Level 4	Zhuji	Zhuji	Wholesale industry	-	100.00	Transferred
Zhuji Kaiyuan Rice Co., Ltd	Level 5	Zhuji	Zhuji	Manufacturing industry	-	70.00	Transferred
Zhuji Puyang Grain Logistics Co., Ltd	Level 5	Zhuji	Zhuji	Road transportation industry	-	80.00	Transferred
Zhuji Yueyi Urban Construction Co., Ltd	Level 3	Zhuji	Zhuji	Civil engineering and construction industry	-	60.00	Transferred
Zhuji Chengtou Real Estate Development Co., Ltd	Level 3	Zhuji	Zhuji	Real Estate	-	100.00	Established
Zhuji Environmental Sanitation Management Group Co., Ltd	Level 2	Zhuji	Zhuji	Communal facilities management	-	100.00	Established
Zhuji Huanmei Cleaning Service Co., Ltd	Level 3	Zhuji	Zhuji	Resident service; repairment and other services	-	100.00	Transferred
Zhuji Zhongyi Waste Disposal Co., Ltd	Level 3	Zhuji	Zhuji	Comprehensive utilization of waste resources services	-	100.00	Established
Zhuji Zhongce Waste Clearing and Transportation Service Co., Ltd	Level 3	Zhuji	Zhuji	Comprehensive utilization of waste	-	100.00	Established

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
				resources services			
Zhuji Huanxi Cleaning Service Co., Ltd	Level 3	Zhuji	Zhuji	Other services	-	100.00	Established
Zhuji Huandong Cleaning Service Co., Ltd	Level 3	Zhuji	Zhuji	Other services	-	100.00	Established
Zhuji Xingcheng Industrial Investment Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Established
Zhejiang Chenghui Trading Co., Ltd	Level 3	Zhuji	Zhuji	Wholesale industry	-	100.00	Established
Zhuji City Transport Service Co., Ltd	Level 3	Zhuji	Zhuji	Road transportation industry	-	100.00	Established
Zhuji Chengqing Construction Co., Ltd	Level 3	Zhuji	Zhuji	Civil engineering and construction industry	-	100.00	Established
Zhuji Green Horticulture Co., Ltd	Level 3	Zhuji	Zhuji	Agriculture, forestry, animal husbandry, fishery and auxiliary activities	-	100.00	Transferred
Zhuji Changda Construction Engineering Co., Ltd	Level 3	Zhuji	Zhuji	Architectural decoration, repairment and other construction industry	-	100.00	Transferred
Zhuji Chenghe Environmental Protection Technology Co., Ltd	Level 2	Zhuji	Zhuji	Wholesale industry	-	100.00	Established
Zhuji Chenghua Sludge Treatment Technology Co., Ltd	Level 2	Zhuji	Zhuji	Ecological protection and environmental management industry	-	100.00	Established
Zhuji Chengtong Pipe Network Co., Ltd	Level 2	Zhuji	Zhuji	Communal facilities management	-	100.00	Transferred
Zhuji Plaza Property Management Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Street Lamp Management Co., Ltd	Level 2	Zhuji	Zhuji	Communal facilities management	-	100.00	Established
Zhuji Yongxing Housebreaking Service Co., Ltd	Level 2	Zhuji	Zhuji	Housing construction industry	-	100.00	Transferred
Zhuji Yong'an Municipal Public Works Quality Inspection Co., Ltd	Level 2	Zhuji	Zhuji	Professional technical service industry	-	100.00	Transferred
Zhuji Rural Development Investment Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Gaohu Construction Investment	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
Co., Ltd							
Zhejiang Zhuji Transformation & Upgrading Industry Fund Co., Ltd	Level 1	Zhuji	Zhuji	Business services	60.00	-	Transferred
Zhejiang Huanjiang Media Group Co., Ltd	Level 1	Zhuji	Zhuji	Radio, television, film and sound production	51.00	-	Transferred
Zhuji Radio and Television Network Co., Ltd	Level 2	Zhuji	Zhuji	Press and publishing	-	100.00	Transferred
Zhuji Radio & TV Materials Co., Ltd	Level 2	Zhuji	Zhuji	Wholesale industry	-	100.00	Transferred
Zhuji Radio Television Film Media Co., Ltd	Level 2	Zhuji	Zhuji	Radio, television, film and sound production	-	100.00	Transferred
Zhuji Radio & Television Information Technology Co., Ltd	Level 2	Zhuji	Zhuji	Research and experimental development industry	-	100.00	Transferred
Zhuji Radio and Television Information Engineering Construction Co., Ltd	Level 2	Zhuji	Zhuji	Civil engineering construction industry	-	100.00	Transferred
Zhuji Yuerong Network Technology Co., Ltd	Level 2	Zhuji	Zhuji	Software and information technology services	-	100.00	Established
Zhuji Binjiang Real Estate Development Co., Ltd	Level 2	Zhuji	Zhuji	Real Estate	-	100.00	Transferred
Zhuji Yuepu Printing Co., Ltd	Level 2	Zhuji	Zhuji	Printing and media reproduction industry	-	100.00	Established
Zhuji Yuetong Intelligent Parking Management Co., Ltd	Level 2	Zhuji	Zhuji	The repairment of motor vehicle, electronic products and daily products industry	-	100.00	Established
Zhuji Traffic Infrastructure Construction Co., Ltd	Level 1	Zhuji	Zhuji	Civil engineering construction industry	100.00	-	Transferred
Zhuji Yuesheng Mining Co., Ltd	Level 2	Zhuji	Zhuji	Ferrous metal mining and dressing industry	-	100.00	Established
Zhuji Yuesheng Highway Maintenance Engineering Co., Ltd	Level 2	Zhuji	Zhuji	Civil engineering construction industry	-	100.00	Transferred
Zhuji Yuesheng Aggregate Business Co., Ltd	Level 3	Zhuji	Zhuji	Wholesale industry	-	100.00	Established

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
Zhuji Yuesheng Highway Engineering Materials Co., Ltd	Level 2	Zhuji	Zhuji	Wholesale industry	-	100.00	Transferred
Zhuji Traffic Media Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Public Traffic Co., Ltd	Level 2	Zhuji	Zhuji	Road transportation industry	-	100.00	Transferred
Zhuji YueShun Automobile Repair Co., Ltd	Level 3	Zhuji	Zhuji	The repairment of motor vehicle, electronic products and daily products industry	-	100.00	Transferred
Zhuji Yuesheng Education Development Co., Ltd	Level 2	Zhuji	Zhuji	Retail	-	100.00	Established
Zhuji Jiaotou Real Estate Co., Ltd	Level 2	Zhuji	Zhuji	Real Estate	-	100.00	Established
Zhuji Film Publish Presentation Company	Level 2	Zhuji	Zhuji	Culture and art industry	-	100.00	Transferred
Zhejiang Bosheng Trading Co., Ltd	Level 2	Zhuji	Zhuji	Wholesale industry	-	95.00	Established
Zhuji Education Development Investment Co., Ltd	Level 2	Zhuji	Zhuji	Other services	-	78.67	Transferred
Zhuji Education Logistics Distribution Center Co., Ltd	Level 3	Zhuji	Zhuji	Wholesale industry	-	80.00	Transferred
Zhuji Yuexing Mining Co., Ltd	Level 2	Zhuji	Zhuji	Ferrous metal mining and dressing industry	-	75.00	Established
Zhuji Jiaotou Petrochemical Operation Co., Ltd	Level 2	Zhuji	Zhuji	Electricity, heat, gas and water production and supply industry	-	50.00	Established
Feida Group Co., Ltd	Level 1	Zhuji	Zhuji	Special equipment manufacturing industry	100.00	-	Transferred
Zhejiang Feida Jinyuan Metal Material Co., Ltd	Level 2	Zhuji	Zhuji	Wholesale industry	-	100.00	Transferred
Zhejiang Qianzheng Asset Management Partnership (Limited Partnership)	Level 2	Zhuji	Zhuji	Business services	-	50.00	Transferred
Zhejiang Feida Equity Investment Fund Partnership (Limited Partnership)	Level 2	Zhuji	Zhuji	Business services	-	84.00	Transferred
Zhejiang Feida Garden Machinery Co., Ltd	Level 2	Zhuji	Zhuji	Special equipment manufacturing industry	-	70.00	Transferred
Jiangsu Feidabaokai Electric Co.,Ltd	Level 2	Yangzh	Yang	Electrical machinery	-	100.00	Purchased

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
		ou	zhou	and equipment manufacturing industry			
Xuzhou Feidabaokai Machinery Manufacturing Co., Ltd	Level 3	Xuzhou	Xuzhou	Electrical machinery and equipment manufacturing industry	-	100.00	Purchased
Shanghai Feida Yicang Logistics Technology Co., Ltd	Level 3	Shanghai	Shanghai	Technology promotion and application service industry	-	100.00	Purchased
Zhuji Infrastructure Investment Fund Co., Ltd	Level 1	Zhuji	Zhuji	Business services	60.00	-	Established
Zhejiang Linhang Investment Co., Ltd	Level 1	Zhuji	Zhuji	Business services	100.00	-	Established
Zhejiang Zhuji Jiefanghu Linhang Investment Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Diankou Sanxin Technology Pioneer Park Management Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Purchased
Zhuji Hi Tech Trading Co., Ltd	Level 2	Zhuji	Zhuji	Wholesale industry	-	100.00	Established
Zhuji High Tech Real Estate Development Co., Ltd	Level 2	Zhuji	Zhuji	Real Estate	-	100.00	Established
Zhuji Yuhang Construction Development Co., Ltd	Level 2	Zhuji	Zhuji	Housing construction industry	-	51.00	Established
Zhuji Huimin Affordable Housing Construction Co., Ltd	Level 1	Zhuji	Zhuji	Real Estate	100.00	-	Established
Zhuji State Owned Capital Investment Holding Co., Ltd	Level 1	Zhuji	Zhuji	Capital market services	100.00	-	Established
Zhuji Huanshajang Equity Investment Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Enterprise Rescue Investment Co., Ltd	Level 2	Zhuji	Zhuji	Capital market services	-	100.00	Established
Zhuji Huansha River Yongze Equity Investment Partnership (Limited Partnership)	Level 2	Zhuji	Zhuji	Business services	-	95.80	Established
ZHUJI DEVELOPMENT LIMITED	Level 1	Zhuji	Hong Kong	Business services	100.00	-	Established
Zhuji Water Resources Group Co., Ltd	Level 1	Zhuji	Zhuji	Water production and supply industry	100.00	-	Transferred

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
Zhuji Water Industry Business Development Co., Ltd	Level 2	Zhuji	Zhuji	Research and experimental development industry	-	100.00	Transferred
Zhuji Water Industry Construction Engineering Co., Ltd	Level 2	Zhuji	Zhuji	Civil engineering construction industry	-	100.00	Transferred
Huanjiang Water Co.,Ltd	Level 2	Zhuji	Zhuji	Water production and supply industry	-	70.00	Transferred
Zhuji Jiyang Drainage Management Co., Ltd	Level 3	Zhuji	Zhuji	Water management industry	-	100.00	Transferred
Zhuji Yongning Water Conservancy Investment Development Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Water Conservancy Investment Development Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Jiyang Water Industry Survey and Design Co., Ltd	Level 2	Zhuji	Zhuji	Water management industry	-	100.00	Transferred
Zhuji Water Technology Testing Co., Ltd	Level 2	Zhuji	Zhuji	Scientific research and technology services	-	100.00	Transferred
Zhuji Raw Water Management Co., Ltd	Level 2	Zhuji	Zhuji	Electric power and heat production and supply	-	100.00	Transferred
Zhuji Runze Ecological Agriculture Co., Ltd	Level 2	Zhuji	Zhuji	Agriculture industry	-	100.00	Transferred
Zhejiang Great Southeast Co.,Ltd	Level 2	Zhuji	Zhuji	Rubber and plastic products industry	-	27.91	Purchased
Zhejiang GREAT SOUTHEAST WAN Xiang Science and Technology Co., Ltd	Level 3	Zhuji	Zhuji	Rubber and plastic products industry	-	100.00	Purchased
Zhejiang Lvhai New Energy Technology Co., Ltd	Level 3	Zhuji	Zhuji	Research and experimental development industry	-	100.00	Purchased
Hangzhou Great Southeast Science & Technology Packaging Co., Ltd	Level 3	Hangzhou	Hangzhou	Chemical raw materials and chemical products manufacturing industry	-	100.00	Purchased
Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd	Level 3	Ningbo	Ningbo	Rubber and plastic products industry	-	100.00	Purchased

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
Zhejiang Great Southeast Lithium Battery Separator Research Institute	Level 3	Zhuji	Zhuji	Research and development	-	100.00	Purchased
Zhuji Property Rights Trading Co., Ltd	Level 1	Zhuji	Zhuji	Rental & Business services	100.00	-	Transferred
HUANJIANG INTERNATIONAL TRADING CO., LIMITED	Level 2	Zhuji	Hong Kong	Business services	-	100.00	Established
Zhuji Guangxin Engineering Management Co., Ltd	Level 3	Zhuji	Zhuji	Professional technical service industry	-	100.00	Established
Zhuji Economic Development General Company	Level 1	Zhuji	Zhuji	Real Estate	100.00	-	Transferred
Zhuji Xincheng Property Management Co., Ltd	Level 2	Zhuji	Zhuji	Real Estate	-	100.00	Transferred
Zhuji Wangyun Construction Development Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Jingchuangfong Investment Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Chuangfa Equity Investment Fund Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Shengshi Hechuang Investment Partnership (Limited Partnership)	Level 4	Zhuji	Zhuji	Capital market services	-	98.99	Established
Zhuji Chuangfa Information Industry Investment Co., Ltd	Level 4	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Lefu Biotechnology Co., Ltd	Level 3	Zhuji	Zhuji	Research and experimental development industry	-	55.00	Established
Zhuji Chuangjia Investment Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Jiaxiang Biotechnology Co., Ltd	Level 4	Zhuji	Zhuji	Pharmaceutical manufacturing industry	-	100.00	Established
Zhuji Jingkai Chuangyou Equity Investment Fund Co., Ltd.	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Jingkaichuangshe Equity Investment Fund Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Chuanghu Investment Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Chuangrong Angel Equity Investment fund Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
Zhuji Chuanghe Investment Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Jingkaiqifu Enterprise Management Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Jingkaiqiyou Enterprise Management Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Yongxin Enterprise Management Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Yongqin Investment Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Yongxin Education Investment Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Established
Zhuji Anshun Security Service Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhejiang Yihao Garden Construction Co., Ltd	Level 3	Zhuji	Zhuji	Architectural decoration, repairment & Other Construction industry	-	100.00	Purchased
Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	Level 2	Zhuji	Zhuji	Residential services, repairment and other services	-	100.00	Purchased
Zhejiang Sock Art Culture Development Co., Ltd	Level 3	Zhuji	Zhuji	Business services	-	80.00	Purchased
Zhuji Tangsheng Socks Co., Ltd	Level 2	Zhuji	Zhuji	Textile and clothing industry	-	100.00	Purchased
Zhuji Taozhu West Lake Agricultural Trade Market Co., Ltd	Level 2	Zhuji	Zhuji	Residential services	-	100.00	Established
Zhuji Taozhu Kaiyuan Agricultural Market Co., Ltd	Level 2	Zhuji	Zhuji	Residential services	-	100.00	Established
Zhuji Huaxia Jinshi Museum Co., Ltd	Level 2	Zhuji	Zhuji	Culture and art industry	-	100.00	Established
Shaoxing Fengqiao College Hotel Management Co., Ltd	Level 1	Zhuji	Zhuji	Business services	100.00	-	Established
Zhuji Transportation Investment Group Co., Ltd	Level 1	Zhuji	Zhuji	Road transport industry	51.00	49.00	Transferred
Zhejiang Ruisheng Real Estate Development Co., Ltd	Level 2	Zhuji	Zhuji	Real Estate	-	100.00	Established
Zhuji Yueda Public Transport Co., Ltd	Level 2	Zhuji	Zhuji	Transportation, storage and postal services	-	100.00	Transferred

Name	Level	Main place of businesses	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
Zhuji traffic Investment Group Public Car Service Co., Ltd	Level 2	Zhuji	Zhuji	Rental industry	-	100.00	Established
Zhuji Jiaotou Port Co., Ltd	Level 2	Zhuji	Zhuji	Marine traffic transport industry	-	100.00	Established
Zhuji Highway Engineering Company	Level 2	Zhuji	Zhuji	Civil engineering construction industry	-	100.00	Transferred
Zhuji Public Transport Station Management Co., Ltd	Level 2	Zhuji	Zhuji	Business services	-	100.00	Transferred
Zhuji Jiaotou Car Rental Service Co., Ltd	Level 2	Zhuji	Zhuji	Rental industry	-	100.00	Established
Zhuji Transportation Logistics Co., Ltd	Level 2	Zhuji	Zhuji	Ecological protection and environmental management industry	-	100.00	Transferred
Zhuji Traffic Engineering Supervision Consulting Co., Ltd	Level 2	Zhuji	Zhuji	Scientific research and technology services	-	100.00	Transferred
Zhuji Henglu Traffic Engineering Testing Co., Ltd	Level 2	Zhuji	Zhuji	Professional technical service industry	-	100.00	Transferred

(1) The reason why the parent has half or less of the voting rights but control the investee

The Company holds 50% shares in Zhejiang Qianzheng Asset Management Partnership (Limited Partnership) and is the largest shareholder. At the same time, the Company has majorities on the board of directors. Therefore, the Company has substantial control over it and includes it in consolidation scope.

Zhuji Jiaotou Petrochemical Operation Co., Ltd is under the Company's actual control because of the concerted action agreement signed by the Company and Sinopec Marketing Co., Ltd although the Company only holds 50% shares of it. Therefore, the Company has substantial control over it and includes it in consolidation scope.

The Company holds 27.91% shares in Zhejiang Great Southeast Co., Ltd and is the largest shareholder. At the same time, the Company has majorities on the board of directors. Therefore, the Company has substantial control over it and includes it in consolidation scope.

(2)Other

Names of subsidiary	Registered Capital	Paid-in Capital	Percentage (%)	Reason of not being included in consolidation scope	Note
Zhuji Wisdom Education Technology Co., Ltd [Note]	500.00	500.00	100.00	Have no substantial control	[Note]

[Note]: Zhuji Wisdom Education Technology Co., Ltd is invested by Zhuji Economic Development General Company the subsidiary of the Company. Base on the document the explication of nominee holding of Zhuji SASAC, Zhuji New City Investment Development Co.,

Ltd hasn't involved in the management of Zhuji Wisdom Education Technology Co., Ltd, and has not substantial control. So it is not included in consolidation scope.

(II) Equity in joint ventures and associates

Important joint ventures and associates

Names of joint ventures or associates	Main place of business	Registered place	Nature of business	Percentage (%)		Accounting Treatment
				Directly	Indirectly	
Zhejiang Suichang Jiyang Shanghai Cooperation Industrial Park Development Co., Ltd	Suichang	Suichang	Investment	50.00	-	Equity Method
Tao Zhu Business School	Zhuji	Zhuji	School	-	50.00	Equity Method
Zhuji Bishui Environmental Technology Co., Ltd	Zhuji	Zhuji	Research and development of environmental protection technology services	-	30.00	Equity Method
Zhuji Chuangxiao Investment Partnership (Limited Partnership)	Zhuji	Zhuji	Rental & Business services	-	49.90	Equity Method
Zhejiang Feida Precision Machinery Co., Ltd	Zhuji	Zhuji	Manufacturing and sales industry	-	20.00	Equity Method
Zhejiang Feida New Material Co., Ltd	Zhuji	Zhuji	Research and development	-	35.00	Equity Method
Zhejiang Feida Enviromental Science & Technology Co., Ltd	Zhuji	Zhuji	Manufacturing industry	-	17.65	Equity Method[Note]
Zhuji Jida Real Estate Co., Ltd	Zhuji	Zhuji	Real Estate	-	26.25	Equity Method
Zhuji Jiazi Pin Sign Zhejiang Made Equity Investment Partnership (Limited Partnership)	Zhuji	Zhuji	Rental & Business services	-	41.67	Equity Method
Zhejiang Dongxin ITechnology Co., Ltd	Zhuji	Zhuji	Scientific research and technology services	-	30.00	Equity Method
Zhuji Fuhua Industrial Transformation and Upgrade Fund Partnership (L.P.)	Zhuji	Zhuji	Equity investment	-	20.00	Equity Method
Zhuji Information Network Co., Ltd	Zhuji	Zhuji	Construction industry	-	48.00	Equity Method
Zhejiang Zhian Technology Co., Ltd	Zhuji	Zhuji	Information transmission, software and information technology services	-	25.00	Equity Method
Henan Yuneng Feida Environmental Protection Co., Ltd	Zhengzhou	Zhengzhou	Resident services, repairment and other services	-	25.00	Equity Method
Zhuji Gaoying Equity Investment Partnership (Limited Partnership)	Zhuji	Zhuji	Rental & Business services	-	49.30	Equity Method
Zhuji Yaohe Pharmaceutical Investment Partnership (Limited Partnership)	Zhuji	Zhuji	Rental & Business services	-	40.00	Equity Method
Zhuji Zihuan Equity Investment Partnership	Zhuji	Zhuji	Rental & Business services	-	40.00	Equity Method

Names of joint ventures or associates (Limited Partnership)	Main place of business	Registered place	Nature of business	Percentage (%)		Accounting Treatment
				Directly	Indirectly	

[Note] The Company holds 17.65% shares in Zhejiang Feida Environmental Science & Technology Co., Ltd and is the second largest shareholder. The Company accredits directors to the board of directors. So the Company has a significant impact on it. For the above reasons, Zhejiang Feida Environmental Science & Technology Co., Ltd is accounting by equity method.

VIII. Relationships and transactions with related parties

The data listed in this section is in RMB unless otherwise stated.

(I) Relationships with related parties

1. Details of the shareholder of the Company

The shareholder of the Company is Zhuji City, State-owned Assets Supervision and Administration Commission.

2. Details of the subsidiaries of the Company

Details of the subsidiaries of the Company are presented in Note VII (I) "Equity in subsidiaries".

3. Details of the joint ventures and associates of the Company

Joint ventures and associates are presented in Note VII (II) "Equity in joint ventures and associates".

(II) Related party transactions

Details of related guarantee

Guarantor	Obligor	Amount of guarantee	Start date	Due date	Has been fulfil or not
Feida Group Co., Ltd	Zhejiang Feida Environmental Science & Technology Co., Ltd	50,000,000.00	2020/6/29	2021/1/6	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Science & Technology Co., Ltd	100,000,000.00	2020/6/18	2021/6/14	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Science & Technology Co., Ltd	100,000,000.00	2020/6/23	2021/6/15	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Science & Technology Co., Ltd	15,786,000.00	2020/7/3	2021/1/3	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Science & Technology Co., Ltd	23,814,000.00	2020/7/6	2021/1/3	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Science & Technology Co., Ltd	9,328,000.00	2020/12/4	2021/6/4	No

Guarantor	Obligor	Amount of guarantee	Start date	Due date	Has been fulfilled or not
	Technology Co., Ltd				
Zhuji Transportation Investment Group Co., Ltd	Zhuji Diankou Comprehensive Control Of Environmental Co., Ltd	90,000,000.00	2019/1/25	2024/1/25	No
Total		388,928,000.00			

IX. Commitment and contingency

(I) Significant commitment

Other major financial commitments

- For details of the property mortgage and pledge guarantee between the companies within the scope of consolidation, please refer to Note IX (II) 2 of the financial statements, “Guarantee between the companies within the scope of the Company's consolidation”.
- Property mortgage guarantees for each company's external loan within the scope of consolidation (Expressed in RMB 10,000.00)

Mortgagor	Mortgagee	Mortgaged object	Mortgage loan balance	Due date
Zhejiang Great Southeast Co.,Ltd	Agricultural Bank Of China Limited	Real property	2,966.55	2021/12/28
Zhejiang Linhang Investment Co., Ltd	China Everbright Bank Company Limited	Real property	200.00	2021/3/9
Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	China Minsheng Banking Corp., Ltd	Real property	5,000.00	2021/12/16
Zhuji Huanjiang International Trade City Development Co., Ltd	Agricultural Bank Of China Limited	House property	5,000.00	2021/12/28
Zhuji Kaiyuan Rice Co., Ltd	Agricultural Development Bank of China	Real property	10.00	2021/12/3
Zhejiang Wuxie Tourism Development Co., Ltd	Bank of Communications Co.,Ltd	House property	2,000.00	2021/7/9
Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	Bank of Shaoxing Co., Ltd	House property	23,474.76	2032/12/23
Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	Bank of Shaoxing Co., Ltd	House property	17,320.26	2029/3/25
Zhuji Economic Development General Company	Agricultural Development Bank of China	Real property	53,000.00	2035/3/9
Zhuji State-owned Assets Management Co., Ltd	China Minsheng Banking Corp., Ltd	Land use right, Real property	210,000.00	2025/8/10
Zhejiang Huanjiang Media Group Co., Ltd	Agricultural Development Bank of China	Real property	35,000.00	2035/3/23
Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	Land use right	25,800.00	2022/6/30
Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	Land use right, Real property	29,000.00	2031/5/30
Zhuji Huanjiang Real Estate Co., Ltd	Agricultural Bank Of China Limited	House property	51,260.00	2038/9/28

Mortgagor	Mortgagee	Mortgaged object	Mortgage loan balance	Due date
Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	Land use right	52,000.00	2022/5/30
Zhuji Transportation Investment Group Co., Ltd	Hua Xia Bank Co., Limited	Land use right	23,300.00	2021/3/25
Zhuji Economic Development General Company	Gansu Lanyin Financial Leasing Co., Ltd	Real property	5,000.00	2022/1/18
Zhuji Economic Development General Company	CQRC Financial Leasing Co., Ltd	Real property	20,000.00	2022/10/10
Zhuji Huanjiang International Trade City Development Co., Ltd	Jiyin Financial Leasing Co., Ltd	House property	15,000.00	2023/9/15
Zhuji Huanjiang International Trade City Development Co., Ltd	Zhejiang Materials & Products Yuantong Pawn Co., Ltd	House property	17,503.60	2022/11/24
Zhuji Huanjiang International Trade City Development Co., Ltd	Hubei Financial Leasing Co., Ltd	House property	19,000.00	2025/3/31
Total			611,835.17	

3. Property pledge guarantees for each company's external borrowing within the scope of consolidation (Expressed in RMB 10,000.00)

Pledgor	Pledgee	Pledged object	Pledge loan balance	Due date
Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	China Minsheng Banking Corp., Ltd	Certificates of deposit	2,850.00	2021/3/19
Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	Investors of assets receivable project from Zhuji Economic Development General Company	Accounts receivable	1,696.00	2022/12
Zhuji Huanjiang International Trade City Development Co., Ltd	Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership)	Income right of government purchase agreement	106,120.00	2027/4/25
Zhuji Transportation Investment Group Co., Ltd	Beijing Hengtai Puhui Information Service Co., Ltd	Accounts receivable	10,987.00	2021/1/4
Zhuji Economic Development General Company	Agricultural Development Bank of China	Accounts receivable	98,000.00	2034/7/7
Zhuji Economic Development General Company	Agricultural Bank Of China Limited	Income right of government purchase agreement	90,000.00	2027/5/4
Zhuji State-owned Assets Management Co., Ltd	China Minsheng Banking Corp., Ltd	Accounts receivable	210,000.00	2025/8/10
Zhuji Huanjiang Real Estate Co., Ltd	Agricultural Bank Of China Limited	Accounts receivable	51,260.00	2038/9/28
Zhuji Urban & Rural Investment Group Co., Ltd	China Construction Bank Corporation	Accounts receivable	123,730.00	2027/5/11
Zhuji Chengtong Pipe Network Co., Ltd	China Development Bank	Income right of government purchase agreement	50,000.00	2026/4/27
Zhuji Chengdong new City Construction Co., Ltd	China Development Bank	Accounts receivable	68,650.00	2041/8/28

Pledgor	Pledgee	Pledged object	Pledge loan balance	Due date
Zhuji Chengdong New City Construction Co., Ltd	Industrial And Commercial Bank Of China Limited	Accounts receivable	37,000.00	2022/8/26
Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	Accounts receivable	233,000.00	2031/12/31
Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	Accounts receivable	185,000.00	2029/11/13
Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	50 million certificates of deposit	17,492.98	2023/5/25
Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	Accounts receivable under the agreement of 50 million fixed deposit receipt and entrusted purchasing service	45,550.00	2031/1/28
Zhuji Transportation Investment Group Co., Ltd	China Development Bank	All the rights and interests and income of the pledgor under the agreement on making up the repayment difference signed with Zhuji Finance Bureau on the Jiangzao Wangjiajing section project of Zhuji 03 Provincial Road East double track	150,000.00	2025/2/27
Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	Accounts receivable	72,000.00	2022/5/30
Zhuji Urban & Rural Investment Group Co., Ltd	Agricultural Bank Of China Limited	Accounts receivable	100,000.00	2032/3/8
Total			1,653,335.98	

4. Others

On December 29, 2018, Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd. signed a maximum mortgage contract with Agricultural Bank of China Limited which contract number is 821006620180003792. The original value of the real estate of Zhejiang (2018) Ningbo Yinzhou real estate which numbers 0297395 was RMB 103,920,000.00 (as of December 31, 2020, the net value of fixed assets was RMB 71, 389,745.00, and the net intangible asset value is RMB 4,717,994.56), which provides guarantee for all debts of the company to Agricultural Bank of China Limited within the maximum amount of RMB 206,060,000.00 from December 29, 2018 to December 28, 2021. As of December 31, 2020, the company still has short-term borrowings of US \$4,546,500.00, equivalent to RMB 29,665,457.85.

Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd. opened a letter of credit of USD 9,926,500.00 (equivalent to 64,769,419.85 yuan) from Agricultural Bank of China Limited, and provided joint guarantee with L / C deposit of 6,980,000.00 yuan.

On April 16, 2020, Zhejiang Great Southeast Co., Ltd and Hua Xia Bank Co., Ltd signed a maximum mortgage contract with the number of SX17 (the highest mortgage) 120200002, which

is based on real estate certificate No. 0010411 of Zhuji (2020) (net value as of December 31, 2020 is 14,084,951.95 yuan) and land of Zhuji Guoyong No. 92300239 (net value as of December 31, 2020 is 7,535,303.04 yuan) to guarantee all debts of Hua Xia Bank Co., limited within the maximum amount of 70,036,900.00 yuan from April 16, 2020 to April 16, 2023. As of December 31, 2020, Zhejiang Great Southeast Co., Ltd. has opened a letter of credit of US \$1,112,120.00 (equivalent to RMB 7,256,471.79) with RMB 1,255,000.00 as L / C deposit in Hua Xia Bank Co., limited.

(II) Contingencies

1. Contingent liabilities formed by providing debt guarantee for other units and their financial impact

(1) For details of the guarantee the companies provides for companies outside of the consolidation scope, please refer to Note VIII (II) of the financial statements, “Related party transactions”.

(2) Details of the company providing guarantee for non-related parties.

As of December 31, 2020, details of the company providing guarantee for non-related parties.
(Expressed in RMB 10,000.00)

Guarantor	Obligor	Guaranteed loan balance	Due date
Zhejiang Great Southeast Co.,Ltd	Zhejiang Great Southeast Group Co., Ltd	1,650.00	[Note]
Zhejiang Great Southeast Co.,Ltd	Zhejiang Great Southeast Group Co., Ltd	4,602.13	[Note]
Zhejiang Great Southeast Co.,Ltd	Zhejiang Great Southeast Group Co., Ltd	4,197.42	[Note]
Zhejiang Great Southeast Co.,Ltd	Zhejiang Great Southeast Group Co., Ltd	2,840.00	[Note]
Zhejiang Great Southeast Co.,Ltd	Zhuji Dadongnan Paper Packing Co., Ltd	3,000.00	[Note]
Zhejiang Great Southeast Co.,Ltd	Zhejiang Great Southeast Group Co., Ltd	2,696.16	[Note]
Zhejiang Great Southeast Co.,Ltd	Zhejiang Great Southeast Group Co., Ltd	2,792.13	[Note]
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Huangshan New Rural Construction Investment Co., Ltd	1,750.00	2021/9/23
Total		23,527.84	

[Note]: The guarantee is fulfilled and turned in litigation. For the details please refer to Note IX (III) “Others”.

3. Guarantee between companies within the scope of merger of the company

(1) As of December 31, 2020, details of guarantee between companies within the scope of the Company's consolidation scope (Expressed in RMB 10,000.00).

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
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Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Water Resources Group Co., Ltd	Bank of Communications Co.,Ltd	52,000.00	2026/12/31
Zhuji State-owned Assets Management Co., Ltd	Zhuji Water Resources Group Co., Ltd	Bank of Communications Co.,Ltd	5,000.00	2022/12/23
Zhuji State-owned Assets Management Co., Ltd	Zhuji Water Resources Group Co., Ltd	Bank of Communications Co.,Ltd	5,000.00	2022/12/24
Zhuji Economic Development General Company	Zhuji Water Resources Group Co., Ltd	Industrial And Commercial Bank Of China Limited	1,000.00	2024/6/28
Zhuji Economic Development General Company	Zhuji Water Resources Group Co., Ltd	Industrial And Commercial Bank Of China Limited	12,000.00	2024/6/28
Zhuji Economic Development General Company	Zhuji Water Resources Group Co., Ltd	Industrial And Commercial Bank Of China Limited	5,000.00	2022/12/30
Zhejiang Huanjiang Media Group Co., Ltd	Zhejiang Linhang Investment Co., Ltd	Bank Of Ningbo Co.,Ltd	10,000.00	2023/3/27
Zhejiang Huanjiang Media Group Co., Ltd	Zhejiang Linhang Investment Co., Ltd	Hua Xia Bank Co.,Limited	8,000.00	2023/5/29
Zhuji State-owned Assets Management Co., Ltd	Zhejiang Linhang Investment Co., Ltd	Bank of Shaoxing Co., Ltd	10,000.00	2023/3/26
Zhuji Diankou Rural Development Investment Co., Ltd	Zhuji Diankou Sanxin Technology Pioneer Park Management Co., Ltd	Zhejiang Zhuji Rural Commercial Bank Company Limited	700.00	2022/6/11
Zhuji Diankou Rural Development Investment Co., Ltd	Zhuji Diankou Sanxin Technology Pioneer Park Management Co., Ltd	Zhejiang Zhuji Rural Commercial Bank Company Limited	1,000.00	2022/6/11
Zhuji Economic Development General Company	Zhuji Anshun Security Service Co., Ltd	Bank of Shanghai Co., Ltd	9,400.00	2022/7/31
Zhuji Economic Development General Company	Zhuji Anshun Security Service Co., Ltd	Bank Of Ningbo Co.,Ltd	8,000.00	2023/9/15
Zhuji Transportation Investment Group Co., Ltd	Zhuji Yongxin Education Investment Co., Ltd	Agricultural Development Bank of China	10,000.00	2035/9/21
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	Bank of Jiaxing Co., Ltd	4,500.00	2022/12/30
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	Bank of Jiaxing Co., Ltd	5,000.00	2022/12/30
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	China Everbright Bank Company Limited	20,000.00	2022/7/15
Zhuji Huanjiang International Trade City Development Co., Ltd	Zhuji Economic Development General Company	Zhejiang Zhuji Rural Commercial Bank Company Limited	5,000.00	2023/6/4

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Bank Of Ningbo Co.,Ltd	20,000.00	2023/8/7
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	Agricultural Development Bank of China	3,000.00	2034/7/7
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	Agricultural Development Bank of China	25,000.00	2034/7/7
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	Agricultural Development Bank of China	60,000.00	2034/7/7
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	Agricultural Development Bank of China	3,000.00	2034/7/7
Zhuji State-owned Assets Management Co., Ltd	Zhuji Economic Development General Company	Agricultural Development Bank of China	18,000.00	2035/3/9
Zhuji State-owned Assets Management Co., Ltd	Zhuji Economic Development General Company	Agricultural Development Bank of China	35,000.00	2035/3/9
Zhuji State-owned Assets Management Co., Ltd	Zhuji Economic Development General Company	Zhonghai Trust Co., Ltd	20,000.00	2023/3/27
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	Bank Of Ningbo Co.,Ltd	50,000.00	2022/10/17
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	Luso International Banking Ltd. Guangzhou Branch	22,500.00	2022/1/31
Zhuji Huanjiang Real Estate Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	Agricultural Development Bank of China	25,900.00	2034/8/15
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	China Bohai Bank Co., Ltd	20,000.00	2022/10/15
Zhuji State-owned Assets Management Co., Ltd、Zhuji Transportation Investment Group Co., Ltd	Zhejiang Huanjiang Media Group Co., Ltd	Agricultural Development Bank of China	31,710.00	2035/3/23
Zhuji State-owned Assets Management Co., Ltd、Zhuji Transportation Investment Group Co., Ltd	Zhejiang Huanjiang Media Group Co., Ltd	Agricultural Development Bank of China	3,290.00	2035/3/23
Zhuji State-owned Assets Management Co., Ltd	Zhuji Radio and Television Network Co., Ltd	Bank Of China Limited	44,000.00	2027/9/15
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,100.00	2022/6/30
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,100.00	2022/12/30
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,100.00	2023/6/30
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,100.00	2023/12/30

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,100.00	2024/6/30
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,100.00	2024/12/30
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,100.00	2025/6/30
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,100.00	2025/12/30
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,400.00	2026/6/30
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co.,Ltd	2,400.00	2026/12/30
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Huanjiang Real Estate Co., Ltd	Agricultural Bank Of China Limited	1,000.00	2038/9/28
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Huanjiang Real Estate Co., Ltd	Agricultural Bank Of China Limited	11,500.00	2038/9/28
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Huanjiang Real Estate Co., Ltd	Agricultural Bank Of China Limited	1,000.00	2038/9/28
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Huanjiang Real Estate Co., Ltd	Agricultural Bank Of China Limited	37,760.00	2038/9/28
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	7,000.00	2022/5/30
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	7,000.00	2022/11/30
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	900.00	2023/5/30
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	100.00	2031/5/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengdong New City Construction Co., Ltd	Industrial And Commercial Bank Of China Limited	100.00	2022/6/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengdong New City Construction Co., Ltd	Industrial And Commercial Bank Of China Limited	18,900.00	2022/8/26
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	10,000.00	2022/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	10,000.00	2022/12/31
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2023/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2023/12/31
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2024/6/30

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2024/12/31
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2025/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2025/12/31
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2026/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2026/12/31
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2027/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2027/12/31
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2028/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2028/12/31
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2029/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2029/12/31
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2030/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2030/12/31
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2031/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2031/12/31
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	9,250.00	2022/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	9,250.00	2022/11/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	10,000.00	2023/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	10,000.00	2023/11/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	10,750.00	2024/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	10,750.00	2024/11/13

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	10,750.00	2025/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	10,750.00	2025/11/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2026/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2026/11/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2027/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2027/11/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2028/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	11,000.00	2028/11/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	10,750.00	2029/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co.,Ltd	10,750.00	2029/11/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	3,950.00	2022/5/25
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	3,950.00	2022/11/25
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	3,950.00	2023/5/25
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2022/1/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2022/7/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2023/1/27
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2023/7/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2024/1/26
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2024/7/26
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2025/1/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2025/7/28

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	750.00	2026/1/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	300.00	2031/1/28
Zhuji Economic Development General Company	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Beijing Co.,Ltd	16,000.00	2027/4/16
Zhuji Economic Development General Company	Zhuji Urban & Rural Investment Group Co., Ltd	Industrial And Commercial Bank Of China Limited	64,000.00	2027/4/16
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2022/1/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2022/4/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2022/7/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2022/10/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2023/1/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2023/4/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	6,700.00	2023/7/6
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Nanjing Co.,Ltd	30,000.00	2022/9/25
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Ningbo Co.,Ltd	20,000.00	2022/3/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Hangzhou Co.,Ltd	60,000.00	2022/5/29
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Hangzhou Co.,Ltd	20,000.00	2022/12/21
Zhuji Transportation Investment Group Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	China Everbright Bank Company Limited	20,000.00	2022/9/10
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2022/3/30
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2022/6/30
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2022/9/30
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2022/12/30
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2023/3/30

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2023/6/30
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	28,900.00	2023/9/28
Zhuji Economic Development General Company	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shaoxing Co., Ltd	20,000.00	2023/10/13
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	1,000.00	2025/12/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	3,750.00	2023/12/29
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	100.00	2024/6/28
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	8,525.00	2024/12/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	100.00	2025/6/27
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	7,525.00	2025/12/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	5,125.00	2022/12/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	100.00	2023/6/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	4,775.00	2023/12/29
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	100.00	2022/6/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	3,400.00	2022/12/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Chengtong Pipe Network Co., Ltd	Bank Of Hangzhou Co.,Ltd	5,000.00	2022/6/2
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Bank Of Ningbo Co.,Ltd	5,000.00	2025/8/27
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Bank Of Hangzhou Co.,Ltd	5,000.00	2022/6/2
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Green Horticulture Co., Ltd	Bank Of Ningbo Co.,Ltd	5,000.00	2022/4/20
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Green Horticulture Co., Ltd	Bank Of Hangzhou Co.,Ltd	5,000.00	2022/6/23
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Zhejiang Zhuji Rural Commercial Bank Company Limited	2,998.00	2023/9/10

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Zhejiang Zhuji Rural Commercial Bank Company Limited	2,990.00	2023/6/23
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	China Guangfa Bank Co., Ltd	2,700.00	2022/9/27
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	China Guangfa Bank Co., Ltd	2,250.00	2022/9/27
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	China Guangfa Bank Co., Ltd	900.00	2022/11/30
Zhuji Rural Development Investment Co., Ltd	Zhuji Cereal & Oil Purchase and Store Co., Ltd	Agricultural Development Bank of China	2,000.00	2024/8/16
Zhuji Rural Development Investment Co., Ltd	Zhuji Cereal & Oil Purchase and Store Co., Ltd	Agricultural Development Bank of China	1,500.00	2024/8/16
Zhuji Rural Development Investment Co., Ltd	Zhuji Cereal & Oil Purchase and Store Co., Ltd	Agricultural Development Bank of China	484.00	2024/8/16
Zhuji Transportation Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	Bank of Shaoxing Co., Ltd	10,000.00	2023/5/21
Zhuji Transportation Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	Hua Xia Bank Co., Limited	7,800.00	2023/8/26
Zhuji Water Resources Group Co., Ltd	Zhuji Huanjiang Real Estate Co., Ltd	Zhejiang Zhuji Rural Commercial Bank Company Limited	2,990.00	2023/2/18
Zhuji Economic Development General Company 担保	Zhuji Huanjiang Landscape Engineering Co., Ltd	Bank Of Ningbo Co., Ltd	6,000.00	2022/7/21
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Huanjiang Landscape Engineering Co., Ltd	Bank Of Hangzhou Co., Ltd	3,000.00	2022/2/28
Zhuji Economic Development General Company	Zhejiang Baita Lake Ecotourism Development Co., Ltd	Bank Of Ningbo Co., Ltd	5,000.00	2022/7/21
Zhuji Economic Development General Company	Zhejiang Wuxie Tourism Development Co., Ltd	Bank Of Ningbo Co., Ltd	5,000.00	2023/4/24
Zhuji Cultural Tourism Group Co., Ltd	Zhejiang Wuxie Tourism Development Co., Ltd	Bank Of Hangzhou Co., Ltd	4,000.00	2022/4/22
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Xishi Hometown Tourism Development Co., Ltd	Bank Of Hangzhou Co., Ltd	2,016.00	2022/2/25
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2022/6/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2022/12/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2023/6/16

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2023/12/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2024/6/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2024/12/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2025/6/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2025/12/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2026/6/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	20,000.00	2026/12/16
Zhuji Chengdong New City Construction Co., Ltd、Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	65,000.00	2025/2/27
Zhuji Chengdong New City Construction Co., Ltd、Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Development Bank	65,000.00	2025/2/27
Zhuji Economic Development General Company、Zhuji Rural Development Investment Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	100.00	2022/5/30
Zhuji Economic Development General Company、Zhuji Rural Development Investment Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	17,900.00	2022/5/30
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Industrial And Commercial Bank Of China Limited	15,000.00	2026/11/13
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Industrial And Commercial Bank Of China Limited	4,841.00	2025/12/30
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Industrial And Commercial Bank Of China Limited	8,602.00	2026/11/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank of Shanghai Co., Ltd	29,400.00	2023/6/23

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank Of Ningbo Co.,Ltd	10,000.00	2022/4/30
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank Of Ningbo Co.,Ltd	10,000.00	2023/7/31
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank Of Hangzhou Co.,Ltd	10,000.00	2022/2/9
Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank Of Nanjing Co.,Ltd	9,900.00	2022/8/20
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Zhejiang Zhuji Rural Commercial Bank Company Limited	2,950.00	2023/4/15
Zhuji Water Resources Group Co., Ltd	Zhuji Traffic Media Co., Ltd	Hua Xia Bank Co.,Limited	4,500.00	2023/3/31
Zhuji Transportation Investment Group Co., Ltd	Zhuji Public Traffic Co., Ltd	Bank of Shanghai Co., Ltd	6,300.00	2022/4/30
Zhuji Traffic Infrastructure Construction Co., Ltd	Zhuji Public Traffic Co., Ltd	Bank of Jiaxing Co., Ltd	7,200.00	2023/6/23
Zhejiang Huanjiang Media Group Co., Ltd	Zhuji Water Resources Group Co., Ltd	China Minsheng Banking Corp., Ltd	5,000.00	2021/10/18
Zhuji Rural Development Investment Co., Ltd、Zhuji Water Resources Group Co., Ltd	Huanjiang Water Co.,Ltd	Bank of Communications Co.,Ltd	290.00	2021/8/27
Zhuji Rural Development Investment Co., Ltd、Zhuji Water Resources Group Co., Ltd	Huanjiang Water Co.,Ltd	Bank of Communications Co.,Ltd	3,710.00	2021/9/24
Zhuji Rural Development Investment Co., Ltd、Zhuji Water Resources Group Co., Ltd	Huanjiang Water Co.,Ltd	Bank of Communications Co.,Ltd	4,000.00	2021/10/12
Zhuji State-owned Assets Management Co., Ltd	Huanjiang Water Co.,Ltd	China Merchants Bank Co., Ltd	8,827.50	2021/9/8
Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd; Hangzhou Great Southeast Science & Technology Packaging Co., Ltd	Zhejiang Great Southeast Co.,Ltd	Agricultural Bank Of China Limited	2,966.55	2021/12/28
Zhejiang Huanjiang Media Group Co., Ltd	Zhejiang Linhang Investment Co., Ltd	China Everbright Bank Company Limited	200.00	2021/3/9

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	Hua Xia Bank Co., Limited	50,000.00	2021/3/26
Zhuji Economic Development General Company	Zhuji Anshun Security Service Co., Ltd	Shanghai Pudong Development Bank Co., Ltd	6,000.00	2021/8/31
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	China Citic Bank Corporation Limited	18,000.00	2021/6/29
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	China Citic Bank Corporation Limited	12,000.00	2021/9/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	China Citic Bank Corporation Limited	10,000.00	2021/3/31
Zhuji Transportation Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	Bank of Shaoxing Co., Ltd	20,000.00	2021/8/26
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	China Guangfa Bank Co., Ltd	30,000.00	2021/8/20
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanmei Cleaning Service Co., Ltd	Industrial Bank Co., Ltd	9,000.00	2021/3/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Hangzhou Co., Ltd	20,000.00	2021/3/4
Zhuji Chengdong New City Construction Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Evergrowing Bank Co., Ltd	6,750.00	2021/4/20
Zhuji Chengdong New City Construction Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Chengtong Pipe Network Co., Ltd	Evergrowing Bank Co., Ltd	7,450.00	2021/4/20
Zhuji Chengdong New City Construction Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Green Horticulture Co., Ltd	Evergrowing Bank Co., Ltd	7,250.00	2021/4/20
Zhuji Chengdong New City Construction Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	Evergrowing Bank Co., Ltd	6,500.00	2021/3/23
Zhuji Transportation Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	China Everbright Bank Company Limited	20,000.00	2021/3/26
Zhuji Huanjiang International Trade City Development Co., Ltd; Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	Industrial Bank Co., Ltd	9,900.00	2021/10/14

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Chengdong New City Construction Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang Real Estate Co., Ltd	Evergrowing Bank Co., Ltd	6,500.00	2021/3/23
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Huanjiang Landscape Engineering Co., Ltd	Industrial Bank Co.,Ltd	7,700.00	2021/4/16
Zhuji Cultural Tourism Group Co., Ltd	Zhejiang Baita Lake Ecotourism Development Co., Ltd	Industrial Bank Co.,Ltd	3,000.00	2021/4/16
Zhuji Economic Development General Company	Zhejiang Wuxie Tourism Development Co., Ltd	Bank Of Nanjing Co.,Ltd	3,000.00	2021/9/19
Zhuji Economic Development General Company	Zhejiang Wuxie Tourism Development Co., Ltd	Bank Of Nanjing Co.,Ltd	3,000.00	2021/11/19
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Tangjiangyan Scenic Tourism Development Co., Ltd	Industrial Bank Co.,Ltd	4,000.00	2021/8/11
Zhuji Economic Development General Company	Zhuji Qianfo Mountain Scenic Tourism Development Co., Ltd	Bank Of Nanjing Co.,Ltd	3,000.00	2021/9/19
Zhuji Economic Development General Company	Zhuji Xishi Hometown Tourism Development Co., Ltd	Bank Of Nanjing Co.,Ltd	2,000.00	2021/9/19
Zhuji Economic Development General Company	Zhuji Xishi Hometown Tourism Development Co., Ltd	Bank Of Nanjing Co.,Ltd	2,000.00	2021/10/19
Zhuji Economic Development General Company	Zhuji Xishi Hometown Tourism Development Co., Ltd	Bank Of Ningbo Co.,Ltd	5,000.00	2021/7/21
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Bank Of Beijing Co.,Ltd	10,000.00	2021/6/28
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Bank Of Beijing Co.,Ltd	27,000.00	2021/7/5
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Hua Xia Bank Co.,Limited	8,000.00	2020/12/20
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	China Citic Bank Corporation Limited	5,000.00	2021/8/21
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	China Citic Bank Corporation Limited	5,000.00	2021/8/25
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	China Citic Bank Corporation Limited	5,000.00	2021/9/1
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	China Citic Bank Corporation Limited	5,000.00	2021/4/30

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Bank Of Ningbo Co.,Ltd	5,000.00	2021/5/12
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Bank Of Ningbo Co.,Ltd	5,000.00	2021/5/14
Zhuji Economic Development General Company	Zhuji Highway Engineering Company	Bank Of Ningbo Co.,Ltd	7,500.00	2021/8/2
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank of Jiaxing Co., Ltd	10,000.00	2021/3/12
Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank of Shanghai Co., Ltd	19,800.00	2021/6/29
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	CCB Financial Management Co., Ltd	50,000.00	2021/7/8
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank Of Beijing Co.,Ltd	10,000.00	2021/12/9
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank of Wenzhou Co., Ltd	20,000.00	2021/12/22
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Media Co., Ltd	Industrial Bank Co.,Ltd	20,000.00	2021/3/11
Zhuji Traffic Infrastructure Construction Co., Ltd	Zhuji Public Traffic Co., Ltd	Bank of Communications Co.,Ltd	3,000.00	2021/5/28
Zhuji State-owned Assets Management Co., Ltd	Zhuji Public Traffic Co., Ltd	Industrial Bank Co.,Ltd	20,000.00	2021/5/7
Zhuji Water Resources Group Co., Ltd	Zhuji Radio and Television Network Co., Ltd	Hua Xia Bank Co.,Limited	4,700.00	2021/3/25
Zhuji Water Resources Group Co., Ltd	Zhejiang Huanjiang Media Group Co., Ltd	Hua Xia Bank Co.,Limited	8,000.00	2021/3/25
Zhuji State-owned Assets Management Co., Ltd	Zhuji Economic Development General Company	Xinyuan CAPITAL Management Co., Ltd	15,000.00	2022/4/19
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Economic Development General Company	Bank Of Hangzhou Co.,Ltd	25,000.00	2022/2/14
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Economic Development General Company	Bank Of Hangzhou Co.,Ltd	5,000.00	2022/4/26
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Economic Development General Company	China Construction Bank Corporation	50,000.00	2023/10/19
Zhuji State-owned Assets Management Co., Ltd	Zhuji Wangyun Construction Development Co., Ltd	Zhejiang Xingwo Asset Management Co., Ltd & the investors of debt financing mortgaged by accounts receivable from Zhuji Wangyun Construction Development Co., Ltd	41,373.00	2022/12/31

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Economic Development General Company	Zhejiang Datang Light-Textile Industry Wayecheng Co., Ltd	Investors of assets receivable project from Zhuji Economic Development General Company	1,696.00	2022/12/31
Zhuji Economic Development General Company	Zhuji Economic Development General Company	AVIC International Leasing Co., Ltd	5,419.75	2022/12/7
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Huishang Bank Financial Leasing Co., Ltd	6,000.00	2023/12/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Huishang Bank Financial Leasing Co., Ltd	5,000.00	2023/12/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Zhejiang Chouzhou Financial Leasing Co., Ltd	12,000.00	2024/9/27
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Economic Development General Company	Xiamen Jinyuan Finance Leasing Co. Ltd	8,729.78	2022/11/26
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Gansu Lanyin Financial Leasing Co., Ltd	1,666.67	2022/1/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Economic Development General Company	CQRC Financial Leasing Co., Ltd	12,000.00	2022/10/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Maxwealth Financial Leasing Co.,Ltd	16,000.00	2024/4/15
Zhuji Wangyun Construction Development Co., Ltd	Zhuji Economic Development General Company	AVIC Neuch Financial Leasing (Shanghai) Co., Ltd	22,500.00	2022/7/1
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Wangyun Construction Development Co., Ltd	Shandong Tongda Financial Leasing Co. Ltd	4,166.67	2023/4/9
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Wangyun Construction Development Co., Ltd	Shandong Tongda Financial Leasing Co. Ltd	4,166.67	2023/4/1
Zhuji Economic Development General Company	Zhuji Wangyun Construction Development Co., Ltd	Far Eastern International Financial Leasing Co., Ltd	2,100.00	2023/6/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Wangyun Construction Development Co., Ltd	Huaxia Financial Leasing Co., Ltd	32,672.72	2025/6/22
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Wangyun Construction Development Co., Ltd	China National Foreign Trade Financial & Leasing Co., Ltd	35,376.88	2024/9/16
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	5,000.00	2022/6/18
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	5,000.00	2022/12/18
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	5,000.00	2023/6/18

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	5,000.00	2023/12/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2022/3/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2022/6/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2022/9/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2022/12/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2023/3/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2023/6/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2023/9/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2023/12/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2024/3/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2024/6/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2024/9/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2024/12/20
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2022/3/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2022/6/10

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2022/9/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2022/12/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2023/3/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2023/6/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2023/9/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2023/12/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2024/3/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2024/6/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2024/9/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2024/12/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2025/3/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Far East Horizon Financial Leasing Co., Ltd	3,586.42	2022/1/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Far East Horizon Financial Leasing Co., Ltd	35.45	2022/4/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Far East Horizon Financial Leasing Co., Ltd	1,849.15	2022/7/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Far East Horizon Financial Leasing Co., Ltd	18.68	2022/10/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2022/1/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2022/4/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2022/7/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2022/10/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2023/1/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2023/4/10

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2023/7/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2023/10/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2024/1/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2024/4/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2024/7/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Zhejiang Chouzhou Financial Leasing Co., Ltd	7,096.16	2022/12/19
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Huanjiang International Trade City Development Co., Ltd	Jiyin Financial Leasing Co., Ltd	10,000.00	2023/9/15
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership)	7,000.00	2027/4/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership)	89,960.00	2027/4/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	12,800.00	2023/10/21
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Zhejiang Materials & Products Yuantong Pawn Co., Ltd	11,550.43	2022/11/24
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Hubei Financial Leasing Co., Ltd	17,000.00	2025/3/31
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Guangzhou Yuexiu Financing Lease Co., Ltd	10,009.99	2023/6/29
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Guangzhou Yuexiu Financing Lease Co., Ltd	8,992.94	2023/6/29

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Urban & Rural Investment Group Co., Ltd, Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Huanjiang International Trade City Development Co., Ltd	Far Eastern International Financial Leasing Co., Ltd	6,666.67	2023/11/27
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	Jiangsu Financial Leasing Co., Ltd	4,500.00	2023/6/19
Zhuji State-owned Assets Management Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	Guangzhou Yuexiu Financing Lease Co., Ltd	7,348.36	2025/7/20
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	Qingdao Qingyin Financial Leasing Co., Ltd	4,443.90	2023/1/15
Zhuji Cultural Tourism Group Co., Ltd, Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Huanjiang Real Estate Co., Ltd	CGN International Financial Leasing Co., Ltd	7,689.11	2023/1/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhejiang Wuxie Tourism Development Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	13,000.00	2024/10/27
Zhuji Urban & Rural Investment Group Co., Ltd, Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Xingcheng Property Co., Ltd.	Far East Horizon Financial Leasing Co., Ltd	4,552.52	2022/10/31
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	250.00	2022/4/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	9,250.00	2022/10/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	500.00	2022/3/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	18,500.00	2022/9/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Rural Development Investment Co., Ltd	AVIC International Leasing Co., Ltd	22,500.00	2022/10/30
Zhuji State-owned Assets Management Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Xiamen International Trust Co., Ltd	15,000.00	2022/01/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Xiamen International Trust Co., Ltd	11,890.00	2022/4/21
Zhuji State-owned Assets Management Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Xiamen International Trust Co., Ltd	3,050.00	2022/5/12
Zhuji Economic Development General Company	Zhuji Transportation Investment Group Co., Ltd	Beijing Hengtai Puhui Information Service Co., Ltd	0.00	2021/1/4
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Ping An International Financial Leasing (Tianjin) Co., Ltd	5,346.92	2023/8/22

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Urban & Rural Investment Group Co., Ltd、 Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Ping An International Financial Leasing (Tianjin) Co., Ltd	9,971.33	2024/3/20
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Huarong Financial Leasing Co., Ltd	19,159.41	2024/10/15
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	8,700.00	2023/6/12
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	8,700.00	2023/6/29
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Zhejiang Airport Finance Leasing Co. Ltd	7,100.83	2022/12/24
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Western Trust Co. Ltd	10,000.00	2023/4/9
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	China National Foreign Trade Financial & Leasing Co., Ltd	21,697.15	2023/1/17
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Zhonghai Trust Co., Ltd	20,000.00	2022/4/16
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Hangzhou Chengtou Leasing Co., Ltd	10,000.00	2023/4/27
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Hangzhou Chengtou Leasing Co., Ltd	15,000.00	2023/4/27
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Jiangsu Financial Leasing Co., Ltd	3,869.90	2022/9/3
Zhuji State-owned Assets Management Co., Ltd、Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Jiyin Financial Leasing Co., Ltd	10,227.27	2023/5/15
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Huarong Financial Leasing Co., Ltd	5,409.89	2023/9/10
Zhuji Economic Development General Company; Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Ligen Finance Leasing (Shanghai) Co., Ltd	2,000.00	2023/12/3
Zhuji Transportation Investment Group Co., Ltd; Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Ligen Finance Leasing (Shanghai) Co., Ltd	800.00	2023/12/24
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Guangzhou Yuexiu Financing Lease Co., Ltd	6,000.00	2023/12/19

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd; Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Guangzhou Yuexiu Financing Lease Co., Ltd	5,000.00	2024/3/19
Zhuji State-owned Assets Management Co., Ltd; Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Foshan Haisheng Financial Leasing Company Limited	9,691.16	2024/1/10
Zhuji State-owned Assets Management Co., Ltd; Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	CZBANK Leasing Co., Ltd	10,790.25	2024/1/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Huabao Duding (Shanghai) Financial Leasing Co., Ltd	8,135.23	2024/1/29
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Huabao Duding (Shanghai) Financial Leasing Co., Ltd	4,893.51	2024/6/25
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	16,000.00	2024/4/19
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Jiushi Financial Leasing (Shanghai) Co., Ltd	12,480.00	2024/4/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Cornerstone International Financial Leasing Co., Ltd	3,000.00	2023/5/27
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Caitong Securities Asset Management Co., Ltd	20,000.00	2023/10/23
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	Agricultural Development Bank of China	7,000.00	2021/7/7
Zhuji Economic Development General Company	Zhuji Anshun Security Service Co., Ltd	Bank of Shanghai Co., Ltd	400.00	2022/7/31
Zhuji State-owned Assets Management Co., Ltd	Zhuji Economic Development General Company	Lujiazui International Trust Co., Ltd	4,980.00	2021/3/28
Zhuji State-owned Assets Management Co., Ltd	Zhuji Economic Development General Company	Lujiazui International Trust Co., Ltd	24,940.00	2021/5/15
Zhuji State-owned Assets Management Co., Ltd	Zhuji Economic Development General Company	Zhonghai Trust Co., Ltd	1,480.00	2021/9/5
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	Bank Of Ningbo Co.,Ltd	30,000.00	2022/10/17
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	Luso International Banking Ltd. Guangzhou Branch	3,000.00	2022/1/31
Zhuji Huanjiang Real Estate Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	Agricultural Development Bank of China	100.00	2034/8/15
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	China Bohai Bank Co., Ltd	5,000.00	2022/10/15

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Traffic Infrastructure Construction Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	China Construction Bank Corporation	6,000.00	2021/9/28
Zhuji Economic Development General Company	Zhuji Transportation Investment Group Co., Ltd	Hua Xia Bank Co., Limited	20,000.00	2021/6/24
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Xishi Hometown Tourism Development Co., Ltd	China Minsheng Banking Corp., Ltd	4,000.00	2021/9/24
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co., Ltd	2,100.00	2021/6/30
Zhuji Water Resources Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Bank of Communications Co., Ltd	2,100.00	2021/12/30
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	7,000.00	2021/5/28
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	7,000.00	2021/11/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengdong New City Construction Co., Ltd	Industrial And Commercial Bank Of China Limited	100.00	2021/6/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengdong New City Construction Co., Ltd	Industrial And Commercial Bank Of China Limited	17,900.00	2021/12/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co., Ltd	7,500.00	2021/6/30
Zhuji Economic Development General Company	Zhuji Chengdong New City Construction Co., Ltd	Industrial Bank Co., Ltd	7,500.00	2021/12/31
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co., Ltd	8,000.00	2021/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Co., Ltd	8,000.00	2021/11/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	3,900.00	2021/5/25
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	1,742.98	2021/11/25
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2021/1/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	4,450.00	2021/7/28
Zhuji Economic Development General Company	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Beijing Co., Ltd	2,000.00	2027/4/16
Zhuji Economic Development General Company	Zhuji Urban & Rural Investment Group Co., Ltd	Industrial And Commercial Bank Of China Limited	8,000.00	2027/4/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Industrial And Commercial Bank Of China Limited	2,000.00	2021/6/25

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Industrial And Commercial Bank Of China Limited	30,000.00	2021/9/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of China Limited	16,000.00	2021/6/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of China Limited	16,000.00	2021/12/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Hangzhou Co.,Ltd	10,000.00	2021/4/22
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Hangzhou Co.,Ltd	10,000.00	2021/10/22
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Hangzhou Co.,Ltd	10,000.00	2021/4/22
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Hangzhou Co.,Ltd	10,000.00	2021/10/22
Zhuji State-owned Assets Management Co., Ltd、 Zhuji Economic Development General Company	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	12,750.00	2021/4/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2021/1/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2021/4/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2021/7/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd	300.00	2021/10/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Zhonghai Trust Co., Ltd	9,230.00	2021/6/28
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Zhonghai Trust Co., Ltd	37,120.00	2021/7/10
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Zhonghai Trust Co., Ltd	3,650.00	2021/7/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Zhonghai Trust Co., Ltd	20,000.00	2021/10/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Zhonghai Trust Co., Ltd	17,000.00	2021/12/13
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Urban & Rural Investment Group Co., Ltd	Bank Of Nanjing Co.,Ltd	20,000.00	2021/9/25
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2021/3/30
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2021/6/30

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2021/9/30
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Bank of Shanghai Co., Ltd	100.00	2021/12/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	100.00	2021/6/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Chengtong Pipe Network Co., Ltd	Industrial And Commercial Bank Of China Limited	8,525.00	2021/12/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Chengdong New City Construction Co., Ltd	Huarun Shenguotou Trust Co., Ltd	100.00	2021/3/21
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Chengdong New City Construction Co., Ltd	Huarun Shenguotou Trust Co., Ltd	9,800.00	2021/10/20
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Chengdong New City Construction Co., Ltd	Xiamen International Bank Co., Ltd	9,000.00	2021/9/18
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Bank Of Hangzhou Co.,Ltd	30,000.00	2021/10/12
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Xiamen International Bank Co., Ltd	1,000.00	2021/6/2
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Xiamen International Bank Co., Ltd	17,000.00	2021/12/2
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Bank Of Ningbo Co.,Ltd	30,000.00	2021/8/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	China Guangfa Bank Co., Ltd	300.00	2022/9/27
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	China Guangfa Bank Co., Ltd	250.00	2022/9/27
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	China Guangfa Bank Co., Ltd	100.00	2022/11/30
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Qianfo Mountain Scenic Tourism Development Co., Ltd	Bank of Shanghai Co., Ltd	4,600.00	2021/12/29
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Banking Corp., Ltd	8,000.00	2021/12/16
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Xishi Hometown Tourism Development Co., Ltd	Bank Of Hangzhou Co.,Ltd	984.00	2022/2/25
Zhuji Economic Development General Company、Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	China Guangfa Bank Co., Ltd	16,000.00	2021/6/24
Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank of Shanghai Co., Ltd	400.00	2023/6/23

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank Of Nanjing Co.,Ltd	1,100.00	2022/8/20
Zhuji Transportation Investment Group Co., Ltd	Zhuji Public Traffic Co., Ltd	Bank of Shanghai Co., Ltd	400.00	2022/4/30
Zhuji Traffic Infrastructure Construction Co., Ltd	Zhuji Public Traffic Co., Ltd	Bank of Jiaxing Co., Ltd	800.00	2023/6/23
Zhuji State-owned Assets Management Co., Ltd、 Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Water Resources Group Co., Ltd	Bank of Communications Co.,Ltd	10,000.00	2026/12/31
Zhuji Economic Development General Company	Zhuji Water Resources Group Co., Ltd	Industrial And Commercial Bank Of China Limited	6,000.00	2022/12/30
Zhuji State-owned Assets Management Co., Ltd	Zhuji Water Resources Group Co., Ltd	Bank Of Ningbo Co.,Ltd	20,000.00	2021/12/27
Zhuji Water Resources Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Hua Xia Bank Co.,Limited	20,000.00	2021/3/25
Zhuji Water Resources Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Hua Xia Bank Co.,Limited	3,300.00	2021/3/21
Zhuji Chengdong New City Construction Co., Ltd、 Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	10,000.00	2021/6/20
Zhuji Chengdong New City Construction Co., Ltd、 Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	7,000.00	2021/12/20
Zhuji Chengdong New City Construction Co., Ltd、 Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	3,000.00	2021/12/20
Zhuji Chengdong New City Construction Co., Ltd、 Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Development Bank	10,000.00	2021/6/20
Zhuji Chengdong New City Construction Co., Ltd、 Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Development Bank	10,000.00	2021/12/20

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Economic Development General Company、Zhuji Rural Development Investment Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	12,000.00	2021/4/30
Zhuji Economic Development General Company、Zhuji Rural Development Investment Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	5,000.00	2021/4/30
Zhuji Economic Development General Company、Zhuji Rural Development Investment Co., Ltd、Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	17,000.00	2021/10/30
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	5,000.00	2021/6/18
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	5,000.00	2021/12/18
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2021/3/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2021/6/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2021/9/10
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Huarong Financial Leasing Co., Ltd	2,500.00	2021/12/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2021/1/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2021/4/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2021/7/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd.	Huarong Financial Leasing Co., Ltd	2,500.00	2021/10/10
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2021/3/20

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2021/6/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2021/9/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	Ping An International Financial Leasing Company Limited	2,000.00	2021/12/20
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Far East Horizon Financial Leasing Co., Ltd	3,441.41	2021/1/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Far East Horizon Financial Leasing Co., Ltd	24.91	2021/4/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Far East Horizon Financial Leasing Co., Ltd	3,502.76	2021/7/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	Far East Horizon Financial Leasing Co., Ltd	29.61	2021/10/25
Zhuji Urban & Rural Investment Group Co., Ltd, Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Xingcheng Property Co., Ltd.	Far East Horizon Financial Leasing Co., Ltd	6,953.00	2022/10/31
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Zhejiang Chouzhou Financial Leasing Co., Ltd	6,660.04	2022/12/19
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Huanjiang International Trade City Development Co., Ltd	Jiyin Financial Leasing Co., Ltd	5,000.00	2023/9/15
Zhuji Huanjiang International Trade City Development Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership)	16,160.00	2027/4/25
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	3,200.00	2023/10/21
Zhuji Urban & Rural Investment Group Co., Ltd	Zhejiang Wuxie Tourism Development Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	1,400.00	2024/10/27
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Zhejiang Materials & Products Yuantong Pawn Co., Ltd	5,953.17	2022/11/24
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Guangzhou Yuexiu Financing Lease Co., Ltd	7,975.90	2023/6/29

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	Guangzhou Yuexiu Financing Lease Co., Ltd	1,797.65	2025/7/20
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	Hubei Financial Leasing Co., Ltd	2,000.00	2025/3/31
Zhuji Cultural Tourism Group Co., Ltd、Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Huanjiang Real Estate Co., Ltd	CGN International Financial Leasing Co., Ltd	4,994.08	2023/1/10
Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Rural Development Investment Co., Ltd	AVIC International Leasing Co., Ltd	7,500.00	2021/10/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	250.00	2021/4/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	250.00	2021/10/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	500.00	2021/3/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	500.00	2021/9/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	Qingdao Qingyin Financial Leasing Co., Ltd	3,263.96	2023/1/15
Zhuji Urban & Rural Investment Group Co., Ltd、Zhuji Yuedu Investment Development Co., Ltd.	Zhuji Huanjiang International Trade City Development Co., Ltd	Far Eastern International Financial Leasing Co., Ltd	3,333.33	2023/11/27
Zhuji Urban & Rural Investment Group Co., Ltd、Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Ping An International Financial Leasing (Tianjin) Co., Ltd	5,926.99	2024/3/20
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Huarong Financial Leasing Co., Ltd	5,586.97	2024/10/15
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	2,700.00	2023/6/12
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	2,700.00	2023/6/29
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Bank of Communications International Trust Co., Ltd	30,000.00	2021/12/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Zhejiang Airport Finance Leasing Co. Ltd	6,657.44	2022/12/24
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Western Trust Co. Ltd	10,000.00	2021/3/9

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	China National Foreign Trade Financial & Leasing Co., Ltd	16,458.84	2023/1/17
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Jiangsu Financial Leasing Co., Ltd	3,630.10	2022/9/3
Zhuji State-owned Assets Management Co., Ltd; Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Jiyin Financial Leasing Co., Ltd	6,818.18	2023/5/15
Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Huarong Financial Leasing Co., Ltd	2,435.35	2023/9/10
Zhuji Economic Development General Company; Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Ligen Finance Leasing (Shanghai) Co., Ltd	1,000.00	2023/12/3
Zhuji Transportation Investment Group Co., Ltd; Zhuji Economic Development General Company	Zhuji Traffic Infrastructure Construction Co., Ltd	Ligen Finance Leasing (Shanghai) Co., Ltd	400.00	2023/12/24
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Guangzhou Yuexiu Financing Lease Co., Ltd	3,000.00	2023/12/19
Zhuji State-owned Assets Management Co., Ltd; Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Guangzhou Yuexiu Financing Lease Co., Ltd	2,000.00	2024/3/19
Zhuji State-owned Assets Management Co., Ltd; Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Foshan Haisheng Financial Leasing Company Limited	3,920.42	2024/1/10
Zhuji State-owned Assets Management Co., Ltd; Zhuji Transportation Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	CZBANK Leasing Co., Ltd	3,856.01	2024/1/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Huabao Duding (Shanghai) Financial Leasing Co., Ltd	2,886.50	2024/1/29
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Huabao Duding (Shanghai) Financial Leasing Co., Ltd	1,960.66	2024/6/25
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Maxwealth Financial Leasing Co.,Ltd	2,500.00	2024/4/19
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Jiushi Financial Leasing (Shanghai) Co., Ltd	4,050.00	2024/4/17

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd	Zhuji Traffic Infrastructure Construction Co., Ltd	Cornerstone International Financial Leasing Co., Ltd	2,000.00	2023/5/27
Zhuji State-owned Assets Management Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Fortune International Trust Co., Ltd	15,000.00	2021/12/10
Zhuji State-owned Assets Management Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Fortune International Trust Co., Ltd	800.00	2021/01/09
Zhuji State-owned Assets Management Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Fortune International Trust Co., Ltd	2,150.00	2021/01/20
Zhuji State-owned Assets Management Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Fortune International Trust Co., Ltd	700.00	2021/02/13
Zhuji State-owned Assets Management Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Fortune International Trust Co., Ltd	1,200.00	2021/3/08
Zhuji State-owned Assets Management Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Xiamen International Trust Co., Ltd	5,000.00	2021/12/24
Zhuji Economic Development General Company	Zhuji Transportation Investment Group Co., Ltd	Beijing Hengtai Puhui Information Service Co., Ltd	10,987.00	2021/1/4
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Ping An International Financial Leasing (Tianjin) Co., Ltd	3,971.19	2023/8/22
Zhuji Transportation Investment Group Co., Ltd	Zhuji Economic Development General Company	AVIC International Leasing Co., Ltd	5,129.71	2022/12/7
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Huishang Bank Financial Leasing Co., Ltd	3,000.00	2023/12/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Huishang Bank Financial Leasing Co., Ltd	2,000.00	2023/12/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Zhejiang Chouzhou Financial Leasing Co., Ltd	4,000.00	2024/9/27
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Economic Development General Company	Xiamen Jinyuan Finance Leasing Co. Ltd	8,327.14	2022/11/26
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Gansu Lanyin Financial Leasing Co., Ltd	3,333.33	2022/1/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Economic Development General Company	CQRC Financial Leasing Co., Ltd	8,000.00	2022/10/10
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Economic Development General Company	Maxwealth Financial Leasing Co.,Ltd	2,000.00	2024/4/15
Zhuji Wangyun Construction Development Co., Ltd	Zhuji Economic Development General Company	AVIC Neuch Financial Leasing (Shanghai) Co., Ltd	7,500.00	2022/7/1
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Wangyun Construction Development Co., Ltd	Shandong Tongda Financial Leasing Co. Ltd	3,333.33	2023/4/9

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Wangyun Construction Development Co., Ltd	Shandong Tongda Financial Leasing Co. Ltd	3,333.33	2023/4/1
Zhuji Economic Development General Company	Zhuji Wangyun Construction Development Co., Ltd	Far Eastern International Financial Leasing Co., Ltd	1,400.00	2023/6/30
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Wangyun Construction Development Co., Ltd	Huaxia Financial Leasing Co., Ltd	8,267.12	2025/6/22
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Wangyun Construction Development Co., Ltd	China National Foreign Trade Financial & Leasing Co., Ltd	11,767.13	2024/9/16
Total			4,431,234.37	

[Note] The special asset support plan for water supply charging right of Huanjiang Water Co.,Ltd. has been established, and the actual subscription fund received is RMB 704.00 million. Zhuji-state owned Assets Management Co., Ltd. provides an irrevocable joint liability guarantee for the special plan to ensure that the special plan allocates the expected payment amount of each period to the holders of priority asset-backed securities in accordance with the standard terms and the subscription agreement.

(2) As of December 31, 2020, details of property mortgage guarantee between companies within the scope of merger of the company (Expressed in RMB 10,000.00).

Mortgagor	Obligor	Mortgagee	Mortgaged object	Mortgage loan balance	Due date
Zhuji Huanjiang Real Estate Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	China Minsheng Banking Corp., Ltd	Real property	9,500.00	2023/2/19
Zhuji Cultural Tourism Group Co., Ltd	Zhuji Xishi Hometown Tourism Development Co., Ltd	China Minsheng Banking Corp., Ltd	Real property	4,000.00	2021/9/24
Total				13,500.00	

(3) As of December 31, 2020, details of pledge guarantees between companies between companies within the scope of merger of the company (Expressed in RMB 10,000.00).

Pledgor	Obligor	Pledgee	Pledged object	Pledge loan balance	Due date
Zhuji Traffic Infrastructure Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	Certificates of deposit; Accounts receivable under the agreement of entrusted agent construction for the reconstruction project of Gaohu flood storage and detention area in Zhuji City	29,000.00	2031/5/30

(III) Others

Significant contingencies at the balance sheet date

(1)Contingent liabilities formed by pending litigation and arbitration and their financial impact

1) On December 25 2019, Zhuji People's Court decided Zhuji Huanjiang International Trade City Development Co., Ltd should pay project fee amount of RMB 6,798,160.00 to Hangzhou Civicism Engineering Group Co., Ltd engineering funds but rejected the other claims of Hangzhou Civicism Engineering Group Co., Ltd base of the judgment (2018) zh0681 Minchu No.9641

Zhuji Huanjiang International Trade City Development Co., Ltd refused to accept the decision and appealed to Shaoxing Intermediate People's Court. Zhuji Huanjiang International Trade City Development Co., Ltd revoked the first trial decision and asked the court of first instance organizing construction cost appraisal for retrial on May 28, 2020.

As of the date of this report, the audit about construction cost is not over that Court has not judged the case. Zhuji Huanjiang International Trade City Development Co., Ltd accrues accounts payable of amount of RMB 5,702,717.00 according as the contract.

2) From 2016 to 2017, Zhejiang Great Southeast Group Co., Ltd. raised RMB 35.00 million from Zhu Hongwei in the form of stock transfer, and Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd (hereinafter referred to as "Ningbo Vientiane Company") provided joint liability guarantee for the above loans. Because Zhejiang Great Southeast Group Co., Ltd. failed to repay part of the loan on time, Zhu Hongwei sued Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd (case No. (2019) zh0681 minchu No. 5010) in Zhuji people's court in March 2019. The plaintiff requested that Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd should bear the guarantee liability, return the loan principal and interest totaling 16.5 million yuan, and bear the litigation costs of this case. Zhuji Municipal People's court made a first instance decision on May 27, 2019, holding that Zhu Hongwei, the plaintiff, is not a goodwill t counterpart, and that the guarantee act involved in the case has no effect on the defendant Ningbo Vientiane company, and it rejected Zhu Hongwei's claim. Zhu Hongwei refused to accept the first trial decision and appealed to Shaoxing intermediate people's Court on June 10, 2019. On August 19, 2019, the second trial judgment was received, which was to reject the appeal and maintain the original judgment.

On March 6,2020, Zhu Hongwei prosecutes Ningbo Vientiane Company for requesting that Ningbo Vientiane Company should bear the guarantee liability amount of RMB 14,902,222.89 in Zhuji People's Court, because of its fault causing the contract invalid. Plaintiff Zhu Hongwei prosecutes requestd as follow: 1. Ningbo Vientiane Company should bear the guarantee liability amount of RMB 14,902,222.89 which Zhejiang Great Southeast Group Co., Ltd can't return; Huang Jianpeng should bear the guarantee liability amount of RMB 14,902,222.89 which Zhejiang Great Southeast Group Co., Ltd can't return; Li Guozhong should bear the guarantee liability amount of RMB 14,902,222.89 which Zhejiang Great Southeast Group Co., Ltd can't return.

Zhuji Municipal People's court made a first instance decision on May 27, 2019, holding that reject the appeals of the plaintiff Zhu Hongwei.

3) In 2018, Zhejiang Great Southeast Group Co., Ltd. signed a loan contract with Dalian Jinma mall Enterprise Group Co., Ltd. with a loan amount of 40 million yuan. Zhejiang Great Southeast Co., Ltd., Huang Shuishou, Huang Feigang and Huang Shengxiang provided joint and several liability guarantee for the loan. Due to the failure to repay the loan on time, Dalian Jinma mall Enterprise Group Co., Ltd. has filed a lawsuit against the company and related parties with Dalian intermediate people's Court (case No. (2018) Liao 02 min Chu 1604), demanding the repayment of principal and interest in total 46021, three hundred and eleven point one one Yuan. On April 30, 2019, Dalian intermediate people's court decided to transfer the case to Zhuji people's court for handling. On August 5, 2019, the people's Court of Zhuji City ruled that the case should be handled according to the withdrawal of the plaintiff Dalian Jinma mall Enterprise Group Co., Ltd.

On September 6, 2019, Zhejiang Great Southeast Co., Ltd. took the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) zh0681 and the Republic of China beginning on 14936) to confirm the invalidity of the guarantee contract. The people's Court of Zhuji City made a first instance decision on November 17, 2019 to confirm the invalidity of the guarantee provided by the company in the guarantee contract. Dalian Jinma mall Enterprise Group Co., Ltd. refuses to accept the first trial decision and appeals to Shaoxing intermediate people's court for revoking the first trial decision and rejecting The Company's original appeal. On February 3, 2020, the second trial judgment was received, which was to reject the appeal and maintain the original judgment.

4) In 2018, Zhejiang Great Southeast Group Co., Ltd. signed a loan contract with Ningbo Houdao Xinzhi investment partnership (limited partnership), with a loan amount of RMB 36.00 million. Zhejiang Great Southeast Co., Ltd. and its subsidiaries Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd (hereinafter referred to as "Ningbo Vientiane Company") and Huang Shuishou respectively signed guarantee contracts with Ningbo Houdao Xinzhi investment partnership (limited partnership) to provide joint liability guarantee for the loan, The guarantee covers principal, interest, liquidated damages, compensation, compensation, overdue interest, etc. Because Zhejiang Great Southeast Group Co., Ltd. failed to repay the loan principal and interest on schedule, Ningbo houdaoxinzhi investment partnership (limited partnership) filed a lawsuit to the people's Court of Xihu District, Hangzhou City in June 2018 (case No. (2018) z0106 early Republic 4838). The plaintiff Ningbo houdaoxinzhi investment partnership (limited partnership) requested Zhejiang Great Southeastn Group Co., Ltd. to bear the interest The overdue penalty interest and attorney's agency fee totaled 2.14 million yuan, and Ningbo Vientiane company and Huang Shuishou were requested to be adjudged jointly and severally liable for the above debts. On May 14, 2019, the people's Court of West Lake District of Hangzhou made a first instance judgment, which was as follows: 1. Ningbo Houdao Xinzhi investment partnership (limited partnership) enjoyed interest of RMB 900,000.00 (calculated by 10% of the annual interest rate based on the loan principal of 36 million yuan) during the loan period for Zhejiang Great Southeast Group Co., Ltd. and overdue default interest of RMB 1.19 million (calculated by 3% of the loan principal) from February 12, 2018 to May 8, 2018, 6 million yuan as the base, calculated at 14% of the annual interest rate); 2. Huang Shuishou and Ningbo Vientiane are jointly and severally liable for paying off the interest and overdue default interest during the above loan period, and Huang Shuishou and Ningbo Vientiane are entitled to recover from Zhejiang Great

Southeast Group Co., Ltd. after assuming the guarantee liability; 3. Reject other claims of Ningbo houdaoxinzhi investment partnership (limited partnership). Zhejiang Great Southeast Group Co., Ltd., Ningbo Vientiane Co., Ltd. and Huang Shuishou shall bear the case acceptance fee and property preservation fee of RMB 27,630.00.

Ningbo Vientiane Company refused to accept the first trial decision and appealed to Hangzhou intermediate people's Court on June 3, 2019. It requested to cancel the part of the first trial decision that required the appellant Ningbo Vientiane company to bear the guarantee responsibility, and requested Zhejiang Great Southeast Group Co., Ltd. and Huang Shuishou to bear 27% of the first trial litigation cost, 630 yuan, requesting to order Ningbo Houdao Xinzhi Investment partnership (limited partnership) to bear the litigation costs of the second instance of this case. At the same time, Ningbo Houdao Xinzhi Investment partnership (limited partnership) filed an appeal to Hangzhou intermediate people's Court on June 10, 2019, requesting that Zhejiang Great Southeast Group Co., Ltd. pay the attorney agency fee of 50000 yuan and guarantee service fee of Ningbo Houdaoxinzhi Investment partnership (limited partnership) for the case, 2. Ningbo Vientiane Co., Ltd. and Huang Shuishou are jointly and severally liable for the above debts. On October 15, 2019, Hangzhou intermediate people's court made a second trial decision (case No. (2019) z01minzhong 6144), which was as follows: 1. Maintain the first and second civil judgments of Hangzhou West Lake District People's Court (2018) z0106 and the beginning of the Republic of China 4838; 2. Cancel the third civil judgments of Hangzhou West Lake District People's Court (2018) z0106 and the beginning of the Republic of China 4838; 3. Confirm that Zhejiang Great Southeast group has The limited company owes 50000 yuan to the lawyer of Ningbo Houdaoxinzhi Investment partnership (limited partnership); 4. Huang Shuishou and Ningbo Vientiane owe 50 yuan to the lawyer of Ningbo Houdaoxinzhi Investment partnership (limited partnership) for Zhejiang Great Southeast Group Co., Ltd, RMB 000 shall be jointly and severally liable to Ningbo Houdao Xinzhi Investment Partnership (Limited Partnership); 5. Other claims of Ningbo Houdaoxinzhi Investment partnership (limited partnership) shall be rejected.

On December 11, 2019, Ningbo Vientiane Company applied to the higher people's Court of Zhejiang Province for retrial of this case, requesting that the judgment be changed to reject the application of Ningbo Houdao Xinzhi investment partnership (limited partnership) to Ningbo Vientiane company. On June 1 2020, Zhejiang Higher People's court rejectd the appeal about retrial from Ningbo Vientiane Company and issued civil judgment of No (2020)Zhe Min Shen 533. As of the date of this report, the provincial high court of the case has not made a relevant ruling.

On June 13, 2019, the company has taken the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) z0681 MC 10012) to confirm the invalidity of the guarantee contract. On January 6, 2020, the People's Court of Zhuji City made a judgment of first instance, confirming the invalidity of the guarantee contract signed by Ningbo Vientiane Company and Ningbo Houdao Xinzhi Investment Partnership (limited Partnership). Ningbo Houdao Xinzhi Investment Partnership (limited Partnership) instituted an appeal. On April 16, 2020, Shaoxing Intermediate People's Court of Zhejiang Province made a final judgment which named (2020) Z06Minzhong No. 670. On April 22, 2020, it received the judgment of the second instance, which rejected the appeal and upheld the original judgment.

On November 14, 2019, Ningbo Houdao Xinzhi Investment partnership (limited partnership) filed

a lawsuit with Zhuji Municipal People's Court (case No. (2019) zh0681 and minchu 18219), requesting Ningbo Vientiane company to return the loan principal of 36 million yuan and overdue penalty interest 1 under the loan contract No. jk20180201 to the plaintiff, The debt of 3.248 million yuan shall be jointly and severally liable for repayment (the overdue default interest shall be calculated based on 36 million yuan at an annual interest rate of 24%, temporarily from May 9, 2018 to November 12, 2019, totaling 552 days, $36,000,000 \times 24\% \div 360 \times 552 = 13,248,000$ yuan, and the overdue default interest after November 13, 2019 shall be calculated to the date of actual repayment according to the above standards).

In November 2018, Ningbo Houdao Xinzhi Investment Partnership (Limited Partnership) has declared its creditor's rights to the manager of Zhejiang Great Southeast Group Co., Ltd., and the declared amount for the above loan matters is RMB 41.9742 million yuan. On January 14, 2020, Ningbo Houdao Xinzhi Investment Partnership (Limited Partnership) appealed. On April 10, 2020, Shaoxing Intermediate People's Court heard the case.

On June 29, 2020, Shaoxing Intermediate People's Court made a final judgment which named (2020) Zhe 06 Minzhong No. 1119 as follows: 1. Cancel the judgment of Zhuji People's Court named (2019) Zhe0681 Minchu No.18219; 2. Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd shall bear half of the compensation liability for the above-mentioned part of the debts that Zhejiang Great Southeast Group Co., Ltd cannot paid off of the loan JK20180201 between Zhejiang Great Southeast Group Co., Ltd and Ningbo Houdao Xinzhi Investment Partnership (Limited Partnership). And Ningbo Great Southeast Wanxiang Science and Technology Co., Ltd are entitled to recover from Zhejiang Great Southeast Group Co., Ltd after assuming the guarantee liability; 3. Reject other claims of Ningbo Houdao Xinzhi Investment Partnership (Limited Partnership).

On July 29, 2020, Ningbo Houdao Xinzhi Investment Partnership (limited partnership) refuses to accept the judgement named (2020) Zhe 06 Minzhong No.1119 decided by Shaoxing Intermediate People's Court and appeals to Zhejiang Higher People's Court for retrial. As of the date of this report, the progress please refers to Note X 1.

5) In 2017, Zhejiang Great Southeast Group Co., Ltd. and Deqing Houdao Taifu Management Consulting Partnership (Limited Partnership) signed a loan contract and a supplementary agreement to the loan contract, with the agreed loan amount of RMB 100 million and the loan term of 6 months. The company, Zhejiang Great Southeast Real Estate Co., Ltd. and Huang Shuishou respectively signed a guarantee contract with Deqing Houdao Taifu management consulting partnership (limited partnership) to provide joint and several liability guarantee for the loan, with the guarantee scope of principal, interest, liquidated damages, compensation, compensation, overdue interest, etc.

In November 2018, Deqing Houdao Taifu Management Consulting Partnership (Limited Partnership) has declared creditor's rights to the manager of Zhejiang Great Southeast Group Co., Ltd., with the declared amount of 26.9616 million yuan.

On June 13, 2019, the company took the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) zhe 0681 min Chu 10019) to confirm the invalidity of the guarantee contract. On January 6, 2020, the People's Court of Zhuji City made a judgment of first instance,

confirming the invalidity of the guarantee contract signed by Ningbo Vientiane Company and Deqing Houdao Taifu management consulting partnership (limited partnership). Deqing Houdao Taifu management consulting partnership (limited partnership) instituted an appeal. On April 16, 2020, Shaoxing Intermediate People's Court of Zhejiang Province made a final judgment which named (2020) Z06Minzhong No. 672, which rejected the appeal and upheld the original judgment.

6) In 2017, Zhejiang Great Southeast Group Co., Ltd. and Ningbo Houdaoxinshang Investment partnership (limited partnership) signed a loan contract and a supplementary agreement to the loan contract, with the agreed loan amount of 24 million yuan and the loan term of 6 months. The company, its subsidiaries Ningbo Vientiane Co., Ltd. and Huang Shuishou respectively signed a guarantee contract with Ningbo Houdaoxinshang Investment partnership (limited partnership) to provide joint and several liability guarantee for the loan, with the guarantee scope of principal, interest, liquidated damages, compensation, compensation, overdue interest and other funds.

In November 2018, Deqing Houdao Taifu management consulting partnership (limited partnership) has declared creditor's rights to the manager of Zhejiang Great Southeast Group Co., Ltd., with the declared amount of 27.9213 million yuan.

On June 13, 2019, the company took the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) zhe 0681 min Chu 10016) to confirm the invalidity of the guarantee contract. On January 6, 2020, the People's Court of Zhuji City made a judgment of first instance, confirming the invalidity of the guarantee contract signed by Ningbo Vientiane Company and Ningbo Houdaoxinshang Investment partnership (limited partnership). Ningbo Houdaoxinshang Investment partnership (limited partnership) instituted an appeal. On April 9, 2020, Shaoxing Intermediate People's Court of Zhejiang Province made a final judgment which named (2020) Z06Minzhong No. 671, which rejected the appeal and upheld the original judgment.

On June 17, 2019, Ningbo Vientiane Company took the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) zhe 0681 min Chu 10114) to confirm the invalidity of the guarantee contract. On January 6, 2020, the People's Court of Zhuji City made a judgment of first instance, confirming the invalidity of the guarantee contract signed by Ningbo Vientiane Company and Ningbo Houdaoxinshang Investment partnership (limited partnership). Ningbo Houdaoxinshang Investment partnership (limited partnership) instituted an appeal. On April 9, 2020, Shaoxing Intermediate People's Court of Zhejiang Province made a final judgment which named (2020) Z06Minzhong No. 669, which rejected the appeal and upheld the original judgment.

Ningbo Houdaoxinshang Investment partnership (limited partnership) refuses to accept the first and second trial decision and appeals to Zhejiang Higher People's court for retrial. On February 4, 2021 sent a notification named "Notice of responding to suit and informing members of collegial panel" and accepted the case with (2020) Zhe Minshen No. 4848. As of the date of this report, the case also is heard.

7) In 2018, Zhejiang Great Southeast Group Co., Ltd. signed a loan contract with Zhuji branch of Agricultural Bank Of China Limited with a loan amount of RMB 28.4 million. The loan period is from July 12, 2018 to December 17, 2018. Fengqiu Group Co., Ltd. provides joint liability

guarantee for the loan. In order to realize the above-mentioned secured creditor's rights, the company, Huang Feigang, Peng Lili and Fengqiu Group Co., Ltd. signed a counter guarantee guarantee contract, and the company, Huang Feigang and Peng Lili provided counter guarantee for Fengqiu Group Co., Ltd., covering all debts paid by Fengqiu Group Co., Ltd. on behalf of Zhejiang Great Southeast Group Co., Ltd., including loan principal, interest, compound interest Liquidated damages and expenses for realization of claims.

On September 30, 2019, the company took the initiative to file a lawsuit to the people's Court of Zhuji City (case No. (2019) zhe 0681 min Chu 16161), asking the company not to assume the guarantee responsibility. On July 6, 2020, Zhuji People's Court made a civil judgment named (2019)Zhe0681 Minchu No. 16161, and the judgment was as follows: it confirmed that the invalidity of the guarantee contract numbers FQ2018002 signed on June 26, 2018 between the plaintiff Zhejiang Great Southeast Co., Ltd. and the defendant Fengqiu Group Co., Ltd.

8) In 2018, Zhuji Dadongnan Paper Packing Co., Ltd signed a loan contract with Agricultural Bank Of China Limited with a loan amount of 30 million yuan. The loan period is from June 29, 2018 to December 28, 2018. Fengqiu Group Co., Ltd. provides joint liability guarantee for the loan.

In order to realize the above-mentioned secured creditor's rights, the company, Huang Feigang, Peng Lili and Fengqiu Group Co., Ltd. signed a counter guarantee guarantee contract, and the company, Huang Feigang and Peng Lili provided counter guarantee for Fengqiu Group Co., Ltd., covering all debts paid by Fengqiu Group Co., Ltd. on behalf of Zhejiang Great Southeast Group Co., Ltd., including loan principal, interest, compound interest Liquidated damages and expenses for realization of claims.

On September 30, 2019, the company took the initiative to file a lawsuit to the people's Court of Zhuji City (case No. (2019) zhe 0681 min Chu 16158), asking the company not to assume the guarantee responsibility. On July 6, 2020, Zhuji People's Court made a civil judgment named (2019) Zhe0681 Minchu No. 16161, and the judgment was as follows: it confirmed that the invalidity of the guarantee contract numbers FQ2018001 signed on June 26, 2018 between the plaintiff Zhejiang Great Southeast Co., Ltd. and the defendant Fengqiu Group Co., Ltd

On September 22, 2020, Fengqiu Group Co., Ltd. instituted a lawsuit to Zhuji People's Court against the case named (2019) Zhe0681 Minchu No. 16161, requesting that the defendant Zhuji Dadongnan Paper Packing Co., Ltd. be ordered to pay RMB 32,838,480.19 to Fengqiu Group Co., Ltd. This amount includes compensatory principal of RMB 30 million and interest of RMB 283,848,019. 2. The defendant Huang Feigang and Peng Lili were ordered to bear joint liability for the payment of 32,838,480.19 yuan to the plaintiff Zhuji dadongnan Paper Packing Co., Ltd. 3. Zhejiang Great Southeast Co., Ltd. was ordered to be liable for compensation for one-half of the insolvent part of Zhuji Dadongnan Paper Packing Co., Ltd. On October 27, 2020, the People's Court of Zhuji City made a civil judgment named (2020)Zhe0681Minchu No. 15465, which ruled as follows: 1. The defendant Zhuji Dadongnan Paper Packing Co., Ltd. should pay the plaintiff Fengqiu Group Co., Ltd. RMB 32,838,480.19 yuan, and the payment shall be made within 15 days from the effective date of this judgment; 2. The defendants Huang Feigang and Peng Lili are jointly liable for the first payment due by the defendant Zhuji Dadongnan Paper Packing Co., Ltd. to the plaintiff Fengqiu Group Co., Ltd; 3. The defendant, Zhuji Dadongnan Paper Packing Co.,

Ltd., shall bear half of the compensation liability for the above-mentioned part of the debts that cannot be paid off. The case acceptance fee of RMB 205,992 is jointly borne by the defendants Zhuji Dadongnan Paper Packing Co., Ltd., Huang Feigang and Peng Lili. The defendant Zhuji Great Southeast Co., Ltd. is responsible for half of the litigation fee that the defendant Zhuji Dadongnan Paper Packing Co., Ltd cannot pay.

On November 14, 2020, the company instituted an appeal against the first instance judgment, and Shaoxing Intermediate People's Court accepted the case named (2021) Zhe06Minzhong No.783.As of the date of this report, the people's Court of Zhuji has made a judgment,please refer to Note X 1.

As of the end of 2020, the total amount of the above guarantees provided by Zhejiang Great Southeast Co., Ltd. to the controlling shareholder Zhejiang Great Southeast Group Co., Ltd. and the enterprises under its control is about 219.0191 million yuan, Zhejiang Great Southeast Co., Ltd. failed to perform the approval procedures and information disclosure obligations of the board of directors and the general meeting of shareholders in accordance with the provisions of relevant laws and regulations. Zhejiang Great Southeast Co., Ltd. judged that the illegal guarantee has no effect on the company, and the company does not need to bear the guarantee liability, and it is not expected to have adverse impact on it. On June 26, 2019, the manager of Zhejiang Great Southeast Group Co., Ltd. has reserved a deposit 26 in his account (account name: manager of Zhejiang Great Southeastn Group Co., Ltd., account: 201000210638706, Bank of deposit: Business Department of Zhejiang Zhuji Rural Commercial Bank Co., Ltd.) in accordance with the relevant provisions of the reorganization plan of Zhejiang Great Southeast Group Co., Ltd 266.4481 million yuan, the fund will be mainly used to solve the problem that the company provides guarantee for Zhejiang Great Southeast Group Co., Ltd. and related parties in violation of regulations (if the company needs to bear all or part of the guarantee liability for this reason), the corresponding amount in the reserved guarantee will be directly liable for guarantee after the final liability of each violation guarantee liability of the company is clear (for example, Zhejiang Great Southeast Co., Ltd Limited company is confirmed to be liable) to ensure that the violation guarantee of which it is a related party will not cause loss to the company.

X. Non adjustment events after the balance sheet date

The status of important litigation after the balance sheet date

1. The status of dispute about the contract of guarantee with Ningbo Houdao Xinzhi Investment Partnership (limited Partnership)

On July 29, 2020, Ningbo Houdao Xinzhi Investment Partnership (limited Partnership) applied for retrial of the No.(2020) Zhe 06 Min Zhong 1119 made by Shaoxing intermediate people's Court of Zhejiang Province to Zhejiang High People's Court.

On January 21, 2021, Zhejiang High People's Court made a civil ruling paper that No. (2020) Zhe Min Shen 2855 and the result is as follows:

- (1) Zhejiang High People's Court will hear the case again;
- (2) During the retrial, the execution of original judgment should be stopped.

2. The status of dispute about the contract of guarantee with Feng Qiu Group Co., Ltd.

Fengqiu Group Co., Ltd. filed a lawsuit to Zhuji people's court, ordering the Company to bear half of the compensation liability. Zhuji people's court accepted the case with (2020) Zhe0681 Minchu No. 15465, and ordered the Company to bear half of the compensation liability on October 27, 2020. The company filed an appeal to Shaoxing Intermediate People's Court against the judgment of first instance. Shaoxing Intermediate People's Court accepted the case on February 18, 2021, and formed a collegial panel according to law. After reviewing the papers and inquiring, it decided not to hold a hearing. On April 7, 2021, Shaoxing Intermediate People's Court issued the civil judgment (2021) Z06 Minzhong No. 783, which ruled as follows: the appeal was rejected and the original judgment was upheld. The acceptance fee of the second instance case was adjusted to 120,315 yuan, which was borne by Zhejiang Great Southeast Co., Ltd. This judgment is final.

XI. Other important events

Correction of early errors in accounting

None.

XII. Notes to important items in the financial statements of the parent company

Unless otherwise noted, the beginning of the period refers to January 1, 2020 and the end of the period refers to December 31, 2020; the current period refers to 2020 and the previous year refers to 2019. Amount unit: RMB

(I) Accounts receivable

1. Details

Category	Closing balance				
	Book value		Provision for bad and doubtful debts		Net book value
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-
Tested for impairment on group basis	6,679,640.00	100.00	2,500.00	0.04	6,677,140.00
Insignificant but tested for impairment individually	-	-	-	-	-
Total	6,679,640.00	100.00	2,500.00	0.04	6,677,140.00

Continued:

Category	Opening balance			
	Book blue		Provision for bad and doubtful debts	

	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-
Tested for impairment on group basis	7,180,500.00	100.00	-	-	7,180,500.00
Insignificant but tested for impairment individually	-	-	-	-	-
Total	7,180,500.00	100.00	-	-	7,180,500.00

2. Details for bad debt provision

Account receivable tested for impairment on group basis

(1) Aging group

Aging	Book value	Bad debt provision	Percent (%)
Within 1 year	50,000.00	2,500.00	5.00

(2) Related parties, government and other administrations group

Name of the company	Book value	Bad debt provision	Percent (%)
Zhejiang Zhuji Transformation and Upgrading Industry Fund Co., Ltd	6,629,640.00	-	-

3. Bad debt provision appropriated, recovered or reversed in the current period

There are 2,500 Yuan appropriated and no recovery or reversal of bad debt provisions during the current period.

4. Description of the accounts receivable with related parties

Name of company	Relationship with the Company	Closing balance	Proportion in accounts receivables (%)
Zhejiang Zhuji Transformation and Upgrading Industry Fund Co., Ltd	Subsidiary of the Company	6,629,640.00	100.00

(II) Other receivables

1. Details

Items	Closing balance			Opening balance		
	Book balance	Provision for bad and doubtful debts	The book value	Book balance	Provision for bad and doubtful debts	The book value
Interest receivable	697,325,594.91	-	697,325,594.91	483,991,418.84	-	483,991,418.84
Dividends receivable	-	-	-	-	-	-
Other receivables	12,780,161,580.45	14,915,588.97	12,765,245,991.48	12,750,926,625.25	12,175,644.21	12,738,750,981.04

Items	Closing balance			Opening balance		
	Book balance	Provision for bad and doubtful debts	The book value	Book balance	Provision for bad and doubtful debts	The book value
Total	13,477,487,175.36	14,915,588.97	13,462,571,586.39	13,234,918,044.09	12,175,644.21	13,222,742,399.88

2. Interest receivable

Project	Closing balance	Opening balance
Inter-enterprise loan	697,325,594.91	483,991,418.84

3. Other receivables

(1) Details

Category	Closing balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-
Tested for impairment on group basis	12,780,161,580.45	100.00	14,915,588.97	0.12	12,765,245,991.48
Insignificant but tested for impairment individually	-	-	-	-	-
Total	12,780,161,580.45	100.00	14,915,588.97	0.12	12,765,245,991.48

Continued:

Category	Opening balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-
Tested for impairment on group basis	12,750,926,625.25	100.00	12,175,644.21	0.10	12,738,750,981.04
Insignificant but tested for impairment individually	-	-	-	-	-
Total	12,750,926,625.25	100.00	12,175,644.21	0.10	12,738,750,981.04

(2) Details of bad debt provision

Other receivable tested for impairment on group basis

① Aging basis

Aging	Closing balance		
	Book balance	Provision for bad debts	Percent (%)
Within 1 year	106,267,779.42	5,313,388.97	5.00
1-2 years	22,000.00	2,200.00	10.00
2-3 years	48,000,000.00	9,600,000.00	20.00
Total	154,289,779.42	14,915,588.97	9.67

② Related parties, government and other administrations group

Name of the company	Book value	Bad debt provision	Percent (%)
Related parties, government and other administrations group	12,625,871,801.03	-	-

(3) Bad debt provision appropriated, recovered or reversed in the current period

There are 2,739,944.76 Yuan appropriated and no recovery or reversal of bad debt provisions during the current period.

(4) Description of the nature or content of other receivables with a larger amount

Name of company	Closing balance	Nature or content
Zhuji New City Investment Development Group Co., Ltd	4,711,057,729.16	Current account
Zhuji Huanjiang International Trade City Development Co., Ltd	1,994,950,277.27	Current account
Zhuji Transportation Infrastructure Construction Co., Ltd	1,725,000,000.00	Current account
Zhuji Transportation Investment Group Co., Ltd	1,030,106,659.10	Current account
Zhuji Cultural Tourism Group Co., Ltd	950,000,000.00	Current account
Zhuji Water Resources Group Co., Ltd.	500,000,000.00	Current account
Zhuji Urban and Rural Investment Group Co., Ltd	350,000,000.00	Current account
Zhuji Huimin Security Housing Construction Co., Ltd	300,000,000.00	Current account
Zhuji Chengdong New City Construction Co., Ltd	276,078,753.32	Current account
Total	11,837,193,418.85	

(5) Description of the other receivables with related parties

Name of company	Relationship with the Company	Closing balance	Proportion in other receivables (%)
Zhuji New City Investment Development Group Co., Ltd	Subsidiary of the Company	4,711,057,729.16	36.86

Name of company	Relationship with the Company	Closing balance	Proportion in other receivables (%)
Zhuji Huanjiang International Trade City Development Co., Ltd	Subsidiary of the Company	1,994,950,277.27	15.61
Zhuji Transportation Infrastructure Construction Co., Ltd	Subsidiary of the Company	1,725,000,000.00	13.50
Zhuji Transportation Investment Group Co., Ltd	Subsidiary of the Company	1,030,106,659.10	8.06
Zhuji Cultural Tourism Group Co., Ltd	Subsidiary of the Company	950,000,000.00	7.43
Zhuji Water Resources Group Co., Ltd.	Subsidiary of the Company	500,000,000.00	3.91
Zhuji Urban and Rural Investment Group Co., Ltd	Subsidiary of the Company	350,000,000.00	2.74
Zhuji Huimin Security Housing Construction Co., Ltd	Subsidiary of the Company	300,000,000.00	2.35
Zhuji Chengdong New City Construction Co., Ltd	Subsidiary of the Company	276,078,753.32	2.16
Zhuji State Owned Capital Investment Holding Co., Ltd	Subsidiary of the Company	15,000,000.00	0.12
Zhuji Property Rights Trading Co., Ltd	Subsidiary of the Company	5,000,000.00	0.04
Zhuji Rural Development Investment Co., Ltd	Subsidiary of the Company	818,002.65	0.01
Total		10,779,854,144.21	84.54

(III) Long-term equity investments

1. Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
To subsidiaries	33,055,884,362.82	-	33,055,884,362.82	29,012,685,535.40	-	29,012,685,535.40
To joint ventures and associates	431,953,588.79	-	431,953,588.79	420,634,859.57	-	420,634,859.57
Total	33,487,837,951.61	-	33,487,837,951.61	29,433,320,394.97	-	29,433,320,394.97

2. Details of subsidiaries

Investee	Opening balance	Increase in current year	Decrease in current year	Closing balance	Impairment in current year	Closing balance of impairment
Zhejiang Zhuji Transformation And Upgrading	719,951,110.43	-	-	719,951,110.43	-	-

Investee	Opening balance	Increase in current year	Decrease in current year	Closing balance	Impairment in current year	Closing balance of impairment
Of Industrial Fund Co., Ltd						
Zhuji Chengdong New City Construction Co., Ltd	6,398,481,734.29	-	6,398,481,734.29	-	-	-
Zhuji Urban and Rural Investment Group Co., Ltd	14,136,830,263.93	-	-	14,136,830,263.93	-	-
Zhuji Traffic Infrastructure Construction Co., Ltd	206,459,750.53	-	-	206,459,750.53	-	-
Zhejiang Huanjiang Media Group Co., Ltd	30,537,787.74	-	-	30,537,787.74	-	-
Feida Group Co., Ltd	484,334,583.76	-	-	484,334,583.76	-	-
Zhuji Infrastructure Investment Fund Co., Ltd	120,000,000.00	-	-	120,000,000.00	-	-
Zhejiang Linhang Investment Co., Ltd	1,471,150,791.83	-	-	1,471,150,791.83	-	-
Zhuji Huimin Security Housing Construction Co., Ltd	300,000,000.00	-	-	300,000,000.00	-	-
Zhuji Anshun Security Service Co., Ltd	133,198,218.60	-	133,198,218.60	-	-	-
Zhuji State Owned Capital Investment Holding Co., Ltd	250,000,000.00	380,000,000.00	-	630,000,000.00	-	-
Zhuji Water Resources Group Co., Ltd.	4,759,514,571.58	-	-	4,759,514,571.58	-	-
Zhuji Property Rights Trading	2,226,722.71	-	-	2,226,722.71	-	-

Investee	Opening balance	Increase in current year	Decrease in current year	Closing balance	Impairment in current year	Closing balance of impairment
Co., Ltd						
Zhuji New City Investment Development Group Co., Ltd	-	9,684,878,780.31	-	9,684,878,780.31	-	-
Zhuji Transportation Investment Group Co., Ltd	-	510,000,000.00	-	510,000,000.00	-	-
Total	29,012,685,535.40	10,574,878,780.31	6,531,679,952.89	33,055,884,362.82	-	-

3. Investment to associates and joint venture

Investee	Initial investment cost	Opening balance	Movement in current year			
			Additional investment	Reduction in investment	Invest income recognised under equity method	Movement in other comprehensive income
Joint venture						
Zhejiang Suichang Jiyang Shanghai Collaborative Industrial Park Development Co., Ltd	125,000,000.00	420,634,859.57	-	-	1,234,788.37	10,083,940.85

Continued:

Investee	Movement in current year				Closing balance	Impairment at year end
	Movement in other equity	Cash dividends or profit declared	Impairments	Other		
Joint venture						
Zhejiang Suichang Jiyang Shanghai Collaborative Industrial Park Development Co., Ltd	-	-	-	-	431,953,588.79	-

(IV) Operating revenue / costs of sales

Items	Current year		Previous year	
	Revenue	Cost of sale	Revenue	Cost of sale
Other business	645,201,086.02	1,650,523.96	751,715,132.80	-

(V) Investment income

1. Details

Items	Current year	Previous year
Gains/(losses) on long-term equity investments accounted for using equity method	1,234,788.37	63,844.83
Gains/(losses) on financial assets at fair value through profit or loss during the holding period	1,015,937.25	909,653.00
Gains/(losses) on available for sale financial assets during the holding period	163,113.21	134,125.00
Other Investment income	-	1,004,459.97
Total	2,413,838.83	2,112,082.80

2. Long-term equity investment income measured by equity method

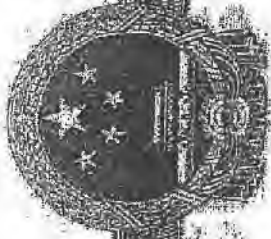
Name of investee	Current year	Previous year
Zhejiang Suichang Jiyang Shanhai Collaborative Industrial Park Development Co., Ltd	1,234,788.37	63,844.83

3. The company does not have significant restrictions on the repatriation of investment income.

Zhuji State-owned Assets Management Co., Ltd.

30 April, 2021

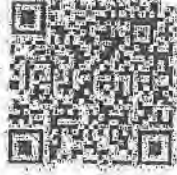




营业执照

统一社会信用代码

913300000887374063A (1/1)



扫描二维码
即可查询
企业信息
国家企业信用信息公示系统
网址: www.gsxt.gov.cn

8310011 (副本)

名称 中汇会计师事务所(特殊普通合伙)

类型 特殊普通合伙企业

执行事务合伙人 余斌

经营范围

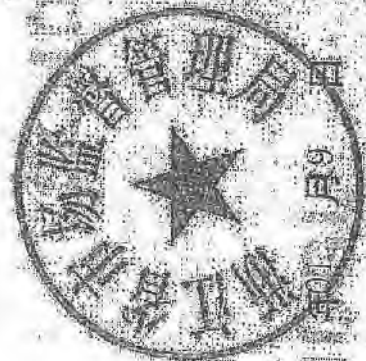
【仅供中汇会审(2021)引3号报告使用】

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。(依法须经批准的项目,经相关部门批准后方可开展经营活动)

成立日期 2013年12月19日

合伙期限 2013年12月19日至长期

主要经营场所 浙江省杭州市萧山区新业路8号华联时代大厦A幢601室



登记机关

2021年01月09日

证书序号: 01001619

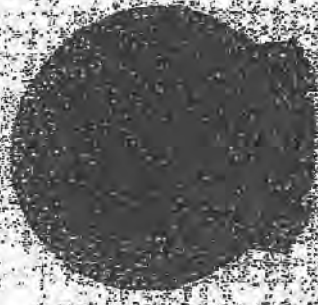
说明

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》记载事项发生变更的，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

中华人民共和国财政部



会计师事务所 执业证书

中汇会计师事务所(特殊普通合伙)

首席合伙人: 桑强

主任会计师

经营场所

杭州市萧山区新业路号
华联时代大厦幢601室

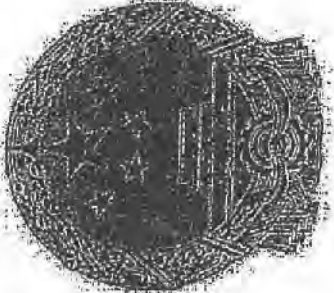
组织形式: 特殊普通合伙

执业证书编号: 33000014

批准文号: 财财会〔2013〕34号

批准执业日期: 2018年12月4日

收供中汇会计师事务所[2024]318号执业证书



证书序号: 000331

会计师事务所 证券、期货相关业务许可证

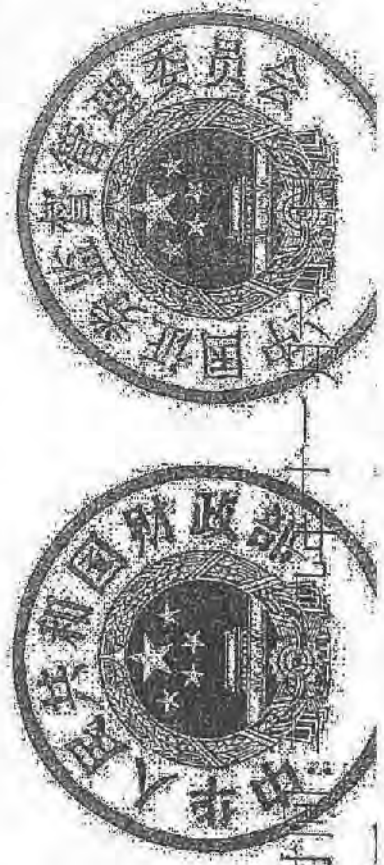
经财政部、中国证券监督管理委员会审查，批准
中汇会计师事务所（特殊普通合伙） 执行证券、期货相关业务。

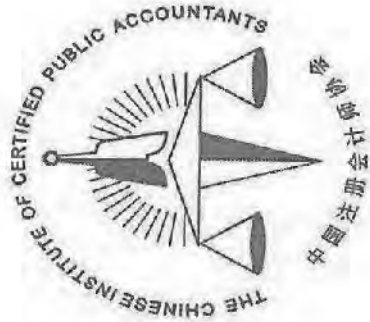
首席合伙人：余强

仅供中汇会审[2021]3187号报告使用

证书号：45

发证时间





姓名 吴成航
 Full name 男
 性别 男
 Sex
 出生日期 1970-11-10
 Date of birth
 工作单位 中汇会计师事务所(特殊普通合伙)
 Working unit
 身份证号码 330103701110101
 Identity card No.



年度检验登记
 Annual Renewal Registration

本证书经检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.



证书编号: 330000140279
 No. of Certificate

批准注册协会: 浙江省注册会计师协会
 Authorized Institute of CPAs

发证日期: 1990 年 04 月 01 日
 Date of Issuance

年度检验登记
 Annual Renewal Registration

本证书经检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.



2019 年 1 月 1 日

年度检验登记
 Annual Renewal Registration

本证书经检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.



2017-01-01

年度检验登记

Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

证书编号: 330000140422

No. of Certificate

批准注册协会: 浙江省注册会计师协会
Authorized Institute of CPAs

发证日期: 2021 年 04 月 06 日
Date of Issuance

年 月 日
尔 后 此



姓名 陈开宇
Full name
性别 男
Sex
出生日期 1999-08-24
Date of Birth
工作单位 中汇会计师事务所(特殊普通合伙)
Working unit
身份证号码 332627198908240015
Identity card No.





Auditor's Report

Zhong Hui Kuai Shen[2020] No.2943

To the Board of Directors of Zhuji State-owned Assets Management Co., Ltd.

1. Opinion

We have audited the accompanying financial statements of Zhuji State-owned Assets Management Co., Ltd. (hereinafter the Company), which comprise the consolidated and company balance sheets as at 31 December 2019, and the consolidated and company statement of comprehensive income, the consolidated and company cash flow statements and the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of the Company as at 31 December 2019, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

2. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). 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 CICPA's Code of Ethics for Professional Accountants (the —Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Responsibilities Of The Management And Governance For The Consolidated Financial Statements

The management of the Company is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Accounting Standard for Business Enterprises, and for such internal control as the management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management of the Company 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 of the Company either intends to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The governance of the Company is in charge of overseeing the Company's financial reporting process.

4. Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision

and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

Zhonghui Certified Public Accountants LLP

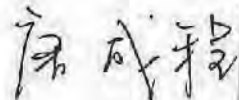


Hangzhou, China

Chinese Certified
Public Accountants


吴成印

Chinese Certified
Public Accountants


程唐印

April 30, 2020

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under Accounting Standards for Business Enterprises in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

BALANCE SHEETS(PART I)

31 December 2019



Prepared by: Zhuji City, State-Owned Assets Management Co., Ltd.

Currency: RMB Yuan

ASSETS	Notes	Line	Closing Balance		Opening Balance	
			Consolidated	Company	Consolidated	Company
Current assets:						
Cash at bank and on hand	V(I)	1	10,987,875,742.78	2,826,169,084.16	8,692,512,418.25	594,884,767.59
Financial assets at fair value through profit or loss	V(II)	2	119,578,156.90	30,799,031.85	28,319,655.94	26,480,969.52
Derivative financial assets		3	-	-	-	-
Notes receivable	V(III)	4	44,194,781.38	-	-	-
Accounts receivable	V(IV)	5	1,505,809,135.25	7,180,500.00	435,408,451.56	6,559,000.00
Prepayments	V(V)	6	359,125,921.14	227,000.00	1,182,151,130.48	50,291,000.00
Other receivables	V(VI)	7	15,672,746,098.35	13,222,742,399.88	12,214,972,989.47	10,345,683,314.43
Inventories	V(VII)	8	76,379,752,431.13	6,846,684,485.25	69,752,627,149.58	6,012,085,750.00
Assets held for sale		9	-	-	-	-
Non-current assets due within one year		10	-	-	-	-
Other current assets	V(VIII)	11	184,543,602.88	-	586,796,384.26	-
Total current assets		12	105,253,625,869.81	22,933,802,502.15	92,892,788,179.54	17,035,993,801.64
Non-current assets:						
Available-for-sale financial assets	V(IX)	13	4,193,019,617.63	335,414,671.76	3,007,907,830.02	232,333,889.00
Held-to-maturity investments		14	-	-	-	-
Long-term receivables	V(X)	15	404,456,249.99	-	193,260,249.99	-
Long-term equity investments	V(XI)	16	1,397,948,077.43	29,433,320,394.97	1,155,861,637.84	27,307,843,484.95
Investment properties	V(XII)	17	340,049,035.69	-	14,905,441.70	-
Fixed assets	V(XIII)	18	12,048,520,000.35	210,165,917.55	7,559,270,326.02	1,161,476.38
Construction in process	V(XIV)	19	2,474,343,232.52	72,589,052.60	5,021,055,844.63	5,928,842.80
Productive biological assets		20	-	-	-	-
Oil and gas assets		21	-	-	-	-
Intangible assets	V(XV)	22	829,972,016.15	157,337,615.49	1,191,725,787.26	15,616,163.04
Development expenditure		23	-	-	-	-
Goodwill	V(XVI)	24	647,904,969.95	-	-	-
Long-term prepaid expenses	V(XVII)	25	58,485,754.95	75,100,096.14	68,557,830.14	41,346,428.52
Deferred tax assets	V(XVIII)	26	16,085,760.22	2,858,381.63	5,762,811.91	2,858,381.63
Other non-current assets	V(XIX)	27	577,731,594.80	-	565,580,000.00	-
Total other non-current assets		28	22,988,516,309.68	30,286,785,130.14	18,783,887,759.51	27,607,088,666.32
Total assets		29	128,242,142,179.49	53,220,587,632.29	111,676,675,939.05	44,643,082,467.96

Legal representative:

Chief financial officer:

Financial manager:

BALANCE SHEETS(PART II)

31 December 2019



Prepared by: Zhui City State-Owned Assets Management Co., Ltd.

Currency: RMB Yuan

Liabilities and Equities	Notes	Line	Closing Balance		Opening Balance	
			Consolidated	Company	Consolidated	Company
Current liabilities:						
Short-term borrowings	V(XX)	30	2,410,007,470.55	781,237,991.09	1,508,653,174.02	598,209,474.02
Financial liabilities at fair value through profit or loss		31	-	-	-	-
Derivative financial liabilities		32	-	-	-	-
Notes payable	V(XXI)	33	94,210,689.46	-	-	-
Accounts payable	V(XXII)	34	886,398,386.98	18,273,783.55	379,503,006.76	8,598,800.00
Advance from customers	V(XXIII)	35	586,529,785.74	43,172,881.87	883,514,353.49	-
Employee benefits payable	V(XXIV)	36	49,986,563.42	32,688.44	28,907,788.65	8,689.56
Taxes payable	V(XXV)	37	442,585,643.52	91,369,568.52	475,158,749.60	46,459,368.07
Other payables	V(XXVI)	38	5,130,093,129.40	2,882,079,898.95	8,139,273,181.99	1,964,244,973.54
Liabilities held for sale		39	-	-	-	-
Non-current liabilities due within one year	V(XXVIII)	40	9,437,746,624.04	2,540,000,000.00	5,335,498,069.23	320,000,000.00
Other current liabilities		41	236,410,000.00	-	-	-
Total current liabilities		42	19,273,773,293.21	6,355,166,812.42	16,750,508,323.74	2,737,521,305.29
Non-current liabilities:						
Long-term borrowings	V(XXIX)	43	26,086,399,770.89	4,645,000,000.00	29,413,700,000.00	5,880,000,000.00
Bonds payable	V(XXX)	44	17,961,100,000.00	11,100,000,000.00	11,568,455,200.00	5,800,000,000.00
Including: Preference shares		45	-	-	-	-
Perpetual bond		46	-	-	-	-
Long-term payable	V(XXXI)	47	12,891,188,731.32	200,000,000.00	7,654,916,862.82	-
Provisions		48	-	-	-	-
Deferred income	V(XXXII)	49	344,337,382.33	-	188,736,871.24	-
Deferred tax liabilities		50	-	-	-	-
Other non-current liabilities		51	-	-	-	-
Total non-current liabilities		52	57,283,025,884.54	15,945,000,000.00	48,765,808,934.06	11,680,000,000.00
Total liabilities		53	76,556,799,177.75	22,300,166,812.42	65,516,317,257.80	14,417,521,305.29
Owners' Equity:						
Paid-in capital	V(XXXIII)	54	800,000,000.00	800,000,000.00	800,000,000.00	800,000,000.00
Other equity instruments		55	-	-	-	-
Including: Preference shares		56	-	-	-	-
Perpetual bond		57	-	-	-	-
Capital reserve	V(XXXIV)	58	43,081,559,675.64	29,844,214,183.24	39,254,113,784.05	28,903,737,433.69
Less: treasury shares		59	-	-	-	-
Other comprehensive income	V(XXXV)	60	164,115.85	-	23.43	-
Special reserve		61	-	-	-	-
Surplus reserve	V(XXXVI)	62	24,774,299.44	24,774,299.44	24,774,259.44	24,774,299.44
Retained earnings	V(XXXVII)	63	4,393,075,063.13	251,432,337.19	4,288,920,921.58	497,049,429.54
Total equity attributable to owners of the Company		64	46,299,573,183.57	30,920,420,819.87	44,367,815,028.50	30,225,561,162.67
Non-controlling interests		65	3,385,769,818.17	-	1,792,543,652.75	-
Total owners' equity		66	51,685,343,001.74	30,920,420,819.87	46,160,358,681.25	30,225,561,162.67
Total liabilities owners' equity		67	128,242,142,179.49	53,220,587,632.29	111,676,675,939.05	44,643,082,467.96

Legal representative:

Chief financial officer:

Financial manager:

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

Prepared by: Zhuzhou City State-Owned Assets Management Co., Ltd.

Currency: RMB Yuan

Items	Notes	Line	2019		2018	
			Consolidated	Company	Consolidated	Company
1. Operating revenue	V(XXXVIII)	1	6,606,334,874.35	751,715,132.80	4,511,164,285.22	365,603,357.07
Less: Cost of sales	V(XXXVIII)	2	5,928,356,875.73	-	4,140,568,500.57	-
Taxes and surcharges	V(XXXIX)	3	77,976,932.11	10,915,826.12	43,626,804.12	6,265,057.81
Selling expenses		4	57,001,482.77	-	32,245,177.52	-
Administrative expenses		5	634,223,411.92	27,064,537.09	480,013,596.70	25,296,453.53
Research and development costs		6	16,883,550.90	-	3,421,527.45	-
Financial expenses	V(XL)	7	1,044,611,062.61	1,092,771,183.43	495,947,428.53	567,489,437.44
Including: Interest expenditure		8	1,365,730,591.24	1,126,714,910.62	599,397,608.67	640,964,413.16
Interest income		9	351,899,219.28	36,700,419.91	138,837,968.02	74,585,426.14
Add: Other income	V(XLI)	10	411,316,772.52	-	143,705,546.35	-
Investments income (Loss is indicated by "-")	V(XLII)	11	68,149,094.50	2,112,982.80	-38,298,067.77	21,335,667.22
Including: Income from investments in associates and joint ventures		12	-	-	-67,228,262.77	302,927.68
Gain from changes in fair values (Losses are indicated by "-")	V(XLIII)	13	4,238,500.90	4,309,062.24	-12,339,766.52	-12,207,043.16
Assets impairment loss (Losses are indicated by "-")	V(XLIV)	14	-277,188.85	-	-736,132.33	-
Income from asset disposal (Loss is indicated by "-")	V(XLV)	15	-	-	-	-
2. Operating profit		16	-7,823,469.08	-102,324,765.01	-667,581,179.47	-215,580,417.75
Add: Non-operating income	V(XLVI)	17	1,125,267,751.96	253,599,319.39	993,989,105.84	-418,071,120.00
Less: Non-operating expenses	V(XLVII)	18	29,974,305.61	886,970.61	32,847,186.56	338,615.02
3. Total profit		19	377,059,977.27	-149,614,414.03	293,560,739.81	202,152,087.23
Less: Income tax expenses	V(XLVIII)	20	33,196,281.84	1,642.61	70,212,847.47	-
4. Net profit		21	341,873,695.43	-149,614,056.64	223,347,892.34	202,152,087.23
(1) Classify by continuity						
1) Net profit from continuing operations		22	341,873,695.43	-149,614,056.64	223,347,892.34	202,152,087.23
2) Net profit from discontinued operations		23	-	-	-	-
(2) Classify by ownership						
1) Net profit attributable to owner of parent		24	215,157,177.26	-149,614,056.64	239,062,356.62	202,152,087.23
2) Profit or loss attributable to non-controlling interests		25	126,716,518.17	-	-15,714,464.28	-
5. Other comprehensive income net of tax		26	164,121.93	-	23.43	-
Other comprehensive income attributable to owners of the Company, net of tax		27	164,121.93	-	23.43	-
(1) Other comprehensive income items which will not be reclassified subsequently to profit or loss		28	-10,204.70	-	-	-
1) Changes in net liabilities or net assets arising from re-measurement of defined benefit plans		29	-	-	-	-
2) Share of the comprehensive income of investees that cannot be reclassified to profit or loss under equity method		30	-10,204.70	-	-	-
(2) Other comprehensive income items which will be reclassified subsequently to profit or loss		31	174,326.63	-	23.43	-
1) Share of the other comprehensive income that can be reclassified into profit or loss by investee in equity method		32	-	-	-	-
2) Gain/Loss on changes in the fair value of available-for-sale financial assets		33	-	-	-	-
3) Profit or loss from reclassification of held-to-maturity investments into available-for-sale financial assets		34	-	-	-	-
4) Effective part of cash flow hedge		35	-	-	-	-
5) Translation differences in foreign currency		36	174,326.63	-	23.43	-
6) Others		37	-	-	-	-
Other comprehensive income attributable to non-controlling interests, net of tax		38	-	-	-	-
6. Total comprehensive income / (Total loss is indicated by "-")		39	342,037,817.36	-149,614,056.64	223,347,915.77	202,152,087.23
Total comprehensive income attributable to owners of the Company		40	215,321,259.19	-149,614,056.64	239,062,380.05	202,152,087.23
Total comprehensive income attributable to non-controlling interests		41	126,716,518.17	-	-15,714,464.28	-
7. Earning per share:						
(1) Basic earning per share		42	-	-	-	-
(2) Diluted earnings per share		43	-	-	-	-

Legal representative:

Chief financial officer:

Financial manager:

STATEMENT OF CASH FLOW

For the year ended 31 December 2019

Prepared by: Zhuzhou City, State-Owned Assets Management Co., Ltd.

Currency: RMB Yuan

Items	Notes	Line	2019		2018	
			Consolidated	Company	Consolidated	Company
1. Cash flows from operating activities:						
Cash received from sale of goods or rendering of services		1	5,955,584,024.98	314,610,372.44	4,764,824,543.73	235,638,571.29
Refund of taxes and surcharges		2	6,126,364.34	4,936,148.17	2,773,169.97	-
Other cash received related to operating activities		3	3,799,956,523.26	2,093,557,541.45	2,835,976,227.43	1,430,517,106.14
Sub-total of operating cash inflows		4	11,781,666,912.58	2,613,103,762.06	7,573,573,941.13	1,666,125,677.43
Cash paid for goods and services		5	8,876,135,018.58	774,859,752.70	6,606,861,475.09	134,855,750.00
Cash paid to and on behalf of employees		6	508,125,747.39	3,671,026.80	270,825,368.61	1,508,280.88
Payments of taxes and surcharges		7	233,119,584.35	6,635,916.45	58,162,488.13	3,750,717.09
Other cash paid related to operating activities		8	5,105,945,442.88	4,791,849,364.06	5,701,263,264.56	7,482,028,516.05
Sub-total of operating cash outflows		9	14,723,314,793.20	5,377,616,060.32	15,637,122,596.39	7,622,143,254.02
Net cash flows from operating activities		10	-2,961,647,880.62	-2,963,912,294.96	-3,063,558,655.24	-5,956,017,586.59
2. Cash flows from investing activities:						
Cash received from disposal of investments		11	40,243,693.39	480,000,000.00	22,000,000.00	-
Cash received from returns on investments		12	49,836,947.44	3,048,237.97	21,688,115.73	21,032,939.54
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		13	2,006,342.46	-	177,839.76	-
Net cash received from disposal of subsidiaries and other business units		14	41,577,632.69	-	-	-
Other cash received related to investing activities		15	1,394,544.37	-	114,033,835.91	-
Sub-total of investing cash inflows		16	35,059,150.35	482,048,237.97	157,899,783.40	21,032,939.54
Cash paid to acquire fixed assets, intangible assets and other long-term assets		17	2,496,918,353.58	456,741,235.80	727,094,356.10	6,324,035.32
Cash paid to acquire investments		18	1,434,105,998.31	650,000,000.00	1,318,359,360.00	561,383,886.00
Net cash paid to acquire subsidiaries and other business units		19	590,592,919.55	-	-	-
Other cash payments related to investing activities		20	1,271,620,115.49	-	546,906,244.21	-
Sub-total of investing cash outflows		21	5,795,236,486.93	1,106,741,235.80	2,332,359,960.31	567,937,924.32
Net cash flows from investing activities		22	-5,658,177,326.58	-624,692,997.83	-2,174,460,176.91	-546,874,984.78
3. Cash flows from financing activities:						
Cash received from capital contribution		23	858,450,589.26	-	1,773,962,943.00	972,023,918.00
Including: Cash received from capital contributions by minority shareholders of subsidiaries		24	-	-	-	-
Cash received from borrowings		25	16,969,480,536.33	4,498,039,332.07	9,721,237,315.57	2,867,747,315.57
Other cash received related to financing activities		26	17,034,657,834.54	5,445,427,500.00	8,678,333,109.52	1,500,000,000.00
Sub-total of financing cash inflows		27	34,862,588,960.13	9,943,466,832.07	20,173,533,368.09	5,339,771,233.57
Cash repayments of amounts borrowed		28	17,197,616,239.70	3,130,010,815.00	9,919,913,625.91	1,155,537,541.55
Cash payments for interest expenses and distribution of dividends or profits		29	4,054,879,119.20	991,790,137.71	2,635,945,187.83	571,202,346.59
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		30	-	-	-	-
Other cash payments related to financing activities		31	2,704,477,620.38	814,000.00	463,433,105.85	12,964,539.19
Sub-total of financing cash outflows		32	23,956,972,979.28	4,125,524,972.71	12,949,291,919.59	1,740,804,727.33
Net cash flows from financing activities		33	10,905,615,980.85	5,820,941,859.36	7,224,241,448.50	3,598,966,506.24
4. Effect of foreign exchange rate changes on cash and cash equivalents						
		34	-444,250.71	-1,052,350.00	-22,277.30	-
5. Net increase/(decrease) in cash and cash equivalents						
Add: cash and cash equivalents at the beginning of the period		35	2,285,346,512.94	2,221,284,516.57	-3,573,795,560.95	-2,903,926,065.13
		36	8,433,592,418.25	394,884,767.59	12,009,392,079.20	5,498,510,832.72
6. Cash and cash equivalents at the end of the period						
		37	10,720,938,931.19	2,826,169,081.16	8,435,592,418.25	394,884,767.59

Legal representatives:

Chief financial officers:

Financial managers:

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

Line	Items	Current period amount										Total owners' equity
		Paid-in capital	Preferred shares	Other equity instruments	Capital surplus	Lease liability shares	Other comprehensive	Special reserve	Surplus reserve	Retained earnings	Non-controlling interests	
1	Closing balance of the prior period	800,000,000.00	-	-	39,251,119,784.04	-	23.43	-	24,774,299.44	4,288,920,921.58	1,793,543,652.76	46,160,338,681.25
2	Add: Change in accounting policies	-	-	-	-	-	-	-	-	-	-	-
3	Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
4	Business combination under common control	-	-	-	-	-	-	-	-	-	-	-
5	Other	-	-	-	-	-	-	-	-	-	-	-
6	2. Opening balance of the current period	800,000,000.00	-	-	39,251,119,784.04	-	23.43	-	24,774,299.44	4,288,920,921.58	1,793,543,652.76	46,160,338,681.25
7	3. Increase or decrease amount in this period (excluding amount included with ...)	-	-	-	3,827,432,891.60	-	164,121.93	-	-	101,154,141.55	1,893,226,165.41	5,524,984,320.49
8	(1) Total comprehensive income:	-	-	-	3,827,432,891.60	-	164,121.93	-	-	215,157,177.26	1,267,716,518.17	5,209,949,538.84
9	(2) Owners' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	-	-
10	i. Capital increase by owners	-	-	-	-	-	-	-	-	-	-	-
11	ii. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-
12	iii. Share-based payment received in owner's equity	-	-	-	-	-	-	-	-	-	-	-
13	iv. Others	-	-	-	3,827,432,891.60	-	-	-	-	-	1,466,509,647.24	5,209,949,538.84
14	(3) Profit distribution	-	-	-	-	-	-	-	-	-	-	-
15	i. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-	-
16	ii. Profit distributed to owners	-	-	-	-	-	-	-	-	-	-	-
17	iii. Others	-	-	-	-	-	-	-	-	-	-	-
18	(4) Transfer within owners' equity	-	-	-	-	-	-	-	-	-	-	-
19	i. Transfer of capital reserves (to capital)	-	-	-	-	-	-	-	-	-	-	-
20	ii. Transfer of surplus reserve into capital	-	-	-	-	-	-	-	-	-	-	-
21	iii. Recovery of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-
22	iv. Retained earnings transferred from movement of defined benefit plan	-	-	-	-	-	-	-	-	-	-	-
23	v. Others	-	-	-	-	-	-	-	-	-	-	-
24	(5) Special reserve	-	-	-	-	-	-	-	-	-	-	-
25	i. Extraction of special reserves in the period	-	-	-	-	-	-	-	-	-	-	-
26	ii. Use of special reserves in the period	-	-	-	-	-	-	-	-	-	-	-
27	(6) Others	-	-	-	-	-	-	-	-	-	-	-
28	4. Balance at the end of current year	800,000,000.00	-	-	43,078,552,675.64	-	164,145.36	-	24,774,299.44	4,395,075,063.13	3,285,769,818.17	51,085,538,091.71

Chief financial officers:

Financial managers:

Legal representative:

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2019

Items	Line	Last period amount										Total owners' equity				
		Equity attributable to owners of the parent company														
		Paid-in capital	Preferred shares	Other equity instruments	Perpetual bond	Others	Capital surplus	Less treasury shares	Other comprehensive	Special reserve	Surplus reserve		Retained earnings	Non-controlling interests		
1. Closing balance of the prior period	1	780,500,000.00	-	-	-	-	37,985,151,861.48	-	-	-	4,559,090.72	-	4,559,090.72	4,159,074,452.92	1,811,199,087.39	44,741,088,492.51
Add: Change in accounting policies	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	4	-	-	-	-	-	3,303,259.13	-	-	-	-	-	-	-	-	-
Other	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Opening balance of the current period	6	780,500,000.00	-	-	-	-	37,988,455,120.61	-	-	-	4,559,090.72	-	4,559,090.72	4,091,173,773.68	1,805,921,895.70	44,670,609,858.71
3. Increase or decrease amount in this period (reaching amount is listed with "+")	7	19,500,000.00	-	-	-	-	1,265,664,683.44	-	23.45	-	20,215,208.72	-	20,215,208.72	197,747,142.90	-13,378,240.95	1,899,948,822.54
(1) Total comprehensive income	8	-	-	-	-	-	-	-	23.45	-	-	-	-	-	-	-
(2) Owners' contributions and reduction in capital	9	19,500,000.00	-	-	-	-	1,265,664,683.44	-	-	-	-	-	-	-	-	-
i. Capital injected by owners	10	19,500,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Capital injected by other equity instrument holders	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii. State-based payment recorded in owner's equity	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv. Others	13	-	-	-	-	-	1,265,664,683.44	-	-	-	-	-	-	-	-	-
(3) Profit distribution	14	-	-	-	-	-	-	-	-	-	20,215,208.72	-	20,215,208.72	-	-	-
i. Appropriation to surplus reserves	15	-	-	-	-	-	-	-	-	-	20,215,208.72	-	20,215,208.72	-	-	-
ii. Profit distributed to owners	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii. Others	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(4) Transfer within owners' equity	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Transfer of capital reserves into capital	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Transfer of surplus reserve into capital	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii. Recovery of loss by surplus reserve	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv. Retained earnings transferred from movement of defined benefit plan	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v. Others	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(5) Special reserve	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Extraction of special reserves in the period	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Use of special reserves in the period	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(6) Others	27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A. Balance at the end of current year	28	800,000,000.00	-	-	-	-	39,254,119,784.01	-	23.45	-	24,774,209.44	-	24,774,209.44	4,388,920,921.58	1,792,513,652.76	46,160,558,681.25

Chief financial officers

Financial managers

Legal representative:

Prepared by: Zhuojin Cyber State-Owned Assets Management Co., Ltd.

Currency: RMB Yuan



STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE COMPANY

For the year ended 31 December 2019

Currency: RMB Yuan

Line	Items	Current period amount						Total owners' equity			
		Paid-in capital	Preferred shares	Other equity instruments Perpetual bond	Others	Capital reserve	Less: treasury shares		Other comprehensive income	Special reserve	Surplus Reserve
1	Closing balance of the prior period	800,000,000.00	-	-	-	28,903,757,433.69	-	-	24,774,299.44	997,049,429.54	30,225,561,162.67
2	Audit Change in accounting policies	-	-	-	-	-	-	-	-	-	-
3	Correction of prior period errors	-	-	-	-	-	-	-	-	-	-
4	Business combination under common control	-	-	-	-	-	-	-	-	-	-
5	Other	-	-	-	-	-	-	-	-	-	-
6	2. Opening balance of the current period	800,000,000.00	-	-	-	28,903,757,433.69	-	-	24,774,299.44	497,049,429.54	30,225,561,162.67
7	3. Increased or decreased amount in this period (reducing amount is listed with "+")	-	-	-	-	940,476,749.55	-	-	-	245,617,092.35	654,859,657.20
8	(1) Total comprehensive income	-	-	-	-	940,476,749.55	-	-	-	199,614,056.64	1,149,614,056.64
9	(2) Owners' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	-
10	i. Capital injection by owners	-	-	-	-	-	-	-	-	-	-
11	ii. Capital invested by other equity asset owners holders	-	-	-	-	-	-	-	-	-	-
12	iii. Share-based payment recorded in owner's equity	-	-	-	-	-	-	-	-	-	-
13	iv. Others	-	-	-	-	940,476,749.55	-	-	-	-	940,476,749.55
14	(3) Profit distribution	-	-	-	-	-	-	-	-	-96,003,035.71	-96,003,035.71
15	i. Appropriation to surplus reserves	-	-	-	-	-	-	-	-	-	-
16	ii. Profit distributed to owners	-	-	-	-	-	-	-	-	-	-
17	iii. Others	-	-	-	-	-	-	-	-	-	-
18	(4) Transfer within owners' equity	-	-	-	-	-	-	-	-	-	-
19	i. Transfer of capital reserves into capital	-	-	-	-	-	-	-	-	-	-
20	ii. Transfer of surplus reserve into capital	-	-	-	-	-	-	-	-	-	-
21	iii. Recovery of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-
22	iv. Retained earnings transferred from movement of defined benefit plan	-	-	-	-	-	-	-	-	-	-
23	v. Others	-	-	-	-	-	-	-	-	-	-
24	(5) Special reserve	-	-	-	-	-	-	-	-	-	-
25	i. Extraction of special reserves in the period	-	-	-	-	-	-	-	-	-	-
26	ii. Use of special reserves in the period	-	-	-	-	-	-	-	-	-	-
27	(6) Others	-	-	-	-	-	-	-	-	-	-
28	4. Balance at the end of current year	800,000,000.00	-	-	-	29,844,214,183.24	-	-	24,774,299.44	251,432,337.19	30,920,429,819.87

Legal representative:

Chief financial officer:

Financial manager:

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE COMPANY

For the year ended 31 December 2019

Currency: RMB Yuan

Prepared by: Zhenji City, State-Owned Assets Management Co., Ltd.

Items	Line	Paid-in capital	Other equity instruments			Last period amount			Total owners' equity			
			Preferred shares	Perpetual bond	Others	Capital reserve	Less: treasury shares	Other comprehensive income		Special reserve	Surplus Reserve	Retained earnings
1. Closing balance of the prior period	1	780,500,000.00	-	-	-	28,100,895,920.35	-	-	-	-	315,112,551.03	29,201,067,562.10
Add: Changes in accounting policies	2	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	3	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	4	-	-	-	-	-	-	-	-	-	-	-
Other	5	-	-	-	-	-	-	-	-	-	-	-
2. Opening balance of the current period	6	780,500,000.00	-	-	-	28,100,895,920.35	-	-	-	-	315,112,551.03	29,201,067,562.10
3. Increased or decreased amount in this period	7	19,500,000.00	-	-	-	802,841,513.34	-	-	-	-	161,936,878.51	1,024,493,600.57
Less: amount is based on the 2019	8	-	-	-	-	-	-	-	-	-	202,142,087.23	202,142,087.23
(1) Total comprehensive income	9	19,500,000.00	-	-	-	802,841,513.34	-	-	-	-	-	822,341,513.34
(2) Owners' contributions and reduction in capital	10	19,500,000.00	-	-	-	-	-	-	-	-	-	19,500,000.00
i. Capital injection by owners	11	-	-	-	-	-	-	-	-	-	-	-
ii. Capital invested by other equity instrument holders	12	-	-	-	-	-	-	-	-	-	-	-
iii. Share-based payment recorded in owners' earnings	13	-	-	-	-	-	-	-	-	-	-	-
iv. Others	14	-	-	-	-	-	-	-	-	-	-	-
(3) Profit distribution	15	-	-	-	-	-	-	-	-	-	-	-
i. Appropriation to surplus reserves	16	-	-	-	-	-	-	-	-	-	-	-
ii. Profit distributed to owners	17	-	-	-	-	-	-	-	-	-	-	-
iii. Others	18	-	-	-	-	-	-	-	-	-	-	-
(4) Transfer within owners' equity	19	-	-	-	-	-	-	-	-	-	-	-
i. Transfer of capital reserves into capital	20	-	-	-	-	-	-	-	-	-	-	-
ii. Transfer of surplus reserve into capital	21	-	-	-	-	-	-	-	-	-	-	-
iii. Recovery of loss by surplus reserve	22	-	-	-	-	-	-	-	-	-	-	-
iv. Retained earnings transferred from management of Defunct Beneficial	23	-	-	-	-	-	-	-	-	-	-	-
v. Others	24	-	-	-	-	-	-	-	-	-	-	-
(5) Special reserve	25	-	-	-	-	-	-	-	-	-	-	-
i. Extraction of special reserves in the period	26	-	-	-	-	-	-	-	-	-	-	-
ii. Use of special reserves in the period	27	-	-	-	-	-	-	-	-	-	-	-
(6) Others	28	800,000,000.00	-	-	-	-	-	-	-	-	-	-
4. Balance at the end of current year		800,000,000.00	-	-	-	28,903,737,433.69	-	-	-	-	497,049,429.54	30,225,561,162.67

Legal representative:

Chief financial officers:

Financial manager:

Zhuji State-owned Assets Management Co., Ltd.

Notes to the financial statements

For the year ended 31 December 2019

I. Company information

(I) Company basic information

Zhuji State-owned Assets Management Co., Ltd. (“the Company”) previously named Zhuji Financial Development Company which was independently established by Zhuji Municipal Bureau of Finance with a registered capital of RMB 3.88million as a state-owned enterprises, acquired the business license on 8 February 1993 from Zhuji Administration for Industry and Commerce with the registration number of 3306811001780. On 30 June 2015, according to the document of The Reply About System-changing Of Zhuji Financial Development Company (Zhuji SASAC[2015]No.11) approved by Zhuji City, State-owned Assets Supervision and Administration Commission(referred as "Zhuji SASAC" for short), Zhuji Financial Development Company was transformed into limited liability company named Zhuji State-owned Assets Management Co., Ltd whose both registered capital and paid-in capital were RMB 300million. And the shareholder was changed to Zhuji City, State-owned Assets Supervision and Administration Commission. On 28 July 2015, the Company afresh acquired the business license from Zhuji Administration for Industry and Commerce with the registration number of 330681000137578.

In October 2015, registered capital of the Company was increased to RMB 800 million subscribed by Zhuji SASAC. On 20 October 2015, the business license was replaced by Certificate for Uniform Social Credit Code. The Uniform Social Credit Code of the Company is 91330681146265634F.As of 31 December 2018, the paid-in capital of the Company is RMB 800 million.

The Company address is C8 and C9 Building of Tourist Distributing Center, No.290 East Genta Road, Jiyang Street, Zhuji. Legal representative: Lou Wen Gang.

The Company was principally engaged in investment and asset management. Business scope is management of local state assets, land development and utilization, industrial investment (business that requires government approval can only be carried out when such approval from relevant department is obtained).

(II) Scope of consolidation

There are 103 subsidiaries consolidated in 2019, for details of the scope of consolidation please refer to Note VII “Equity in other entities”. In current year, there are 30 subsidiaries increased, and 6 subsidiaries deregistrated or transferred in the scope of consolidation. Further details of the scope of consolidation are given in Note VI “Changes in consolidation scope”.

II. Basis of preparation of the financial statements

(I) Basis of preparation

The Company's financial statements have been prepared on the basis of going concern assumption, according to the actual occurred transactions and events and in accordance with 'Accounting Standards for Business Enterprises' and relevant regulations.

(II) Continuous Operation

The Company has ability to continue its operation for at least 12 months since the end of the reporting period and there are no significant events affecting its ability to continue as a going concern.

III. Significant accounting policies estimates and assumptions

(I) Statement of following the Accounting Standard for Business

The financial statements are prepared by the Company according to the requirements of Accounting Standard for Business Enterprise, and present the financial position and the results of their operations and their cash flows of the Company truly and completely.

(II) Accounting period

The Company's accounting year begins on 1 January and ends on 31 December.

(III) Business cycle

The normal business cycle is the period during which the company purchases the assets used for processing to achieve cash or cash equivalents. The Company takes 12 months as a business cycle, and as the criteria of the liquidity of its assets and liabilities.

(IV) Reporting currency

The functional currencies of the Company and the subsidiaries these operate in China are Renminbi (RMB). The functional currencies of overseas subsidiaries are determined as USA Dollars(USD) in accordance with the primary economic environment in which they operate, and are translated into RMB for the preparation of the consolidated financial statements

The Company's reporting currency is Renminbi (RMB).

(V) Accounting treatment of business combination under common control and not under

common control

Business combination means transactions in which two or more separate entities merge into one reporting entity. Business combination includes merging under common control and non-common control.

1. Business combination under common control

All of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity or business should be recorded at the book values as stated in the financial statements of the controlling party. The share premium is adjusted by the difference of the book value of acquired entity in ultimate controlling company's consolidated financial statement, and the consideration paid. If the share premium is insufficient, the retained earnings shall be adjusted.

Business combination achieved in stages under common control, the share premium is adjusted by, the book value of the holding investment prior to combination plus the new consideration paid at the acquisition date, and the book value of the net asset acquired at the acquisition, if the share premium is not enough for the adjustment, and then reduce the retained earnings. The long-term equity investment held by acquirer before acquiring the control, the share of the profit or loss and other comprehensive income and other movement in equity, from the later date of acquiring initial equity and the date of under common control, to the acquisition date, should be reduced from opening balance of retained earnings or P/L of current period, exclude the change of other comprehensive income arise from remeasurement of net defined benefit assets and liabilities.

2. Business combination not under common control

Business combination not under common control is combination that, all of the combining entities or businesses are not ultimately controlled by the same party or parties before and after the business combination.

The difference of cost of combination of the company at acquisition date, and the fair value of the net asset of acquiree, is recognised as goodwill. If the cost of combination is less than the fair value of the net asset of acquiree, then review the fair value of identifiable assets and liabilities and contingent liabilities, and review the cost of combination. If still the case, then the amount of the fair value of the net asset of acquiree less the cost of combination should be recognised as gain or loss of current period.

If at the acquisition date or at the end of the year of acquisition, fair value of considerations or the fair value of the identifiable asset acquired cannot be determined because of various factors, the company accounts the acquisition on the basis of temporary valuation. If further information obtained in 12 months from the acquisition date shows that the initial recognition needed to be adjusted, then the adjustment should be made retrospectively as if it was occurred at the acquisition date, as well as the comparable information in the report. If further information obtained after 12 months from the acquisition date, then the adjustment to the cost of

consideration or identifiable asset or liabilities should be treated under PRC GAAP NO.28 “Accounting policies, changes in accounting estimates and correction of accounting errors”.

Temporary difference acquired in business combination that does not meet the criteria of deferred tax asset, should not be recognised. If further information obtained in 12 months from the acquisition date shows that economic benefit occurred from the temporary difference at the acquisition date can be realised, the deferred tax asset can be recognised, and reduce the goodwill, shall the goodwill is insufficient, the difference is recognised into profit or loss in the period. Apart from the situation above, the deferred tax asset related to the business combination is recognised in the profit or loss in the period.

In business combination achieved by multiple transactions, it’s determined by whether or not those transactions are a package. The term, condition and economic effect of those transactions comply with one or more of the following situations, usually indicating that that transaction should be treated as a package: (1) those transactions are established at the same time, or after the consideration of their influences on each other. (2) Those transactions as a whole can achieve a complete business outcome. (3) The occurrence of one transaction depends on the occurrence of at least one other transaction. (4) A transaction is not economic on its own, but is when considered in conjunction with other transactions.

For package transaction, all transactions should be accounted as one transaction that gains control. For those are not a package, in consolidated financial statement, the equity held prior to the date of acquisition should be revalued at fair value at the acquisition date. The difference of fair value and book value is recognised as investment income in current period. The movement in comprehensive income and comprehensive equity related to the equity prior to the acquisition date is transferred as income at the acquisition date, except the other comprehensive income arising from the remeasurement of net defined benefit assets and liabilities.

3. Dealing with transaction costs in business combination

The intermediary expense for auditing, legal services, evaluation and other related management expense incurred, should be recognised in profit or loss at the time of occurrence. The transaction cost of equity securities or debt securities issued as a consideration, should be included in the initial recognition of equity securities or debt securities.

(VI) Preparation method of consolidated financial statements

1. Consolidation scope

The scope of consolidation is determined on the basis of control. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. The scope of consolidation includes all subsidiaries. Subsidiaries are entities (including enterprises and divisible parts of an investee and structured entities) controlled by the Company.

2. Method of consolidation

The Company present consolidated financial statements on the basis of financial statement of the parent and subsidiaries, in which the accounts of the parent and subsidiaries are combined and presented as a single entity, to review the financial position and results of their operations and their cash flows of the Company, using uniform accounting policies, in accordance with PRC GAAP.

The consolidated financial statements offset the impact of the internal transactions and interactions between the company and its subsidiaries and subsidiaries on the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of cash flow and the consolidated statement of change in shareholders' equity.

For business combination under the same control, the economic outcome and cash flow of the company's additional subsidiaries and business shall be included in the consolidated statement of profit or loss and the consolidated statement of cash flow of the company since the date of its ultimately controlled by the final controlling party, as if the subsidiary and the business are under the control of the ultimately controlling party since the date of ultimately control exists. The opening balance of the consolidated statement of financial position is adjusted at the same time, and the related items of the comparative report are adjusted, as if the merged report body exists since the ultimate control exists.

For business combination not under common control, the opening balance of the consolidated statement of financial position is not adjusted. The financial statements are adjusted on the basis of fair value of identifiable net asset. The revenue and expense and profit from the acquisition date to the end of period are included in the consolidated statement of profit or loss, the cash flows are included in the consolidated statement of cash flow.

The non-controlling interests (NCI)'share of equity and profit and comprehensive income are presented separately in the equity of the consolidated statement of financial position, and profit and comprehensive income of the consolidated statement of profit or loss. The NCI' share of the current loss exceeds the balance of the NCI's share in the opening balance of the NCI's equity, and then reduces the equity of non-controlling equity.

3. Acquisition of non-controlling interest and disposal where control is retained

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

4. Disposal where control is lost

During the reporting period, if the Company disposes a subsidiary, the income, expense and profit of this subsidiary from the beginning of the period to the disposal date should be included in the consolidated income statement; the cash flow of this subsidiary from the beginning of the period to the disposal date should be included in the consolidated statement of cash flows. When the control on the original subsidiaries lost due to the disposal of partial equity investment or other reasons, the remaining equity should be re-measured according to the fair value on the control lost

date. The difference of the consideration acquired by the disposal of equity and the fair value of the surplus equity minus the net assets portion of the original subsidiaries calculated from the purchase date as per the original stock proportion and the goodwill shall be recorded into the current investment income after the control lost. Other comprehensive returns relevant to the original subsidiary equity investment shall be disposed through the accounting treatment on the same basis of the direct disposal of the relevant assets or liabilities by the acquirer when the control lost (Namely, all the rest are transferred into the current investment incomes, with the exception of the changes caused by the net liabilities or the net assets of the defined benefit plans re-measured by the original subsidiaries). Thereafter, the subsequent measurement shall be made for the rest equity according to the relevant provisions of “Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment” or “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”. For the details, please see Notes III (XV) “Recognition and measurement of long-term equity investment” or Notes III (X) “Recognition and measurement of financial instrument”.

5. Disposal in stages where control is lost

If the Company disposes the equity investment through multiple transactions until the control is lost, it should be determined by whether or not those transactions are a package.

For package transactions, all transactions are accounted as one disposal. The differences between the disposal income and the share of net asset of subsidiary every time should be recognised as other comprehensive income in group report, which transfer to profit or loss when the control is lost.

For those transactions that are not a package, each of the transactions will be accounted partial disposal where control retained and partial disposal where control lost. The difference between the disposal income and the corresponding proportion of the subsidiary’s net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

(VII) Accounting treatment of joint venture and joint operation

Joint arrangement: two or more parties having joint control. It’s classified as joint venture and joint operation.

Joint venture: Two or more parties having joint control have rights to the net assets of the arrangement. The joint ventures of the Company are measured in the equity method which is referred in Note III (XV) 3(2) “Long-term equity investments measured in equity method”.

Joint operation: Two or more parties have rights to the assets and obligations for the liabilities relating to the arrangement. The Company recognised in the financial statement:

1. Its asset, including its share of any asset held jointly.
2. Its liabilities, including its share of any liabilities incurred jointly.

3. Its revenue from the sale of its share of the output arising from the joint operation.
4. Its share of the revenue from the sale of the output by the joint operation.
5. Its expenses, including its share of any expenses incurred jointly.

When the Company invests or sells assets to the joint arrangement, or buy from joint arrangement, the Company only recognises other parties' share of profit or loss before the assets are sold to a third party. Shall the asset meet the criteria of impairment, the Company recognised all loss in investing or selling asset to the joint arrangement recognised the Company's share of loss in buying asset from the joint arrangement.

(VIII) Definition of cash and cash equivalents

Cash and cash equivalents mainly represent cash on hand, demand deposits placed with large reputable banks in China, and highly liquid investments that are readily convertible to known amounts of cash and with original maturities from the date of purchase with terms of less than three months, which are subject to an insignificant risk of changes in value.

(IX) Foreign currency transaction and translation of foreign currency statements

1. Foreign currency transaction

At the time of initial recognition of a foreign currency transaction, the amount of the foreign currency shall be translated into the amount of the recording currency at the spot exchange rate of the transaction date, except exchange of foreign currency or the transaction that referring to exchange of foreign currency which should be translated at real exchange date.

2. The way to translate monetary and non-monetary items of foreign currency transaction

The monetary items of the foreign currency transaction shall be translated into functional currency at the spot change rate of the balance sheet date. All foreign exchange difference are credited into the current profit or loss, except: (1)the currency translation difference of the dedicated foreign currency loan that meets the capitalization condition shall be included in the cost of assets as capitalization during the capitalization period; (2)the currency translation difference of the arbitrage tool to avoid foreign exchange risk shall be treated according to the hedge accounting method; (3)the currency translation difference of the available-for-sale monetary items generated by the book value other than the amortized cost shall be recognized as other comprehensive income and included in other comprehensive income.

The non-monetary items of the foreign currency transaction measured at historical cost shall be translated into functional currency at the spot exchange rate of the transaction date. The non-monetary items of the foreign currency transaction measured at the fair value shall be translated into functional currency at the spot exchange rate of the date that fair value are determined, and the difference between those shall be credited into the current profit or loss.

3. Translation of foreign currency financial statements

The asset and liability items in the balance sheets shall be translated at a spot exchange rate ruling

at the balance sheet date. Among the owner's equity items, except the ones as “retained earnings”, others shall be translated at the spot exchange rate ruling at the time when they occurred. The income and expense items in the income statements shall be translated at an exchange rate which is determined in a systematic and reasonable way and is approximate to the spot exchange rate (calculated by the average of starting rate and closing rate on the reporting period) ruling at the transaction date. The foreign exchange difference arisen from the translation of foreign currency financial statements shall be presented separately in the other comprehensive income under the owner's equity in the balance sheet.

Disposal in overseas business, the balance sheet items of other comprehensive income is presented, and the overseas business translation of foreign currency financial statements related to difference from other comprehensive income items into the disposal of profits and losses of the current period; in the disposal of equity investment or other reasons lead to hold environment operating outside the ratio of equity to reduce but not a loss of overseas business control, and the offshore disposal operations in part related to the translation of foreign currency statements difference will belong to minority interests. Do not turn into the profits and losses of the current period. When dealing with overseas operations as an affiliated enterprise or part of the equity of the joint venture, the foreign currency statement translation difference with the overseas operation shall be transferred to the current profit and loss.

Foreign currency cash flows are translated at the spot exchange rate on the day when the cash flows incur. The amounts resulted from change of exchange rate are presented separately in “Effect of foreign exchange rate changes on cash and cash equivalents” of the cash flow statement.

(X) Recognition and measurement of financial instrument

Financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instrument can be classified into financial asset and financial liability and equity instrument. Financial assets and financial liabilities are initially recognised at fair value. For financial assets and liabilities measured at fair value through profit or loss, the transaction costs are recognised in profit or loss as well. For other financial instrument, the transaction costs are recognised in initial measurement.

1. Classification, recognition and measurement of financial asset

Financial assets traded in a conventional manner are recognized and derecognized on the trading days. At initial recognition, financial assets are classified as fair value through profit or loss, held-to-maturity investment, loans and receivables, and financial assets available for sale.

(1) Financial assets at fair value through profit or loss

Include trading financial asset and the designated financial assets at fair value through profit or loss.

Trading financial asset are financial assets that meet one of the following criteria: 1) the purpose of acquiring the financial asset is to sell in short term. 2) Is a part of identifiable financial

instruments portfolio which is managed centralized, and there is evidence shows that the Company is planning to gain profit in short term. 3) Is a derivative instrument, except those designated derivative instrument for effective hedging tool, or financial guarantee, or related to instrument that not quoted in an active market whose fair value cannot be measured reliably.

The financial asset meet one of the following criteria, can be classified as the designated financial asset at fair value through profit or loss at initial recognition: 1) if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. 2) The formal document of risk management or investment strategy provides for the management, is managing and evaluating on the basis of fair value of the financial portfolio or financial asset or financial liability.

Financial asset through fair value is initially measured at fair value less dividends that declared but not yet received and interest issued but not yet paid; transaction cost related is directly accounted into profit or loss. Subsequent measurement is at fair value, the movement of fair value and interest and dividend is recognised as profit or loss in the period.

(2) Held-to-maturity investment

Held-to-maturity investment refers to the non-derivative financial assets with fix maturity date, fix or defined recoverable amount, and the Company has intention and ability to hold to maturity.

Held-to-maturity investment initial measured at fair value (less interest issued but not yet paid) plus transaction cost, subsequently measured by effective interest rate at amortised cost through profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (without considering future credit losses), and also considers all fees paid or received between the parties to the contract giving rise to the financial asset and financial liability that are an integral part of the effective interest rate, transaction costs, and premiums or discounts, etc.

(3) Loans and receivables

Loans and receivables are non-derivative financial assets that not quoted in an active market and the recoverable amount is fixed or can be measured reliably. Loans and receivables are classified as notes receivable, account receivable, interest receivable, dividends receivable and other receivable. Initial measured at the amount recorded in contract or agreement with the purchaser. Initial measured at present value if the contract is financing contract. Loan and receivables are measured at amortised cost using the effective interest rate.

(4) Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets designated as available-for-sale at initial recognition, and the financial assets other than financial assets at fair value through profit or loss, loans and receivables, and held-to-maturity investments.

Cost of available-for-sale investments in debt instruments are measured on the basis of the post-amortization cost at period end, which is the initially recognized amount of financial asset or financial liability deducting the already paid principal, plus or minus the accumulated amount of amortization incurred from amortizing the balance between the initially recognized amount and the amount of the maturity date by adopting the actual interest rate method and deducting the impairment loss that have actually incurred. Cost of available-for-sale investments in equity instruments is the initially recognized amount at acquisition.

At recognition, the instrument is initial measured at fair value plus related transaction cost, deduct dividends that declared but not yet received and interest issued but not yet paid. Financial asset held for sale is subsequently measured at fair value, the premium is amortised at the effective interest rate and recognised as interest income. Impairment loss and exchange difference related to amortised cost should be recognised in profit or loss. The change in fair value is recognised as other comprehensive income. As for the equity instrument that not quoted in an active market and the fair value cannot be reliably measured, and derivative financial instrument related to the equity instrument and settled by the equity instrument, measured at cost. At settlement, the difference between consideration received and book value of the financial asset is accounted as profit or loss in the investment, as well as the other comprehensive income recognised before.

2. Transfer of financial assets and measurement

Financial transfer refers to the transfer or delivery of financial assets to another party other than the issuer. The financial transfer is classified into financial asset transfer and partial transfer.

A financial asset is derecognised if either the following three conditions are met: (1) the entity's contractual rights to the cash flows from the financial asset expire, (2) or the financial asset is transferred and almost all the risk and return of the financial asset have been transferred, (3) or the entity has neither transferred nor retained all the risk and return, but abandoned its control over the financial asset.

If the entity has neither transferred nor retained nearly all the risks and rewards of ownership of financial assets, and has not given up control of the financial assets, then the Company continually recognise the relevant financial asset and liability to the extent of continuing involvement.

Substance over form is adopted in judging whether the transfer of financial assets satisfies the condition above. If the transfer of financial asset does not meet the condition for derecognition, the financial assets continue to be recognised and the consideration received is recognised as a financial liability. If the overall transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts is recognised in the current profit and loss: (1) the consideration received for the transfer, plus the accumulated changes in fair value that was originally recognised in owners' equity; (2) The book value of the transferred financial assets. If

the partial transfer of financial assets meets the conditions for derecognition, the book value of the transferred financial assets is apportioned between the derecognised portion and the non-recognised portion at their respective fair values, and the difference between the following two amounts is recognised in profit or loss in the period: (1) The consideration received of the derecognised part plus the amount the cumulative amount of changes in fair value that was directly recognised equity of the derecognised part. (2) The carrying amount of the derecognised portion.

3. Classification, recognition and measurement of financial liabilities

Financial liabilities are classified into financial liabilities measured at fair value through profit or loss and other financial liabilities.

(1) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss, including trading financial liabilities and financial liabilities designated on initial recognition at fair value through profit or loss. The classification is consistent with initial recognition of financial assets that designated on initial recognition at fair value through profit or loss. For such financial liabilities, the subsequent measurement is based on fair value. Gains or losses arising from changes in fair value and dividends and interest expense related to these financial liabilities are recognised in profit or loss.

(2) Other financial liabilities

Derivative financial liabilities that linked to equity instruments which are not quoted in an active market and whose fair value cannot be reliably measured, and must be settled through the delivery of the equity instrument, are subsequently measured at amortised cost. Other financial liabilities are measured at amortised cost using the effective interest rate. The gain or losses arising from derecognition or amortisation is recognised in profit or loss.

(3) Financial guarantee contract

Financial guarantee contracts that are not designated as financial liabilities measured at fair value through profit or loss, are initially recognized at fair value. And subsequent to initial recognition, they are measured at the higher of the amount determined in accordance with PRC GAAP No.13 Contingencies Event and the amount initially recognized less cumulative amortization recognized in accordance with the principles set out in Accounting Standard for Business Enterprises No. 14 – Revenue.

4. Derecognition of financial liabilities

The Company derecognizes a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged or cancelled or has expired. An agreement between the Company (an existing borrower) and existing lender to replace original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new liability.

When the Company derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability)

derecognized the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss. In case that the Company repurchases part of financial liabilities, based on the comparative fair value of the continuing recognition part and the derecognizing part, the company shall allocate the carrying value of the financial liabilities in whole on the repurchase date. Difference between the carrying value allocated to the derecognizing part and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) shall be recorded in profit or loss.

5. Equity instrument

An equity instrument is a contract that shows a residual interest in the assets of the company after deducting all liabilities. The Company issues (including refinancing), repurchases, sells or cancels equity instruments as changes in equity. The Company does not recognize the changes in the fair value of equity instruments. Transaction costs associated with equity transactions are deducted from equity.

The Company's distributions to equity instrument holders (excluding stock dividends) reduce shareholders' equity. The Company does not recognize the change in fair value of equity instruments.

The distinction between financial liabilities and equity instruments:

Financial liabilities are liabilities that meet one of the following conditions:

- (1) Contractual obligations to deliver cash or other financial assets to other parties.
- (2) Contractual obligations to exchange financial assets or financial liabilities with other parties under potentially adverse conditions.
- (3) A non-derivative contract that must be settled or can be settled in the future with the company's own equity instruments, and the enterprise will deliver a variable amount of its own equity instruments under the contract.
- (4) Derivative contract that must be settled or can be settled by the company's own equity instruments in the future, except for derivatives contracts that exchange a fixed amount of cash or other financial assets with a fixed amount of their own equity instruments.

If the company cannot unconditionally avoid delivering a contractual obligation by delivering cash or other financial assets, the contractual obligation is consistent with the definition of financial liability. If a financial instrument must be settled or can be settled by the company's own equity instruments, it is necessary to consider whether the company's equity instruments used to settle the instrument, is a substitute for cash or other financial assets, or to make the instrument's holder can enjoy the remaining interest in the assets of the issuer after deducting all liabilities. If it is the former, the instrument is the Company's financial liability; if it is the latter, the instrument is the Company's equity instrument.

6. Derivatives and embedded derivatives

Derivatives are initially measured at fair value on the date of the relevant contract, and are subsequently measured at fair value. A derivative financial instrument with a positive fair value is recognized as an asset, and a negative fair value is recognised as a liability. Except for derivatives

that are designated as hedging instruments and are highly effective in hedging, the gains or losses arising from changes in fair value will be determined by the nature of the hedging relationship in accordance with the requirements of the hedge accounting. Changes in fair value of other derivatives are recognised in profit and loss.

For a hybrid instrument that includes an embedded derivative, if it is not designated as a financial asset or financial liability measured at fair value through profit or loss, and the embedded derivative has no close relationship with the main contract in terms of economic characteristics and risks, and has same condition with embedded derivatives, and separate instrument satisfies definitions for derivatives, the embedded derivatives should be split from the hybrid instrument and treated as separate derivative financial instruments. If the embedded derivative cannot be measured separately at the time of acquisition or on the subsequent balance sheet date, the hybrid instrument is designated as a financial asset or financial liability measured at fair value through profit or loss.

7. Determination of the fair value of financial instruments

The method for determining the fair value of financial assets and financial liabilities is shown in Note III (XI).

8. Impairment of financial assets

The carrying amounts of financial assets (other than those at fair value through profit or loss) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any of such evidence exists, an impairment loss is recognised.

The objective evidences indicating that financial assets are impaired, are one or more events that occurred after the initial recognition of the asset, affecting the estimated future cash flow received by the Company, and the amount can be measured reliably. Objective evidence of impairment of financial assets, including the following observable circumstances: (1) the issuer or the debtor has serious financial difficulties; (2) the debtor has violated the terms of the contract, such as the payment of interest is defaulted or the principal is overdue; (3) The Company makes concessions to the debtor who has financial difficulties due to economic or legal factors; (4) the debtor is likely to close down or carry out financial restructuring; (5) due to major financial difficulties of the issuer, financial assets cannot continue to trade in an active market; (6) It is impossible to identify whether the cash flow of an asset in a group of financial assets has decreased, but after an overall evaluation based on the public data, it is found that the estimated future cash flow has been reduced and the amount is measurable since initially Recognition , including the gradual deterioration of the debtor's ability to pay for the financial assets, or the fact that the debtor's country or region that has an economy problem that could cause the group's financial assets unable to be paid; (7) Significant adverse changes in the technology, market, economic or legal environment where the debtor operations, which may make it impossible for equity instrument investors to recover their investments;(8) The fair value of equity instrument investment has a serious or non-temporary decline; (9) Other objective evidence that shows the financial asset is impaired.

(1) Impairment test of held-to-maturity investments, loans and accounts receivable

Firstly, the financial assets with significant single amount are distinguished and the impairment test is carried out separately. For financial assets with insignificant single amount, the impairment test can be carried out separately or included in the financial asset portfolio with similar credit risk; Financial assets that are not impaired individually (including financial assets that are individually significant and not significant), retest again included in a portfolio of financial assets with similar credit risk. If it is impaired, The carrying value of the financial assets are reduced to recoverable amount, which is the present value of the estimated future cash flows or amortized cost, and the write-down amount is recognized as an impairment loss, which is recognised in profit or loss for the current period; If the estimated future cash flow of the receivables is similar to its present value, the estimated future cash flows will not be discounted when determining the impairment losses. After the impairment, if there is objective evidence that the value of the financial asset has been restored and it is objectively related to the event occurring after the recognition of the impairment, the previously recognized impairment loss is reversed and transferred back to the book value. The value does not exceed the amortized cost of the financial asset on the reversal date, assuming no impairment had occurred.

(2) Impairment of financial assets available-for-sale

The Company conducts separate inspections of each available-for-sale equity instrument investment on the balance sheet date. For an equity instrument measured at fair value, when the relevant factors determine that the fair value of the equity instrument available-for-sale is a significant or non-temporary decline, it indicates that the equity instrument available-for-sale is impaired. For the equity instrument measured at cost, the company considers whether the technical, market, economic or legal environment in which the invested entity operates is subject to significant adverse changes, and judges whether the equity instrument is impaired.

When the available-for-sale financial assets measured at fair value are impaired, the accumulated losses arising from the decline in fair value that are recognised in other comprehensive income are transferred and recognised in impairment losses. For a debt instrument available-for-sale that has been recognized as an impairment loss, if the value of the financial asset has been restored and it is related to the event occurring after the recognition of the impairment, the previously recognized impairment loss is reversed and transferred to profit or loss. For the equity instrument available—for—sale with impairment loss recognized, the fair value recovery after the period is directly recognized in other comprehensive income.

When the equity instrument available-for-sale measured at cost is impaired, the difference between the book value of the equity instrument and the present value of the future cash flow which is discounted by the rate of similar financial assets in the financial market, is recognized as the impairment, recognised in the current profit or loss, and the impairment loss will not be reversed once recognized.

9. Offset of financial assets and financial liabilities

When the company has the statutory right to offset the recognized financial assets and financial liabilities, and the legal rights can be enforced currently, while the company plans to settle the financial assets on a net basis or liquidate the financial liabilities, the financial assets and financial

liabilities are presented in the balance sheet at offset amounts. Apart from that, financial assets and financial liabilities are presented separately in the balance sheet and cannot be offset.

(XI) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures the relevant assets or liabilities at fair value, assuming that the sale of the assets or the transfer of the liabilities is carried out in the principal market of the relevant assets or liabilities; if there is no principal market, the company assumes that the transaction is carried out in the most advantageous market for the relevant assets or liabilities. The principal market (or the most advantageous market) is the trading market that the company can enter on the measurement date.

The Company uses valuation techniques that are applicable in the current circumstances and that are supported sufficiently by the use of data and other information, taking into account the ability of market participants to generate economic benefits from the highest and best use of the asset, or to sell the asset to other market participants in the best use to generate economic benefits. First use the relevant observable inputs as fair value, and use unobservable inputs only if observable inputs are not available or are not practicable.

Assets and liabilities measured or disclosed at fair value in the financial statements are determined by the lowest-level input value that is significant to the fair value measurement as a whole. Level 1 inputs: quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2 inputs: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs: inputs that are unobservable for the asset or liability. On each balance sheet date, the Company reassesses the assets and liabilities that are recognised in the financial statements that are consistently measured at fair value to determine whether there is a transition between levels of fair value measurement.

(XII) Receivables

1. Receivables with significant amount tested for impairment individually

Basis or standard for significant single amount	Accounts receivable: accounts receivable with the top 5 balances and accounting for more than 10% of the book balance of accounts receivable; accounts with an amount of more than 1 million yuan (including) and accounting for more than 5% of the book balance of accounts receivable; other accounts receivable - accounts for other accounts receivable with the top 5 balances and accounting for more than 10% of the book balance of other accounts receivable; accounts for more than 1 million yuan (including) and accounting for 5% of the book balance of other accounts receivable above.
Method of calculating bad debts	If the impairment test is carried out separately and there is objective evidence that it's impaired, the carrying value is written down to the present value of estimated future cash flow from book value; If it's not impaired, it's classified into portfolio with similar credit risk to calculate bad debts.

2. Bad debt recognised on the basis of classification

Category	Basis	Method
Ageing	The aging is the basis for confirming the credit risk combination.	Aging analysis.
Related parties, government and other administrations group	Receivables of associated parties and government and other administration.	Recognise bad debt by the difference of present value of future cash flow and book value.

Bad debt on the basis of age:

Age	Percentage of receivable (%)	Percentage of other receivable (%)
Under 1 year (included)	5	5
1 – 2 years	10-30	10-30
2 – 3 years	20-80	20-80
3 – 5 years	50-100	50-100
More than 5 years	100	100

3. Receivables without significant amount but tested for impairment individually

Reason of recognising bad debt separately	Evidence that show the recoverable amount is impaired.
Method of recognising bad debt	Recognise bad debt by the difference of present value of future cash flow and book value.

4. For other receivables (including notes receivable, prepayments, interest receivable, long-term receivables, etc.), bad debts is recognised based on the difference between the present value of future cash flows and its book value.

5. If there is objective evidence that the value of the receivable has been recovered and is related to the events that occurred after the recognition of the loss, the previously recognized impairment loss is reversed and recognised in profit or loss. However, the book value after the reversal does not exceed the amortized cost of the receivable on the reversal date, assuming no provision had occurred.

(XIII) Recognition and measurement of inventories

1. Inventories include the finished products or goods available for sale during daily activities, the products in the process of production, the stuff and material consumed during the process of production or the services offered, materials in transit, consigned processing materials, etc.

2. The company's inventories obtained are measured at actual cost. (1) The purchasing inventories are measured at their actual cost on acquisition. The inventories which are obtained through further processing are measured at procurement costs and processing costs. (2) In debt restructuring, the inventories that the debtor uses to offset the debts are measured based on the fair value of the inventories. (3) For the non-monetary asset exchanges, if it has the commercial substance and the fair value of the assets exchanged can be reliably measured, the non-monetary assets exchanged inventories are usually measured based on the fair value of the assets exchanged out. Unless there is conclusive evidence that the fair value of the assets transferred in is more

reliable; the non—monetary assets exchange that do not meet the above condition, and the book value of the assets exchanged out and the related taxes and fees payable are used as the cost of the inventory. (4) Inventories obtained by means of absorption an enterprises under the common control are measured at the book value of the combining party; the inventories obtained by means of absorption an enterprises that not under the common control are determined at fair value.

3. The measure method of the inventories to sale

(1) Raw materials and commodity stocks are measured at first-in first-out method

(2) The cost of development projects are measured including the actual cost of the development land during the construction.

(3) Development products to sale are measured based on the area of structure average method.

(4) The held for sale development products and relocation housing which are leased temporarily adopt the same depreciation policy which is consistent with that for fixed assets.

(5) If the public supporting facilities are complete before development products, the cost of public supporting facilities should be distributed and included in the cost of related development projects based on the respective area ratio of related development projects. Or the Company should estimate the costs of public supporting facilities and include it in the costs of related development products, and adjust it with the difference between estimated and actual when the public supporting facilities are complete.

4. Low value consumables and packaging materials that be leased are recognized in the income statement by one-off method. The packaging materials that be used in the process of production are recognized in the cost directly.

5. On the balance sheet date, the inventory is measured at the lower of the cost and net realizable value. The net realizable value of inventories is the estimated selling price of inventories minus the estimated cost of completion, estimated selling expenses and related taxes. In determining the net realizable value of inventories, based on the solid evidence obtained, taking into account the purpose of holding the inventories and the impact of events after the balance sheet date, unless there is clear evidence that the market price on the balance sheet date is abnormal, the net realizable value of an inventory item is determined on the basis of the market price at the balance sheet date, where:

(1) Inventories directly used for sale, such as finished products, goods and materials available for sale etc., its net realizable value are measured in the normal business process by the estimated selling price of the inventories minus the estimated sales expenses and related taxes.

(2) Inventories that need to be processed in the normal production and operation process, its net realizable value is the estimated selling price of the finished product minus the estimated cost of completion, estimated selling expenses and related taxes and fees; On the balance sheet date, if part of the inventory has a contract price agreed and other parts do not, the net realizable value is determined separately, and compared with the corresponding cost, and the inventory impairment is determined separately.

At the end of the year, the inventory impairment is measured according to the individual inventory items; but for a large number of inventories with lower unit prices, the inventory impairment is measured according to the inventory category; the product produced and sold in the same region, having the same or similar end use or purpose, that is difficult to measure separately from other product, are carried out the impairment test together.

After the impairment test for inventory, if the factors which lead to the previously written down in inventory value have disappeared, resulting in the net realizable value of the inventories being higher than its book value, the amount of the inventory impaired can be reversed through profit and loss.

6. The stock inventory system is a perpetual inventory system.

(XIV) Recognition and measurement of available-for-sale non-current asset and disposal group

1. Conditions of classified as held for sale category

Non-current assets and disposal groups are classified as held for sale category when the Company recovers the book value through a sale (including an exchange of nonmonetary assets that has commercial substance) rather than continuing use and meet the following conditions:

(1) The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group;

(2) The sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year. If certain regulations request that approvals must be given by relevant authority or supervision regulator before the assets can be sold, the Company should have obtained the approvals. Definite purchase commitment means a binding purchase agreement entered into by the Company and other parties, which contains transaction price, time and adequately strict punishments for breach of contract provisions, which renders the possibility of material adjustment or revocation of the agreement is extremely minor.

The Company that lose control of a subsidiary due to a sale plan of its investment shall classify its subsidiary planned for sale as a whole as held for sale in the single financial statement of the parent only if the investment in subsidiary meets the conditions of classified as held for sale, and classify all assets and liabilities of the subsidiary as held for sale in the consolidated financial statements.

When the available-for-sale non-current asset or the disposal group has no longer satisfied the conditions for classified as available-for-sale assets, the Company should stop to classify them as available-for-sale category. When some assets or liabilities are removed from disposal group, the Company should classify new disposal group that consists of remainder assets and liabilities as available-for-sale category if it meets the conditions for classified as available-for-sale category or classify the non-current assets singly which meet the conditions for classified as available-for-sale category.

With the non-current asset or the disposal group which meet the conditions for classified as available-for-sale category for the first time in current year, the Company don't adjust the balance sheets of comparable accounting period.

2. Initial and subsequent measurement of available-for-sale non-current asset and disposal group

When measuring a newly acquired asset (or disposal group) meeting the criteria to be classified as held for sale, it shall be measured at the lower of its carrying amount had it not been so classified and fair value less costs to sell. Except the non-current assets or disposal group acquired as part of a business combination, the difference between its fair value less costs to sale and initial carrying amount is recognized in the profit or loss.

The Company measures the book value of the non-current assets or disposal groups according to relevant accounting standards before classifying them as assets held for sale for the first time. When the Company initially measures or remeasures the non-current assets or disposal groups held for sale on the balance sheet date, if the book value is higher than its fair value minus selling expenses, the book value shall be written down to the fair value minus selling expenses. The amount written down is recognized as an impairment loss and it is included in current profits and losses. Meanwhile, the provision for assets held for sale shall be made. The available-for-sale non-current assets or the non-current assets in the disposal group shall not be accrued depreciation or amortization, the interest of debit in available-for-sale disposal group and other expenses shall continue to be confirmed.

For the disposal group, the asset impairment loss shall be written off pro rata the book value of each non-current asset that is applicable to No.42 of Accounting Standards for Business Enterprises: Available-for-sale Non-current Assets, Disposal Group and Discontinued Operations (hereinafter referred to as "Accounting Principle No.42") after deducting the book value of goodwill in it.

When the Company remeasures the available-for-sale disposal group on the balance sheet date, at first, the Company should measure the book value of assets and liabilities of disposal group which is not to apply to Accounting Principle No.42 according with the relevant Accounting Standards.

If any increment occurs in the net amount after the held-for-sale non-current assets on the subsequent balance sheet date deducts selling expense, the amount deducted previously will be recovered and will be transferred back within the amount of asset impairment losses confirmed after being classified as held-for-sale category, and the amount transferred back will be counted into the current profit or loss. There will be no restitution for asset impairment losses confirmed before being classified as held-for-sale category.

If any increment occurs in the net amount after the held-for-sale disposal group on the subsequent balance sheet date deducts selling expense, the amount deducted previously will be recovered and transferred back within the amount of confirmed impairment losses of non-current assets that is applicable to Accounting Principle No.42 after being classified as held-for-sale category. The amount transferred back shall pro rata increase the book value of each non-current asset that is applicable to Accounting Principle No.42 of disposal group excepting goodwill and be counted into the current profit or loss. And the book value of goodwill which has been deducted and asset

impairment losses confirmed before being classified as held-for-sale category cannot be adopted to be transferred back.

3. Derecognize and measurement of available-for-sale non-current asset and disposal group

The non-current asset will no longer be included into available-for-sale category or will be removed from the available-for-sale disposal group if it or the disposal group has no longer satisfied the conditions for classified as available-for-sale assets and measured as per the lower of: (1) book value of the non-current asset before being classified into available-for-sale asset adjusted on the basis of the depreciation, amortization or impairment that shall be confirmed on the assumption that the non-current asset is not included into available-for-sale account title; (2) Recoverable amount.

When the Company derecognizes the held for sale assets or disposal group, the remaining unrecognized gain or loss shall be accounted in the profit or loss.

(XV) Recognition and measurement of long-term equity investment

The long-term equity investments in this section refers to the long-term equity investment that the company has control, joint control or significant influence on the invested entity, including equity investments in subsidiaries, joint ventures and joint operations. The long-term equity investment that the Company does not have control, joint control or significant influence over the investee is accounted for as a financial asset available-for-sale or a financial asset measured at fair value through profit or loss. The accounting policy is in Note III (X) "Recognition and measurement of financial instruments".

1. Criteria for joint control and major impacts

Joint control refers to the control that is to an arrangement in accordance with the relevant agreement, and the relevant activities must be agreed by the parties sharing the control rights. When the Company and other joint venture parties jointly exercise joint control over the invested entity, and exercise joint control over the invested entity while having rights to the net assets of the invested entity, the invested entity is the joint venture of the company. When judging whether there is joint control, the protective rights enjoyed are not considered

Significant influence refers to the power to participate in making decision on the financial and operational decisions of an enterprise, but it cannot control or jointly control the designation of these policies with other parties. Where the company can exert significant influence on the invested entity, the invested entity is an associate of the company. In determining whether it is possible to exert significant influence on the investee, the investor may directly or indirectly hold the voting shares of the investee and the current potential voting rights held by the investor and other parties are assumed to be converted to the investee equity, including the impact of the current convertible warrants, share options and convertible corporate bonds issued by the investee.

2. Cost of long-term equity investment

(1) For business combination under common control, the combining party pays cash, transfers non-cash assets, assumes debts or issues equity securities as the merger consideration, the share of the book value in the ultimate controlling party's financial statements on the merger date is taken as its initial investment cost. The difference between the initial investment cost of the long-term equity investment and the consideration shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. Obtaining the equity of the merged party under the common control step by step through multiple transactions, and finally forming a business combination under the common control, the accounting treatment depends on whether it should be treated as a "package deal" respectively: if it belongs to "package deal", treat each transaction as a transaction that obtains control. If it is not a "package deal", the initial cost of the long-term equity investment shall be the share of the book value of the equity in the ultimate controlling party's consolidated financial statements on the acquisition date. The difference between the initial cost of the long-term equity investment, and the new payment consideration plus the book value of the previous acquired long-term equity investment on the acquisition date, is adjusted in the capital reserve; if the capital reserve is insufficient to offset, the retained earnings are adjusted. The other comprehensive income recognized using the equity method or arisen from financial assets available-for-sale prior to the acquisition date are not accounted.

(2) In the case of a business combination not under the common control, the company shall use the acquisition cost determined on the purchase date as the initial investment cost of the long-term equity investment. The acquisition cost is the fair value of the assets paid, the liabilities incurred or assumed, and the equity securities issued to acquire the control of the acquiree on the acquisition date. The agency fees and other related expenses incurred in the business combination are included in the profit or loss when incurred; the transaction costs of the equity securities or debt securities issued as a consideration are included in the initial measurement equity securities or debt securities. The contingent consideration agreed is part of the consideration of the business combination and included in the cost of the business combination based on its fair value at the acquisition date. A business combination not under the common control realized step by step, it's depended on whether the multiple transactions are a "package transaction" according to the accounting standards of the enterprise. In the case of a "package transaction", each transaction is recognised as one transaction that acquires control. If it is not a "package deal", the initial investment cost of the long-term equity investment is recognised at cost, which is the book value of the original equity investment plus the new investment cost; If in equity method, related other comprehensive income will not be treated temporarily; if the original held equity investment is a financial asset available-for-sale, the difference between the fair value and the book value, and the accumulated changes of fair value included in other comprehensive income are transferred to profit or loss.

(3) Other equity investments other than long-term equity investments resulted by business combination are initially measured at cost: if the consideration is cash, the cash paid is taken as the initial cost; if the consideration is equity securities, the fair value of the issued equity securities is the initial cost, and the expenses directly related to the issuance of equity securities are determined in accordance with the "Accounting Standards for Business Enterprises No. 37 - Financial

Instruments: Presentation” ; if the exchange of non-monetary assets have commercial substance and the fair value of the assets exchanged can be reliably measured, the long-term equity investment is initial recognised by the fair value of the assets exchanged and the relevant taxes and fees. Unless there is conclusive evidence that the fair value of the assets transferred in is more reliable; the non-monetary assets that do not meet the above condition are exchanged, use the book value of the assets exchanged out plus the related taxes and fees payable as initial cost of the long-term equity investment. The initial investment cost of a long-term equity investment obtained through debt restructuring is recognised on the basis of fair value. Expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investments are also included in investment costs.

For long-term equity investment through additional investment, forming significant influence ,or joint control but does not form a control, the initial cost of long-term equity investment is the fair value of original held equity investment plus the cost of new investment, subsequently measured at equity method, in according to PRC GAAP No. 22- Financial Instruments: Recognition and Measurement. If the previously held equity investment is classified as an financial asset available-for-sale, the difference between the fair value and the book value, and the accumulated fair value changes previously recognised in other comprehensive income should be transferred to profit or losses.

3. Subsequent measurement of long-term equity investment and method of recognition of profit or loss

(1) Long-term equity investments measured in cost method

The company’s long-term equity investments in subsidiaries are subsequently measured in cost method. Except the actual payment or the cash dividends or profits included in the consideration that have been announced but not yet paid, the company recognizes the investment income according to the dividends declared by the investee.

(2) Long-term equity investments measured in equity method

Long-term equity investments in associates and joint ventures are measured in the equity method.

If the initial investment cost of the long-term equity investments in equity method is greater than the share of fair value of the identifiable net assets of the investee at acquisition, the initial investment cost of the long-term equity investment is not adjusted; If less, the difference shall be recognised in the profit or loss, and the cost of the long-term equity investment should be adjusted accordingly.. After acquiring the long-term equity investment, if the accounting policies and accounting periods adopted by the invested entity are inconsistent with the Company, the financial statements of the invested entity shall be adjusted according to the accounting policies and accounting periods of the Company, and the difference is recognised in investment income and other comprehensive income, as well as the long-term equity investment, on the basis of share in the invested entity. The Company recognises its share of the investee’s profit or loss and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. When determining the share of profit from the invested entity, it is based on the fair value of identifiable assets of invested entity at acquisition, added by the adjusted profit from the

invested entity. The book value of the long-term equity investment is reduced by the amount attributable to the Company of declared profit or cash dividend of the invested entity.

For the other changes in the owner's equity except the net profit or loss, other comprehensive income and profit distribution of the invested entity, the long-term equity investment's book value is adjusted and recorded in the shareholder's equity. The unrealized internal transaction gains and losses between the company and the joint ventures and joint operation are offset, based on the proportion of the shares that are attributable to the company; the rest is recognised as investment income. In the unrealized internal transaction losses incurred with the investee, it is fully recognized when it belongs to impairment losses.

When the Company shares the loss of the invested company, it recognised in the following order: First, offset the book value of the long-term equity investment. Secondly, if the book value of the long-term equity investment is insufficient, the investment loss will continue to be recognized in the book value of the long-term receivable, to the extent that it substantially constitutes investment to the invested entity. After the treatment above, if the enterprise still bears additional obligations in accordance with the investment contract, the estimated liabilities shall be recognized according to the contingent obligations and included in the investment losses. If the investee achieves a net profit in the future, the company will recover the share of investment after the unconfirmed loss share is offset.

During the period of holding the investment, if the investee prepares the consolidated financial statements, it shall be recognised on the basis of the net profit, other comprehensive income and changes in other comprehensive equity in the consolidated financial statements that attributable to the investee.

For the business that the company invests in joint ventures and joint operations, if the investor acquires the long-term equity investment but does not form a control, the fair value of the invested business is recognised as the initial investment cost. The difference between the initial cost and the book value of the business is fully recognized in the profit or loss. If the assets sold by the Company to a joint venture or a joint operation constitute a business, the difference between the consideration received and the book value of the business shall be fully recognized in the profit or loss. If the assets purchased by the Company from the joint ventures and joint operations constitute a business, the gains or losses related to the transactions shall be fully recognized according to PRC GAAP No. 20 - Business Combinations.

4. Disposal of long-term equity investments

For the disposal of long-term equity investment, the difference between the book value and the actual price received is recognised in the profit or loss.

(1) Disposal of long-term equity investments under the equity method

For the long-term equity investment under the equity method, if the remaining equity after disposal is still measured under the equity method, the other comprehensive income is adjusted on the portion. The shareholder's equity recognized as a result of changes in the shareholder's equity

other than the net profit or loss, other comprehensive income and earning distribution of the investee is recognised in profit or loss.

If the joint control or significant influence on the investment is lost due to the disposal of part of the equity investment, the remaining equity after disposal shall be recognised as financial instrument. The difference between the fair value and book value is recognised in the profit or loss. The other comprehensive income previously recognized of the equity investment is treated on the same basis with the investee's disposal of related assets or liabilities. The shareholder's equity recognized by the investee other than the net profit or loss, other comprehensive income and profit distribution, is transferred to the profit or loss.

(2) Disposal of long-term equity investments under cost method

For long-term equity investments accounted under cost method, the remaining investment after disposal is still accounted under cost method. Other comprehensive income arisen before shall be treated on the same basis as the investee directly disposes of the relevant assets or liabilities, and recognised in profit or loss; the changes in shareholder's equity except net profit or loss, other comprehensive income and profit distribution under equity method are recognised in profit or loss.

If the Company's share of the investee is reduced due to the increase of capital of other investors, causing the loss of control, but the joint control or significant influence can be exerted on the invested entity. The difference between the new share of net assets increased by the capital expansion and the declining share of original book value of the long-term equity investment shall be recognised in the profit or loss; then, the investment is measured under equity method with new proportion assuming it is measured in the equity method in initial since initial investment date.

If the company loses control over the subsidiary due to disposal of part of the equity investment or other reasons, if the remaining equity after disposal can jointly control or exert significant influence on the invested entity, it shall be measured in equity method as if the equity method is used since the acquisition. The other comprehensive income and other comprehensive equity arisen before the purchase date are carried forward. If the remaining equity after disposal cannot be joint control or exerts significant influence, it shall be measured according to "PRC GAAP No. 22 - Financial Instruments: Recognition and Measurement", the difference between the fair value and the book value on the date of loss of control should be recognised in the profit or loss, as well as other comprehensive income and other comprehensive equity.

The Company disposes the equity investment through multiple transactions until the control is lost. If those transactions belong to a same package transaction, the transactions are treated as one transaction that disposes the equity investment of the subsidiary and lose control. The difference between the disposal price and the book value of the long-term equity investment corresponding to the disposed equity before the loss of control is first recognized as other comprehensive income, and when the control is lost, it is transferred to profit or loss.

(XVI) Recognition and measurement of investment property

1. Investment property is property (land or a building or part of a building or both) held (by the

owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, including leased land, land that held and prepared for transfer after appreciation, leased buildings (including buildings for rental after construction or development used).

2. An investment property is initially measured at cost and cost method is adopted for subsequent measurement. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Company and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

3. The Company uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortisation policy for the investment property which is consistent with that for fixed assets and intangible assets.

4. Transfers to, or from investment property should be made when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property or inventories, the fair value at the change of use is the 'cost' of the property under its new classification. For a transfer from owner-occupied property or inventories to investment property under cost method, the book value at the change of use is the book value of the property under its new classification; For a transfer to investment property under fair value method, the fair value at the change of use is the book value of the property under its new classification.

5. An investment property should be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal should be calculated as the difference between the net disposal proceeds and the carrying amount of the asset and should be recognised as income or expense in the income statement. Compensation from third parties is recognised when it becomes receivable.

(XVII) Recognition and measurement of fixed assets

1. Definition of fixed assets

Fixed assets refer to tangible assets that have the following characteristics: (1) held for the production of goods, provision of labour, rental or business management; (2) the service life exceeds one fiscal year.

Items of fixed assets should be recognised as assets when: (1) it is probable that the future economic benefits associated with the asset will flow to the entity; (2) the cost of the asset can be measured reliably. Subsequent expenses related to fixed assets are recognised in the cost of fixed assets, if the expense satisfied definition above. For the expense doesn't satisfy the definition, recognised in profit or loss.

2. Fixed assets are initially recognised at cost.

3. Method of classification and depreciation

Fixed assets are depreciated when they are ready for their intended use, and the depreciations are

stopped when they are derecognised or classified as held for sale. If the service life of each component of an asset is different or provides economic benefits to the enterprise in different ways, different depreciation rates and depreciation methods are applied, and depreciation is separately provided. The depreciation years and depreciation rates of various classifications are as follows:

Classification	Method	Estimated useful life(years)	Estimated rate of residual (%)	Depreciation rates (%)
Buildings	straight-line method	20-50	0-5	1.9-5
Machinery	straight-line method	10	5	9.5
Transportation	straight-line method	5-10	5	9.5-19
Electronics equipment	straight-line method	5	5	6.33-19
Special equipment	straight-line method	5	5	19
Office equipment	straight-line method	5	5	19
Other equipment	straight-line method	5-20	5	4.95-19

Illustration :

(1) The decoration expenses that meet the capitalization criteria shall be depreciated separately using the straight-line method over the shorter of the decoration periods and the remaining useful life of the assets.

(2) For fixed assets that have been impaired, the depreciation rate should also be calculated after deducting the impairment amount.

(3) The depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in accounting estimation.

4. Recognition and measurement for financing leased assets

When the assets leased by the company meet one or more of the following criteria, they are recognized as financing leased asset:

(1) Ownership of the asset is transferred to the Company at the end of the lease term;

(2) The Company contains a bargain purchase option to buy the equipment at price that are less than fair market value, and therefore it can be reasonably assumed that the Company will exercise the option at the beginning of the lease term;

(3) The lease term is for the major part of the economic life of the asset even if title is not transferred;

(4) At the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; The minimum lease receivable of the lessor amounts to at least substantially all of the fair value of the leased asset;

(5) The leasing assets have the special nature, and only the tenant can use if there is no major modifications.

A fixed asset held under finance lease is initially recognized at the lower of fair value of the leased asset and the present value of the minimum lease payments, while the amount of the minimum lease payments will be recognized as the entry value of long-term account payable, the difference between them will be recognized as unrecognized financing costs. The initial direct costs such as commissions, attorney's fees, and travelling expenses, stamp duties attributable to the leased item incurred during the process of lease negotiating and signing the leasing agreement shall be recorded in the asset value. Unrealized finance costs will be amortized using actual interest rate method over each period during the lease terms.

The Company adopts depreciation policies for leased assets consistent with those of self-owned fixed assets for the purpose of calculating the depreciation of a leased asset. If it is reasonable to be certain that the lessee will obtain the ownership of the leased asset when the lease term expires, the leased asset shall be fully depreciated over its useful life. If it is not reasonable to be certain that the lessee will obtain the ownership of the leased asset at the expiry of the lease term, the leased asset shall be fully depreciated over the shorter one of the lease term or its useful life.

5. Other instructions

(1) Fixed assets that have been suspended for three consecutive months due to under-employment and natural disasters are recognized as idle fixed assets (excluding seasonal suspension). Idle fixed assets use the same depreciation method as other fixed assets of the same category.

(2) If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised, and the depreciation and provision for impairment are stopped.

(3) When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

(4) The repair costs of fixed assets cause of regular inspection shall be recorded into the cost of the fixed asset, if there is actual evidence that it meets the conditions of recognizing the fixed asset. Otherwise it shall be recorded into the profits and losses of the current year. In the period of repair, the fixed assets also should be depreciated.

(XVIII) Recognition and measurement of construction in process

1. Construction in progress is recognized when the future economic benefits associated with the asset will flow to the Company, and the cost of the asset can be measured reliably. Construction in progress is measured at the actual cost incurred before the asset is ready for its intended use.

2. Construction in progress is transferred to fixed assets at necessary expenditures incurred for it reaching the condition of the intended use. For construction in progress that has reached the condition of the intended use but for which the completion of settlement has not been handled, it

shall be transferred into fixed assets at the estimated value. Adjustment shall be made to the originally and provisionally estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided will not be adjusted.

(XIX) Recognition and measurement of borrowing costs

Borrowing costs, including interest on borrowings, amortization of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings.

1. Principle of capitalization of borrowing costs

If the borrowing costs incurred can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions, they shall be capitalized and included in the cost of the relevant assets; other borrowing costs are recognized as expenses at the time of occurrence and are recognised in profit or loss.

2. Capitalization period

(1) Capitalization begins when all the following conditions are met: 1) asset expenditure has occurred; 2) borrowing costs have occurred; 3) acquisition, construction or production activities necessary to bring the assets to the intended use begin.

(2) Suspension of capitalization: If the assets eligible for capitalization are interrupted abnormally during the acquisition, construction or production process, and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during the interruption are recognized as expenses until the acquisition, construction or production of the assets resumes. If the interruption is a necessary procedure for the acquisition or construction or production of assets to reach the intended usable state or saleable state, the borrowing costs continue to be capitalized.

(3) Stop capitalization: When the assets purchased, constructed or produced that meet the capitalization conditions reach the expected state, the borrowing costs cease to be capitalized. When part of the assets of the acquisition, construction or production that are completed and can be used separately, the capitalization of the borrowing costs of the part of the assets will be ceased. For each part of the assets purchased, constructed or produced completed separately, but the asset must be used or sold after the completion of the whole asset, and the capitalization of the borrowing costs shall be stopped when the assets are completed as a whole.

3. Method of calculating capitalization rate and amount of borrowing costs

For the purpose of constructing or producing special assets that are eligible for capitalization, the interest expenses actually incurred in the current period of the special loans (including the amortization determined by effective interest rate method), minus the interest income of borrowing funds that have not been used and earned by saving in bank or investing from the temporary investment; if the general borrowing is occupied for the acquisition, construction or production of assets eligible for capitalization, the capitalization amount is calculated by the exceed amount of capital expenditure to the special loan, multiplied by the weighted average cost

of general loan. During the capitalization period, the amount of interest capitalization in each accounting period shall not exceed the amount of interest actually incurred in the relevant borrowings in the period. The exchange difference arisen from the foreign currency special loan principal and interest is capitalized during the capitalization period. Auxiliary expenses incurred for special borrowings shall be capitalized if it is occurred before intended status are reached; if they occur after the intended status is reached, auxiliary expenses should be recognised in profit and loss. Auxiliary expenses occurred for general borrowings are recognised in profit or loss in the period in which they arise. The interest should be adjusted by the amortization cost of discount or premium by effective interest rate.

(XX) Recognition and measurement of intangible assets

1. Intangible assets are initially recognized at cost. The costs of externally acquired intangible assets include their purchase prices, related taxes and surcharges and any other directly attributable expenditure incurred to prepare the asset for its intended use. If the price of acquiring intangible assets is delayed in payment by exceeding normal credit term, which is in substance with financing feature, the cost of the intangible asset shall be recorded on the basis of the present value of the purchase price. The intangible assets acquired through the debt restructuring shall be recorded at fair value. The difference between the book value of the restructured debts and the fair value of intangible assets used to settle the debt shall be recognized as the gain or loss of current period. On the premise that non-monetary assets trade is of commercial substance and the fair value of the assets traded in or out can be measured reliably, the intangible assets traded in shall be recorded at the fair value of the assets traded out, unless any unambiguous evidence indicates that the fair value of the assets traded in is more reliable; as to the non-monetary assets trade not meeting the aforesaid premise, the cost of the intangible assets shall be based on the book value of the assets traded out and related taxes and surcharges with no gain or loss recognized.

Expenditure related to intangible assets is included in the cost of intangible assets if the relevant economic benefits are probably to flow to the company and the costs can be measured reliably. Expenditure except for this is recognised in profit or loss when incurred.

The acquired land-use rights are usually accounted for as intangible assets. If company develops and constructs the building on its own, the expenditure related to the land-use rights and the cost of the building construction are accounted for as intangible assets and fixed assets, respectively. In the case of externally acquired buildings, the relevant cost is allocated between the land-use rights and the buildings. If it is difficult to allocate them reasonably, all of them are recorded as fixed assets.

2. Useful life and amortization of intangible assets

If the period of economic benefits from the intangible asset can be reasonably determined according to the contractual rights of the intangible assets, the legal rights, industry information, historical experience, or relevant expert opinion etc., the item is recognized as intangible asset with a finite useful life; if the period of economic benefits brought by the item is unable to be reasonably estimated, the item is recognized as intangible asset with an indefinite useful life.

For intangible assets with a finite useful life, the following factors are usually considered in estimating their useful life: (1) the usual life cycle of products produced using the asset, available information on the useful life of similar assets; (2) current status of technology, processes, and their estimates of the future trends; (3) market demand for products or services provided by the asset; (4) actions expected by current or potential competitors; (5) expected maintenance expenditures that ensure the assets enable to bring economic benefits continuously, and the Company's ability to pay for the related expenses; (6) relevant legal provisions or similar restrictions on the duration of the asset control, such as the license period and lease period, etc.; (7) correlations between the useful life of other assets held by the Company. Estimated useful life of intangible assets with a finite useful life:

Item	Estimated basis	Estimated useful lives (years)
Software	Estimated benefit period	3-5
Land use right	Certificate registration period of land-use right	30-70

Intangible assets with a finite useful life are systematically amortized over their service lives in accordance with the expected realization of the economic benefits associated with the intangible assets. If the expected realization is not reliably determined, the straight-line method is used for the amortisation. Intangible assets with an indefinite useful life are not amortized, but the useful life of the intangible assets is reviewed annually and the asset is tested for impairment.

The useful life and amortization method of intangible assets with finite useful lives will be reviewed at the end of each year. If the result is different from previous estimates, the original estimate will be adjusted along with the accounting treatment; it is estimated that an intangible asset is unable to bring future economic benefits, the remaining book value of the intangible assets will be transferred to the current profit and loss.

3. Recognition and measurement of costs of internal research and development project

The costs of internal research and development project can be distinguished with costs of research stage and costs of development stage. Basis for distinguishing research stage and development stage of an internal research and development project: research stage is the activities carried out for the planned investigation and search for obtaining new technology and knowledge, which has the characteristics of planning and exploration; before commercial production or other uses, the application of achievements and other knowledge obtained from the research stage in a plan or design to produce new or substantially improved materials, equipment and products is regarded as development stage, which has the characteristics of pinpointing and is very likely to form results.

As for an internal research and development project, expenditure incurred in the research stage is recognized in profit or loss in the period as incurred. Expenses incurred in the development stage are recognized as intangible assets if all of the following conditions are met: (1) the technical feasibility of completing the intangible asset so that it will be available for use or for sale; (2) the intention to complete the intangible asset for use or for sale; (3) how the intangible asset will generate economic benefits, including there is evidence that the products produced by the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for

internal use, there is evidence that there exists usage for the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; (5) the expenditures attributable to the development of the intangible asset could be reliably measured. All the expenditures on research and development which cannot be distinguished between research stage and development stage are recognized in the profit or loss when incurred.

(XXI) Impairment loss of long-term assets

Long-term equity investments, investment property measured by cost models, and long-term assets such as productive biological assets, non-current assets, construction in progress, oil and gas assets, intangible assets, and goodwill have the following signs, indicating that assets may be impaired:

1. The market price of the asset fell sharply in the current period, and its decline was significantly higher than the expected decline 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 assets are located, will have a significant change in the current period or in the near future, thereby adversely affecting the enterprise;
3. The market interest rate or other market return on investment has increased in the current period, which affects the discount rate of the present value of the estimated future cash flow of the enterprise's assets, resulting in a significant reduction in the recoverable amount of the assets;
4. There is evidence that the asset is obsolete or damaged;
5. The asset has been or will be idle, terminated or planned to be disposed in advance;
6. The evidence reported internally indicates that the economic performance of the asset has been lower or will be lower than expected, such as the net cash flow generated by the asset or the realized operating profit (or loss) is much lower (or higher than) the estimated amount;
7. Other indications that the asset may have been impaired.

If the long-term assets mentioned above show signs of impairment on the balance sheet date, they shall be tested for impairment. If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, the impairment is recognised based on the difference and is included in the impairment loss of income statement. The recoverable amount is the higher of the fair value of the asset less the disposal expense and the present value of the estimated future cash flow of the asset. The method for determining the fair value is detailed in Note III (XI); the disposal expenses include legal fees related to the disposal of assets, related taxes and fees, transportation costs, and direct costs incurred in bringing the assets to a saleable state; The present value of the flow is determined by discounting the estimated future cash flow generated by the asset during its continuous use and final disposal, with an appropriate discount rate selected.

Impairment is calculated and recognised on the basis of individual assets. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined by the asset group to which the asset group belongs. An asset group is the smallest portfolio of assets that can generate cash inflows independently.

Goodwill that is separately presented in the financial statements, when carrying out an impairment test, distributes the book value of goodwill to asset groups or combination of asset groups that is expected to benefit from the synergistic benefits of the business. If the test result indicates that the recoverable amount of the asset group or asset group combination including the assessed goodwill is lower than its book value, the impairment loss is recognized. The amount of impairment loss is first deducted from the book value of the goodwill allocated to the asset group or asset group combination, and then to the book values of assets other than goodwill in the asset group or asset group combination by proportion.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at least once a year at the year end.

Once impairment loss is confirmed to the asset mentioned above, it will not be reversed in the future period.

(XXII) Recognition and amortization of long-term prepaid expenses

Long-term deferred expenses are recorded at actual expenditure and amortized evenly over the beneficial period or within the specified period. If the long-term deferred expense item cannot benefit the entity in future, the amortized value of the item that has not been amortized will be transferred to the profit or loss immediately.

The rent for prepaid operating leased fixed assets is amortized on straight line basis according to the term specified in the lease contract.

The fixed assets improvement expenses leased by operating leases are amortized on straight line basis over the shorter of the remaining lease term and the remaining useful life of the leased assets.

The decoration expenses of the fixed assets leased by the financial lease that meet the capitalization criteria are amortized on straight over the shortest of the intervals of two decoration, the remaining lease term and the remaining useful life of the fixed assets.

(XXIII) Employee benefits

Employee benefits refer to various forms of remuneration or compensation provided by an enterprise to receive services provided by the employees or to terminate labour relations. Employee benefits include short-term compensation, post-employment benefits, dismissal welfare and other long-term employee benefits. The benefits provided by the enterprise to the employee's spouse, children, dependants, deceased employee survivors and other beneficiaries are also employee compensation.

Employee benefits are separately presented as the employee benefits payable and other non-current liabilities on the balance sheet.

1. Accounting treatment of short-term employee benefits

During the accounting period in which employees provide services, the actual wages, bonuses and social insurance premiums and housing accumulation funds such as medical insurance premiums, work injury insurance premiums and maternity insurance premiums paid by the employer according to the prescribed standards and proportions, are recorded as liabilities and included in the current profit or loss or related asset costs. If the employee welfare is non-monetary benefit and can be reliably measured, it shall be measured at fair value. If the liability is not expected to be fully paid within twelve months after the end of the annual reporting period in which the employee provides relevant services, and the financial impact is significant, the liability is measured at the discounted amount.

2. Accounting treatment of post-employment benefits

The post-employment benefit plan includes a defined contribution plan and a defined benefit plan. The defined contribution plan is a post-employment benefit plan that the enterprise no longer assumes further payment obligations after the fixed fund is paid to the independent fund; the defined benefit plan refers to the post-employment benefit plan other than the defined contribution plan.

Defined contribution plans.

The Company pays basic endowment insurance and unemployment insurance for employees according to the relevant provisions of the local government. Company calculates payables according to payment base and proportion specified by the local government, records the liabilities, and includes the related expenditures into the current profit and loss or the relevant asset costs.

In addition to the basic pension insurance, the Company has also established an enterprise annuity payment system (supplementary pension insurance) or an enterprise annuity plan based on the relevant policies of the international enterprise annuity system. The Company pays a fee to the local social insurance institution or an annuity plan according to a certain percentage of the total wages of the employees, and the corresponding expenses are included in the current profit and loss or related asset costs.

3. Accounting treatment of termination benefits

When the company cannot unilaterally withdraw the termination benefits provided by the termination of labor relations plan or reduction proposal, and when the company confirms the costs or expenses related to the reorganization involving the payment of termination benefits, whichever is earlier, the employee compensation liabilities arising from the termination benefits shall be recognized and included in the current profit and loss. However, if the termination benefits are not expected to be fully paid within 12 months after the end of the annual report period, they shall be treated as other long-term employee salaries.

The internal retirement plan of employees shall be treated in the same principle as the above dismissal welfare. The company will include the wages and social insurance premiums to be paid to the early retired from the date when the employees stop providing services to the normal retirement date into the current profit and loss (dismissal welfare) when they meet the conditions for the recognition of estimated liabilities. Economic compensation (such as normal pension) after the official retirement date shall be treated as post employment benefits.

4. Accounting treatment of other long-term employee benefits

Other long-term employee benefits provided by the Company to employees that meet the defined contribution plan shall be accounted for according to the defined contribution plan, otherwise it is accounted for according to the defined benefit plan. However, the “remeasurement of changes in net liabilities or net assets of defined benefit plans” in the relevant employee compensation costs is included in the current profit and loss or related asset costs.

(XXIV) Revenue recognition

1. The principle of revenue recognition

(1) Sale of goods

Sales revenue is recognised when: 1) the Company has transferred to the buyer the significant risks and rewards of ownership; 2) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; 3) the amount of revenue can be measured reliably; 4) It is probable that the economic benefits associated with the transaction will flow to the Company; 5) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(2) Rendering of services

For revenue arising from the rendering of services, provided that all of the following criteria are met(which is, the amount of revenue can be measured reliably; it is probable that the economic benefits will flow to the seller; the stage of completion at the balance sheet date can be measured reliably; the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.), revenue should be recognised by reference to the stage of completion of the transaction at the balance sheet date which is known as the percentage-of-completion method.

If the results of labour service transactions on the balance sheet date cannot be reliably estimated, the revenue should be recognised as following: If the labour costs incurred are estimated to be compensated, the labour service income shall be recognized to the extent of labour costs incurred. If the labour costs incurred cannot be compensated, the labour costs incurred should be recognised in the profit or loss, and the revenue from the rendering of services is not recognized.

(3) Transfer of asset use rights

The revenue from the transfer of asset use rights is recognized when the relevant economic benefits are likely to flow in and the amount can be reliably measured. The amount of interest income shall be recognised by the time and effective interest rate of the use of the company's

monetary funds by others; the amount of royalty income shall be recognised in accordance with the relevant contract or agreement.

(4) Construction contract

1) If the result of the construction contract can be reliably estimated on the balance sheet date, the contract revenue and contract expense are recognized based on the percentage of completion method. For the result of the construction contract cannot be reliably estimated on the balance sheet date, if the contract cost can be recovered, the contract revenue is recognized based on the actual contract cost that can be recovered, the contract cost is recognized in profit or loss; If it is not recoverable, it will be recognised as expense immediately, and the contract revenue will not be confirmed.

2) The fixed cost contract that meets all the following conditions indicates that the results can be reliably estimated: the total contract revenue can be reliably measured, the economic benefits related to the contract are likely to flow in, the actual contract costs can be clearly distinguished and reliably measured, and the percentage of completion and the costs that need to be incurred to complete the contract can be reliably measured. The cost added contract also that meets the following conditions indicates that the results can be reliably estimated: the economic benefits associated with the contract are likely to flow in; the actual contract costs can be clearly distinguished and reliably measured.

3) The method for determining the percentage-of-completion of the contract is the proportion of the contracted work that has been completed to the estimated total workload of the contract.

4) As of the balance sheet date, if the construction is finished the actual total contract revenue multiply the percentage of completion less the total contract revenue recognised in previous accounting periods should be recognised as the revenue for the current period. Similarly, the total contract costs multiply the percentage of completion incurred less the total contract costs recognised in previous accounting periods should be recognised as the expenses for the current period. If the construction is not finished the contract revenue multiply the percentage of completion less the total contract revenue recognised in previous accounting periods should be recognised as the revenue for the current period. Similarly, the estimated total contract costs multiply the percentage of completion incurred less the total contract costs recognised in previous accounting periods should be recognised as the expenses for the current period.

5) On the balance sheet date, if the estimated total cost of the contract exceeds the total contract revenue, the estimated loss is recognized as the current expense. For the construction contract under execution, the difference is recognised as inventory impairment; for the contract to be executed, the difference is recognized as the provision.

2. Principle of the revenue recognition of the Company

(1) Sale of goods

Sales revenue is recognised when: 1) the Company has transferred to the buyer the significant risks and rewards of ownership; 2) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods

sold; 3) the amount of revenue can be measured reliably; 4) It is probable that the economic benefits associated with the transaction will flow to the Company; 5) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(2) Rendering of services

For revenue arising from the rendering of services, provided that all of the following criteria are met(which is, the amount of revenue can be measured reliably; it is probable that the economic benefits will flow to the seller; the stage of completion at the balance sheet date can be measured reliably; the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.), revenue should be recognised by reference to the stage of completion of the transaction at the balance sheet date which is known as the percentage-of-completion method.

If the results of labour service transactions on the balance sheet date cannot be reliably estimated, the revenue should be recognised as following: If the labour costs incurred are estimated to be compensated, the labour service income shall be recognized to the extent of labour costs incurred. If the labour costs incurred cannot be compensated, the labour costs incurred should be recognised in the profit or loss, and the revenue from the rendering of services is not recognized.

(3) Transfer of asset use rights

The revenue from the transfer of asset use rights is recognized when the relevant economic benefits are likely to flow in and the amount can be reliably measured. The amount of interest income shall be recognised by the time and effective interest rate of the use of the company's monetary funds by others; the amount of royalty income shall be recognised in accordance with the relevant contract or agreement.

(4) Land development

The Company should recognise the revenue of land development, when the following conditions satisfied: 1) the Company has reported the details of revenue and costs of land development; 2) the final returned revenue of land development is already confirmed; 3)the Company had received the land development repurchase or receipt; 4) the significant risks and rewards of ownership of developed land had been transferred to client; 5) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the repurchased land development project; 6) the amount of revenue can be measured reliably; 7) it is probable that the economic benefits associated with the transaction will flow to the Company; 8) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(5) Resettlement housing development

The Company has contracted to build resettlement housing construction projects of Zhuji Economic Development Zone. When the projects are complete, the Company will settle the payment with clients according with the costs of projects and a certain rate of return. The Company should recognise the revenue of construction, when the following conditions satisfied: 1) the Company had received the resettlement housing development repurchase or receipt; 2) the significant risks and rewards of ownership of resettlement housing had been transferred to clients; 3) the Company retains neither continuing managerial involvement to the degree usually

associated with ownership nor effective control over the repurchased resettlement housing development projects; 4) the amount of revenue can be measured reliably; 5) it is probable that the economic benefits associated with the transaction will flow to the Company; 6) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(6) Construction

The Company has contracted to build infrastructure projects of Zhuji Economic Development Zone and Zhuji East Metro. When the projects are complete, the Company will settle the payment with clients according with the costs of projects and a certain rate of return. The Company should recognise the revenue of construction, when the following conditions satisfied: 1) the Company had received the construction repurchase or receipt; 2) the significant risks and rewards of ownership of construction projects had been transferred to client; 3) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the repurchased construction project; 4) the amount of revenue can be measured reliably; 5) it is probable that the economic benefits associated with the transaction will flow to the Company; 6) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(XXV) Recognition and measurement of government grant

1. Classification of government grant

Government grant is monetary or non-monetary assets the Company obtain from government without compensation. It is classified as government grants related to assets and government grants related to income.

The government grant related to assets refer to the government grant acquired by the company for the purpose of purchasing or constructing of long-term assets, including the financial allocation for the purchase of fixed assets or intangible assets, and the interest discount for special loans for fixed assets; government grants related to income refer to government grants other than government grants related to assets. For government grants that include both, different parts are separately recognised; if it is difficult to distinguish, the whole is classified as a government grant related to income.

The criteria applied in the classification of government grants are:

(1) If the grants specified in the government document is used for purchasing or construction of long-term assets, or if the expenditure of the grants is mainly used for purchasing or construction of long-term assets, it is classified as government related to the assets.

(2) Government grants specified in the government documents are all or mainly used to compensate for expense or future expenses, are classified as government grants related to income.

(3) If the government documents do not clearly specify the target, the government grants is classified in the following ways: 1) Government documents specify the specific items for which the grants are targeted. The grant is split by the proportion of the expenditure that will form the

asset and the expenditure that will be included in the expense. The proportion needs to be reviewed on each balance sheet date, and change it if necessary; 2) If Government document only provides a general description of the use and does not specify a specific project, the government grant is recognised as grants related to the income.

2. Recognition time of government grants

The company's government grants are usually recognised when they are actually received and measured at the amount actually received. However, for the financial support funds with conclusive evidence that it can meet the requirements of policy at the end of period, thus can be reasonable assumed it will be received, the government grants are recognised at the amount receivable. Government grants measured in accordance with the receivable amount shall meet the following conditions:

- (1) It is based on the financial support project officially released by the local financial department and disclosed in accordance with the “Regulations on the Openness of Government Information” and its financial fund management measures, and the management measures should be inclusive (open for any compliance application) rather than specific to specific companies;
- (2) The amount of the grants receivable has been verified by the qualified government department, or it can be reasonably calculated according to the relevant and officially issued regulations, and it is expected that there is no significant uncertainty in the amount;
- (3) The relevant grants approval has clearly promised the time limit for payment, and the payment is guaranteed by the government budget, so it can be reasonably guaranteed that it can be received within the time limit;
- (4) Other relevant conditions (if any) that should be met according to the specific circumstances of the Company and the grants.

3. Accounting treatment of government grants

If the government grants are monetary assets, it is measured at the amount received or receivable; if it is non-monetary assets, it is measured at fair value; if the fair value of non-monetary assets cannot be obtained reliably, it is measured at nominal amount.

Government grants related to assets are written off against the carrying amount of related assets or recognised as deferred. If the government grants related to assets are recognized as deferred, they are amortised in profit or loss in a reasonable and systematic method over the useful lives of related assets. Government grants measured at nominal amounts are recognised directly in profit or loss. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the relevant deferred balance shall be transferred to the profit or loss at the disposal of the assets.

If the government grants related to the income is used to compensate the related costs or expenses of the Company in the future, it is recognized as deferred, and is recognised in the profit or loss or offset related costs with the related costs or expenses; If it is to compensate the relevant costs or

expenses already incurred by the enterprise, it is directly recognised in the profit or loss or offset the related costs or expense.

The policy preferential loan interest discount obtained by the company distinguishes the following two cases and separately performs accounting treatment:

(1) The government loans with below-market rate of interest obtained by other subsidiaries of the Company are government loans, which is provided by local finance bureau through bank with below-market rate of interest. The actual amount of the loan received by the Company recognized as borrowings, and the related borrowing costs are calculated according to the principal of the loan and the below-market rate.

(2) The Company's government loans with below-market rate of interest are directly paid to the Company, and the related low rate interest will write off borrowing costs.

If any government grant already recognized needs to be returned to the government, the accounting shall be differed according to the following circumstances:

(1) Originally recognized as offsetting of related assets' book value, assets book value shall be adjusted;

(2) If any deferred income, book value of deferred income shall be offset, excessive portion shall be accounted into income statement;

(3) Other situation, it shall be accounted into income statement directly.

The principle that the government grants to be included in the different items of profit or loss is: The government grants related to the daily activities of the company, which have economic business substance, should be included in other income or reduce the related cost costs; The government grants which is not related to the daily activities of the company is included in the other income and expenditure.

(XXVI) Recognition and measurement of deferred tax assets and deferred tax liabilities

1. Recognition and measurement of deferred tax assets and deferred tax liabilities

The Company recognizes the deferred tax using the balance sheet liability method based on the temporary differences between the book value and the tax base of assets and liabilities. The company's current income tax and deferred tax are recognized as income tax expenses or gains in profit or loss, but excluding income tax arising from: (1) business combination; (2) transactions or events directly recognized in the owner's equity.

For deductible temporary differences with the ability to carry forward for subsequent years, and the company is likely to obtain sufficient future taxable income, it should be recognised as deferred tax assets, unless the deductible temporary difference arises in the following transactions:

(1) The transaction is not a business combination, and the transaction affects neither the accounting profit nor the taxable income;

(2) For deductible temporary differences related to investments in subsidiaries, joint ventures and associates, and the deferred tax assets are recognized when the following conditions are met: temporary differences are likely to be reversed in the foreseeable future, and it is likely that the taxable income will be sufficient to offset the deductible temporary difference in the future.

The taxable temporary differences are recognised in the related deferred tax liabilities unless the taxable temporary differences arise from the following transactions:

(1) Initial recognition of goodwill, or initial recognition of assets or liabilities arising from transactions that is not a business combination, does not affect accounting profits or taxable income;

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures and associates, the timing of the reversal of the temporary difference can be controlled and the temporary difference is unlikely to be reversed in the foreseeable future.

The deferred tax asset or liability is calculated by the difference between the book value of assets and liabilities and the tax base (for the items that are not recognized as assets and liabilities but can be determined according to the tax law, the difference between the tax base and the book value) and the adoptable tax rate of the period in which the asset is recovered or liability is repaid.

The deferred tax assets are recognised to the extent that the amount of taxable income likely to be deducted in the future. On the balance sheet date, if there is conclusive evidence that it is probable that sufficient taxable income will be available in the future to offset the deductible temporary differences, the deferred tax assets not recognized in previous accounting periods are recognised. The book value of the deferred tax assets is reviewed. If it is probable that sufficient taxable income will not be available in the future to offset the benefits of the deferred tax assets, the carrying amount of the deferred tax assets is reduced. If sufficient taxable income becomes available, the amount reduced will be reversed.

2. When there is a statutory right to settle on a net basis, and the Company intend to settle the net amount or realise the asset and settle the liability simultaneously, the current income tax assets and the current income tax liabilities are presented at the net amount after the offset.

When there is a statutory right to settle the current income tax assets and liabilities on a net basis, and the deferred tax assets and liabilities are related to the income tax collected by the same tax authority on the same taxpayer, or related to different taxpayers, however, in the future period in which each of the important deferred tax assets and liabilities are reversed, the taxpayers involved intend to settle the current income tax assets and liabilities on a net basis or acquire assets at the same time and pay off the liabilities, then assets and deferred tax liabilities are presented at the net amount after offset.

(XXVII) Recognition and measurement of leasing business

1. Classification of leases

Leases are classified into finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of an asset, and its

ownership may or may not be transferred. Other leases other than finance leases are operating leases.

The conditions for the recognition of finance leases are described in Note III (XVII) 4“Recognition and measurement for financing leased assets”.

2. Accounting treatment of operating lease

(1) Lessor: The lease fee charged leased assets is apportioned on a straight-line basis over the entire lease term without excluding of the rent-free period, and is recognized as the lease-related income. The initial direct expenses related to the lease transaction paid by the company are included in the profit or loss as expense; if the amount is significant; the amount is capitalized, and recognized in the profit or loss in the same period as the lease-related income. When the company assumes the lease-related expenses that should be borne by the lessee, the company deducts the expenses from the total rental income, and distributes the deducted rental expenses over the lease term. Contingent rentals are recognised in profit or loss as incurred.

(2) Lessee: The lease fee paid by the company for renting assets shall be apportioned on a straight-line basis over the entire lease term without excluding of the rent-free period, and recognized in the profit or loss as expense. The initial direct expenses related to the lease transaction paid by the company are recognized in the profit or loss; when the lessor of the assets bears the expenses related to the lease that should be borne by the company, the company deducts the expenses from the total rent, and recognise the deducted rent in profit or loss over the lease term. Contingent rentals are recognised in profit or loss as incurred.

3. Accounting treatment of finance lease

Lessor: At the beginning of the lease period, the company shall use the sum of the minimum lease receivable amount and the initial direct fee as the initial measurement of the finance lease receivable, and the unrealized financing income is recognised by the difference of the present value and nominal amount of the sum of minimum lease receivable amount, and the initial direct fee and the unguaranteed residual value. The unrealized financing income is recognised as finance income over the lease term by the effective interest rate method. The finance lease receivables after deducting the unrealized financing income is separately presented as the long-term receivable and the long-term receivable due within one year. Contingent rentals are recognised in profit or loss as incurred.

Lessee: At the beginning of the lease period, the Company will use the lower of the fair value of the leased asset and the present value of the minimum lease payment as the book value of the leased asset, and recognises the minimum lease payment amount as the book value of the long-term payable, the difference between them is recognised as unrecognized financial expenses. The initial direct cost is included in the value of the leased asset. The unrecognized financial expenses are recognised as finance expense by effective interest rate over the lease term. The balance of the minimum lease payments after deducting the unrecognized financial expenses is presented as long-term liabilities and long-term liabilities due within one year. Contingent rentals are recognised in profit or loss as incurred.

(XXVIII) Discontinued operation

1. Conditions of discontinued operation

Discontinued operation is the component of the Company which meets any one of the following conditions and can be identified separately. And the component has already been disposed or classified as held for sale:

- (1) The component represents one independent main business or one single main business area;
- (2) The component plans to be part of the related plan which represents one independent main business or one single main business area;
- (3) The component was the subsidiary that specially acquired for resale.

2. Presentation of discontinued operations

If the disposal group that intends to terminate the use rather than sell meets the relevant components of the definition of termination of operation, it shall be reported as termination of operation from the date of termination of use; if the disposal group loses the control over the subsidiary due to the sale of investment in the subsidiary and the subsidiary meets the definition of termination of operation, it shall be reported in the consolidated statement with relevant termination profit and loss; if the disposal group that intends to terminate the operation meets the definition of termination of operation, it shall be reported in the income statement with relevant termination profit and loss. The adjusted amount of profit and loss shall be reported as the profit and loss of discontinued operation.

Where non current assets or disposal groups are no longer classified as held for sale or non current assets are removed from the disposal groups held for sale, the company shall present the book value adjustment amount of non current assets or disposal groups as the profit and loss of continuous operation in the current profit statement. If the company's subsidiaries, joint ventures, joint ventures and some of its investments in joint ventures or joint ventures are no longer classified as held for sale or removed from the disposal group held for sale, the company shall adjust the comparative data of the comparable accounting periods after each classification as held for sale in the current financial statements.

For non current assets or disposal groups held for sale that do not meet the definition of discontinued operations, their impairment loss or reversal amount and disposal profit and loss shall be presented as profit and loss of continuing operations. Operating profit and loss and disposal profit and loss such as impairment loss or reversed amount of terminated operation shall be presented as profit and loss of terminated operation.

For the termination of operation presented in the current period, the company shall, in the financial statements of the current period, re present the information originally presented as the profit and loss of continuing operation as the profit and loss of termination of operation in the comparable accounting period. If the termination of business no longer meets the conditions for classification of held for sale categories, the company shall, in the financial statements of the current period, report the information originally reported as the profit and loss of the termination of business as the profit and loss of the continuous operation of the comparable accounting period.

(XXIX) Description of changes in major accounting policies and accounting estimates

1.Changes in accounting policy

Content and reason of accounting policy change	Remark
Changes in financial statement format requirements	[Note1]

[Note 1] on April 30, 2019, the Ministry of Finance issued the notice on revising and Issuing the financial statement format of general enterprises in 2019 (CK [2019] No. 6, hereinafter referred to as "the new revised financial statement format in 2019"). In 2019, the newly revised financial statement format divides "notes receivable and accounts receivable" into "notes receivable" and "accounts receivable", and divides "notes payable and accounts payable" into "notes payable" and "accounts payable"; it supplements the accounting scope of "R & D expenses" and clarifies that "R & D expenses" also includes management Amortization of expenses for self-developed intangible assets; gains and losses from debt restructuring are deleted from the items of "non operating income" and "non operating expenditure".

On September 19, 2019, the Ministry of Finance issued the notice on revising and Issuing the format of consolidated financial statements (2019 version) (CK [2019] No. 16, hereinafter referred to as "the new revised format of consolidated financial statements in 2019"). In addition to the above splitting of "notes receivable and accounts receivable" and "notes payable and accounts payable", the newly revised format of the consolidated financial statements in 2019 deleted such items as "cash received from issuing bonds" and "net increase of financial assets held for trading purposes" in the original consolidated cash flow statement.

According to the accounting standards for Business Enterprises No. 30 - presentation of financial statements and other relevant regulations, the company adopts the retroactive adjustment method for the changes of the above accounting policies, and the financial statements of comparable periods have been restated. For the financial statement items that are simply consolidated and split in the above statement format changes, the company has directly adjusted them in the financial statements and no longer specifically listed the reclassification adjustment.

2. Accounting estimate change description

Content and reason of accounting estimate change	procedures for examination and approval of projects	Starting point of application	remarks
Zhejiang Huanjiang Media Group Co., Ltd., a subsidiary of the company, has changed the service life of fixed assets, which is calculated by the future applicable method. Since January 1, 2019, the depreciation life of electronic equipment has been changed from 3-5 years to 8-15 years; the depreciation life of machinery and equipment has been changed from 18 years to 38 years; the depreciation life of houses and buildings has been changed from 20 years to 40 years.	The change was approved by the board of directors of the company.	From January 1, 2019	[Note]

[Note] the company adopts the future applicable method for this accounting estimate change, and the items and amounts of the statement that are significantly affected in this period are as follows:

Report items significantly affected	Amount affected by consolidated statement	Amount affected by parent company statement
Balance sheet items at December 31, 2019		
fixed assets	43,404,633.23	-
Profit statement items in 2019		
Main business cost	34,085,722.80	-
Management expenses	9,318,910.43	-

IV. Taxation

Main tax categories and tax rates

Tax categories	Taxation basis	Tax rates
Value added tax (VAT)	Added value arises from selling goods or providing taxable services	3%、5%、6%、10%、11%、16%、17%、etc
Property tax	In case of ad valorem, the residual value after deducting 30% of the original value of the property at one time 1.2% If it is levied from rent, it shall be calculated and paid at 12% of the rental income.	1.2%、12%
City maintenance and construction tax	Turnover tax amount	7%、5%、etc
Education surcharges	Turnover tax amount	3%
Local education surcharges	Turnover tax amount	2%
Corporate income tax	Taxable income	25%

V. Notes to the consolidated financial statements

The unit of amount in this section is RMB, and the opening balance refers to 1 January 2019, and closing balance refers to 31 December 2019, unless otherwise stated.

(I) Cash at bank and on hand

1. Details

Items	Closing balance	Opening balance
Cash on hand	427,923.24	275,325.49
Cash at bank	10,718,806,928.95	8,433,820,209.56
Other monetary funds	268,640,890.59	258,416,883.20
Total	10,987,875,742.78	8,692,512,418.25
Including: Total amount deposited abroad	720,712,097.00	2,123,916,806.64

2. At the end of the period, there are frozen bank deposits of RMB 709,094.90, pledged time

certificates of deposit of RMB 250,000,000.00, Bill deposit of RMB 7,087,500.00, guarantee deposit of RMB 760,200.00 and letter of credit deposit of RMB 8,380,016.69.

3. For the details of foreign currency please refer to Note V (LII) “Foreign Currency”.

(II) Financial assets at fair value through profit or loss

1. Details

Items	Closing balance	Opening balance
Financial assets held for trading		
Including: Equity instrument investment	32,578,156.90	28,319,655.94
Financial assets designated to be measured at fair value through profit or loss		
Including: Equity instrument investment	87,000,000.00	
Total	119,578,156.90	28,319,655.94

2. There is no obvious limit to the realization of financial assets at fair value through profit or loss at the end of the year.

(III) Notes receivable

1. Details

Category	Closing balance	Opening balance
Bank acceptance	36,119,826.51	
Trade acceptance	8,886,614.19	
Book balance subtotal	45,006,440.70	
Less: Provision for bad debts	811,659.32	
Total book value	44,194,781.38	

2. Notes receivable endorsed or discounted by the company at the end of the period and not yet due at the balance sheet date

Items	Amount of derecognition at the end of the period	Unrecognized amount at the end of the period
Bank acceptance	183,046,239.55	
Trade acceptance		2,413,279.37
Subtotal	183,046,239.55	2,413,279.37

(IV) Accounts receivable

(1) Details

Category	Closing balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant single amount and single provision for bad debts					
Provision for bad debts by portfolio	1,538,743,364.81	98.60	32,934,229.56	2.14	1,505,809,135.25
Single amount is not significant, but bad debt provision is withdrawn individually	5,661,565.55	0.36	5,661,565.55	100.00	
Total	1,544,404,930.36	100.00	38,595,795.11	2.47	1,505,809,135.25

Continued:

Category	Opening balance				Net book value
	Book blue		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant single amount and single provision for bad debts					
Provision for bad debts by portfolio	443,746,146.57	98.88	8,337,695.01	1.88	435,408,451.56
Single amount is not significant, but bad debt provision is withdrawn individually	5,026,300.56	1.12	5,026,300.56	100.00	-
Total	448,772,447.13	100.00	13,363,995.57	2.98	435,408,451.56

2. Details for bad debt provision

(1) Account receivable tested for impairment on group basis

1) Aging group

Aging	Book value	Bad debt provision	Percent (%)
Within 1 year	303,560,713.82	15,201,563.98	5.00
1—2 years	26,441,771.10	4,861,900.00	18.39
2—3 years	14,004,262.82	5,568,728.51	39.76
3—4 years	8,103,830.93	5,158,878.91	63.66
4—5 years	1,500.00	750.00	50.00
More than 5 years	2,142,408.16	2,142,408.16	100.00

Aging	Book value	Bad debt provision	Percent (%)
Total	354,254,486.83	32,934,229.56	

(2) Other combinations

combinations	Book value	Bad debt provision	Percent (%)
Funds from related parties, government departments or administrative investors	1,184,488,877.98	-	-

(3) Accounts receivable with insignificant single amount but single provision for bad debts at the end of the period

Name of the companies	Book value	Bad debt provision	Percent (%)	Reason
Wenzhou Shibo Plastic Film Technology Co., Ltd	661,565.55	661,565.55	100.00	Estimated to be uncollectible
Transportation Management Division	5,000,000.00	5,000,000.00	100.00	Estimated to be uncollectible
Total	5,661,565.55	5,661,565.55	100.00	

(V) Prepayments

1. Aging analysis

Aging	Closing balance		Opening balance	
	amount of money	Percent (%)	amount of money	Percent (%)
Within 1 year	123,542,099.25	34.40	1,129,189,261.85	95.52
1-2 years	198,152,374.09	55.18	35,173,603.70	2.98
2-3 years	25,141,963.85	7.00	10,207,390.39	0.86
Over 3 years	12,289,483.95	3.42	7,580,874.54	0.64
Total	359,125,921.14	100.00	1,182,151,130.48	100.00

2. Top 5 prepayments in amount

Name of the company	Closing balance	Aging	Percentage of prepayments (%)	Reason for being unsettled
Zhejiang Furun printing and dyeing Co., Ltd	150,000,000.00	1-2 years	41.77	Project payment in advance, project unsettled
Caota Township People's Government of Zhuji City	29,000,000.00	1-2years	8.08	Project payment in advance, project unsettled
Liyue Group Co., Ltd	14,906,151.80	2-3 years	4.15	Project payment in advance, project unsettled
Zhejiang Guangchuan Construction Co., Ltd	13,518,462.00	Within 2years	3.76	Project payment in advance, project unsettled
Zhejiang No.1 Hydropower Construction Group Co., Ltd	11,700,385.10	Within 1year	3.26	Project payment in advance, project unsettled

Name of the company	Closing balance	Aging	Percentage of prepayments (%)	Reason for being unsettled
Total	219,124,998.90		61.02	

3. Prepayments with large amount and aged over 1 year

Name of the company	Closing balance	Reason for being unsettled
Zhejiang Furun printing and dyeing Co., Ltd	150,000,000.00	Project payment in advance, project unsettled
Caota Township People's Government of Zhuji City	29,000,000.00	Project payment in advance, project unsettled
Liyue Group Co., Ltd	14,906,151.80	Project payment in advance, project unsettled

4. At the end of the year, no significant impairment of prepayments was found; therefore no provision for impairment was recognised

(VI) Other receivables

1. Details

Items	Closing balance			Opening balance		
	Book balance	Provision for bad and doubtful debts	The book value	Book balance	Provision for bad and doubtful debts	The book value
Interest receivable	230,597,558.11		230,597,558.11	48,107,981.67		48,107,981.67
Dividends receivable						
Other receivables	15,636,119,029.47	193,970,489.23	15,442,148,540.24	12,343,934,520.59	177,069,512.79	12,166,865,007.80
Total	15,866,716,587.58	193,970,489.23	15,672,746,098.35	12,392,042,502.26	177,069,512.79	12,214,972,989.47

2. Interest receivable

Project	Closing balance	Opening balance
Inter-enterprise loan	230,597,558.11	48,107,981.67

3. Other receivables

(1) Details

Category	Closing balance				
	Book value		Provision for bad and doubtful debts		Net book value
	Amount	Percent (%)	Amount	Percent (%)	
Significant single amount and single	15,634,560,229.47	99.99	192,411,689.23	1.23	15,442,148,540.24
Provision for bad debts					
Provision for bad debts by portfolio	1,558,800.00	0.01	1,558,800.00	100.00	
Total	15,636,119,029.47	100.00	193,970,489.23	1.24	15,442,148,540.24

Continued:

Category	Opening balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant single amount and single					
Provision for bad debts	12,342,375,720.59	99.99	175,510,712.79	1.42	12,166,865,007.80
Provision for bad debts by portfolio	1,558,800.00	0.01	1,558,800.00	100.00	
Total	12,343,934,520.59	100.00	177,069,512.79	1.43	12,166,865,007.80

2. Details of bad debt provision

(1) Other receivable tested for impairment on group basis

① Aging basis

Aging	Closing balance		
	Book balance	Provision for bad debts	Percent (%)
Within 1 year	724,065,045.16	75,125,797.84	10.38
1-2 years	999,065,307.87	22,857,185.63	2.29
2-3 years	92,238,775.80	24,860,186.68	26.95
3-4 years	75,444,155.12	48,761,667.15	64.63
4-5 years	27,123,680.00	12,258,140.00	45.19
Over 5 years	9,163,918.12	8,548,711.93	93.29
Total	1,927,100,882.07	192,411,689.23	9.98

② Other combinations

Combinations	Book balance	Bad debt provision	Withdrawing proportion (%)
Funds from related parties, government departments or administrative investors	13,707,459,347.40		-

3) Other receivables with insignificant single amount but single provision for bad debts at the end of the period

Name of the company	Book balance	Bad debt provision	Withdrawing proportion (%)	Reason
Huzhou Traffic Engineering Corporation	1,558,800.00	1,558,800.00	100.00	Doubtful debts

(3) Nature or content of other receivables with large amount

Name of the company	Closing balance	Nature or content of payment
Zhuji Municipal Bureau of Finance	6,511,640,816.54	Temporary loan

Name of the company	Closing balance	Nature or content of payment
Zhuji Municipal Bureau of Finance	6,511,640,816.54	Temporary loan
Zhuji Huanjiang International Trade City Development Co., Ltd	1,954,262,500.00	Temporary loan
Zhuji Diankou environmental comprehensive treatment Co., Ltd	600,000,000.00	Temporary loan
Zhuji Economic Development Zone Management Committee	479,064,973.97	Temporary loan
Fengqiao Township People's Government of Zhuji City	242,600,000.00	Temporary loan
Zhuji New Rural Construction Office	200,000,000.00	Temporary loan
Total	9,987,568,290.51	

(VII) Inventories

1. Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Materials in transit	12,257,183.40	-	12,257,183.40	-	-	-
Raw materials	106,149,628.86	3,743,803.08	102,405,825.78	8,003,040.44	-	8,003,040.44
Products in process	46,007,997.54	1,234,254.45	44,773,743.09	11,782,407.58	-	11,782,407.58
Commodity stocks	321,539,078.46	6,097,324.43	315,441,754.03	225,480,872.90	-	225,480,872.90
Finished goods	-	-	-	14,963,277.62	-	14,963,277.62
Revolving Materials	432,231.68	-	432,231.68	1,600,719.30	-	1,600,719.30
Issued goods	781,008.49	-	781,008.49	-	-	-
Materials for Consigned Processing	348,292.78	-	348,292.78	-	-	-
Infrastructure	48,699,192,439.42	-	48,699,192,439.42	40,838,180,292.06	-	40,838,180,292.06
Land assets	8,829,123,059.45	-	8,829,123,059.45	10,729,241,024.31	-	10,729,241,024.31
Land to be developed	6,225,538,595.66	-	6,225,538,595.66	6,563,826,099.27	-	6,563,826,099.27
Housing placement project	11,983,674,819.64	-	11,983,674,819.64	11,190,954,392.21	-	11,190,954,392.21
Engineering construction	165,783,477.71	-	165,783,477.71	168,595,023.89	-	168,595,023.89
Total	76,390,827,813.09	11,075,381.96	76,379,752,431.13	69,752,627,149.58	-	69,752,627,149.58

(VII) Other current assets

1. Details

Items	Closing balance	Opening balance
VAT allowance	68,046,414.12	7,344,929.70
Input tax to be certified	3,806,735.82	
Withholding tax and surcharges	12,102,025.04	13,405,270.34
Financial products	20,000,000.00	560,552,808.22
Transfer of creditor's rights	5,493,376.00	5,493,376.00
Special plan reserve for asset support of Huanjiang water supply charging right	75,095,051.90	
Total	184,543,602.88	586,796,384.26

2. At the end of the year, there was no evidence of significant impairment in other current assets, so no provision for impairment was recognised.

(IX) Available-for-sale financial assets

1. Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Available-for-sale equity instruments	4,194,219,617.63	1,200,000.00	4,193,019,617.63	3,009,107,830.02	1,200,000.00	3,007,907,830.02
Measured at cost	4,194,219,617.63	1,200,000.00	4,193,019,617.63	3,009,107,830.02	1,200,000.00	3,007,907,830.02

2. At the end of the year, there is no reclassification from financial asset held to maturity to financial asset held for sale.

3. Available-for-sale financial assets measured at cost

Investee	Book value			
	Opening balance	Increase in current year	Decrease in current year	Closing balance
Zhejiang Yuemei Guarantee Co., Ltd	10,000,000.00			10,000,000.00
Zhejiang Huadu Investment Guarantee Co., Ltd	9,100,000.00			9,100,000.00
Zhejiang Rural Economic Investment Co., Ltd	350,000.00			350,000.00
Zhejiang Rushan Growth Venture Capital Co., Ltd	20,000,000.00			20,000,000.00
Zhejiang Zhongxin Lihe Technology Financial Services Co., Ltd	5,000,000.00			5,000,000.00
Shaoxing Social Security Citizen Card Service Co., Ltd	5,000,000.00			5,000,000.00

Investee	Book value			
	Opening balance	Increase in current year	Decrease in current year	Closing balance
Zhejiang Huarui Huqing Yutang Health Industry Investment Fund Partnership	42,500,000.00		12,277,785.00	30,222,215.00
Zhejiang Rushan Huixin Venture Capital Partnership (Limited Partnership)	80,000,000.00			80,000,000.00
Zhuji Gefei Chuangao Investment Partnership (Limited Partnership)	85,000,000.00	15,000,000.00	1,086,862.24	98,913,137.76
Zhuji Guozhe Jewelry and Jade Quality Inspection Center Co., Ltd	383,889.00			383,889.00
Shaoxing Financing Guarantee Co., Ltd		100,000,000.00		100,000,000.00
Zhuji Zhisheng Education Technology Co., Ltd. [Note]	5,000,000.00			5,000,000.00
Zhuji Xinyin Huannong Investment Management Partnership (Limited Partnership) [Note]	844,000,000.00			844,000,000.00
Zhuji Yiyin Intelligent Technology Co., Ltd	200,000.00			200,000.00
Zhuji Cloud Intelligent Chip Technology Co., Ltd	3,000,000.00			3,000,000.00
Zhejiang Zhongdi Pure Land Technology Co., Ltd	20,000,000.00			20,000,000.00
Zhejiang Hongyuan Car Group Co., Ltd	145,000,000.00			145,000,000.00
Zhejiang Weiyin Xiangxue Medical Diagnostic Technology Co., Ltd	5,000,000.00		4,000,000.00	1,000,000.00
Zhuji Wudaokou Education Technology Co., Ltd	10,000,000.00			10,000,000.00
Zhejiang Liufang carbonation technology Co., Ltd	2,000,000.00			2,000,000.00
Hangzhou Lightip Technology Co., Ltd	20,000,000.00			20,000,000.00
Zhuji Yingshi Chuangjia Equity Investment Partnership (Limited Partnership)	350,000,000.00	150,000,000.00		500,000,000.00
Zhejiang Kangjiesi New Material Technology Co., Ltd	30,000,000.00			30,000,000.00
Guangdong Yega Optoelectronic Technology Co., Ltd	50,050,000.00			50,050,000.00
Zhejiang Hinge Electronic Technology Co., Ltd	100,000,000.00	20,000,000.00		120,000,000.00
Zhuji Gaotejia Ruicheng Investment Partnership (Limited Partnership)	30,000,000.00			30,000,000.00
Zhuji Hongxin Chencheng Venture Capital Centre (Limited Partnership)	20,377,408.00			20,377,408.00
Zhuji Wanze Equity Investment Fund Partnership (Limited Partnership)	19,350,000.00	750,000.00		20,100,000.00
Zhuji Gaotejia Ruian Investment Partnership (Limited Partnership)	90,000,000.00		12,375,046.15	77,624,953.85
Zhuji Rushan Huian Entrepreneurship Investment Partnership (Limited Partnership)	30,000,000.00			30,000,000.00
Zhuji Jiawei Entrepreneurship Investment Partnership (Limited Partnership)	15,000,000.00			15,000,000.00
Zhuji Fuhua Transformation And Upgrading Of Industrial Fund Partnership (Limited Partnership)	29,100,000.00	8,400,000.00		37,500,000.00

Investee	Book value			
	Opening balance	Increase in current year	Decrease in current year	Closing balance
Zhuji Lianli Pin Sign Zhejiang Made Integrated Circuit Equity Investment Partnership (Limited Partnership)	139,500,000.00			139,500,000.00
Zhuji Zheyin Hongshen Equity Investment Partnership (Limited Partnership)	47,750,000.00			47,750,000.00
Zhejiang Lanmei Agriculture Co., Ltd	30,000,000.00			30,000,000.00
Zhejiang Zhuji Toutoushidao Investment Partnership (Limited Partnership)	37,500,000.00	75,000,000.00		112,500,000.00
Zhejiang Zhuji Lianchuang Yongjun Equity Investment Partnership (Limited Partnership)	29,152,941.00	29,294,118.00		58,447,059.00
Shaoxing New Century Rural Digital Film Co., Ltd	50,000.00			50,000.00
Zhejiang Zhuji Thermal Power Development Co., Ltd	47,793,592.02		10,504,000.00	37,289,592.02
No.212 collective fund trust plan of CCB guoxinrongcheng		3,000,000.00		3,000,000.00
Kerun Intelligent Control Co., Ltd	4,500,000.00			4,500,000.00
Zhuji Jianshun Construction Project Investment Partnership Enterprise (Limited Partnership)	596,450,000.00			596,450,000.00
Zhuji Meichi Middle School	1,000,000.00			1,000,000.00
Zhuji Lande Renewable Resources Co., Ltd		10,000,000.00		10,000,000.00
Zhuji Sanfeng Environmental Protection Energy Co., Ltd		10,000,000.00		10,000,000.00
Zhuji Zihuan Equity Investment Partnership (limited partnership)		3,000,000.00		3,000,000.00
Zhuji Kalalala Technology Co., Ltd		30,000,000.00		30,000,000.00
Zhuji Gefei chuangji equity investment partnership (limited partnership)		41,250,000.00		41,250,000.00
Zhuji Sanyue pearl industry investment partnership (limited partnership)		30,000,000.00		30,000,000.00
Zhejiang Jinlian industry and Finance Service Co., Ltd		500,000.00		500,000.00
Zhuji Yingshi creates equity investment partnership (limited partnership)		300,000,000.00		300,000,000.00
Hangzhou Fenghui liuheqiao venture capital technology Co., Ltd		8,600,000.00		8,600,000.00
Zhejiang Ruxin Intelligent Technology Co., Ltd		15,000,000.00		15,000,000.00
Zhejiang Zhimei Environmental Technology Co., Ltd		22,500,000.00		22,500,000.00
Beijing Yixin Yiyi Technology Co., Ltd		30,000,000.00		30,000,000.00
Zhejiang Ge Haite Medical Technology Co., Ltd		20,000,000.00		20,000,000.00
Zhejiang Bangye Technology Co., Ltd		30,000,000.00		30,000,000.00
Hangzhou Meishu Information Technology Co., Ltd				

Investee	Book value			
	Opening balance	Increase in current year	Decrease in current year	Closing balance
Shanghai Juhong Photoelectric Technology Co., Ltd		15,000,000.00		15,000,000.00
Shanghai Dingjing Biomedical Technology Co., Ltd		12,436,363.00		12,436,363.00
Santian Intelligent Technology (Shanghai) Co., Ltd		15,000,000.00		15,000,000.00
Nanjing Bainiu Technology Co., Ltd		10,000,000.00		10,000,000.00
Zhejiang qusu Technology Co., Ltd		13,125,000.00		13,125,000.00
Zhuji Dingqing venture capital partnership (limited partnership)		50,000,000.00		50,000,000.00
Zhejiang ningyue Technology Co., Ltd		5,000,000.00		5,000,000.00
Zhuji nuoxing Investment Co., Ltd		58,500,000.00		58,500,000.00
Zhuji Kexin independent innovation Information Industry joint stock investment partnership (limited partnership)		54,000,000.00		54,000,000.00
Total	3,009,107,830.02	1,225,355,481.00	40,243,693.39	4,194,219,617.63

Continued:

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Zhejiang Yuemei Guarantee Co., Ltd					9.09	34,125.00
Zhejiang Huadu Investment Guarantee Co., Ltd					9.09	
Zhejiang Rural Economic Investment Co., Ltd					0.58	
Zhejiang Rushan Growth Venture Capital Co., Ltd					20.00	
Zhejiang Zhongxin Lihe Technology Financial Services Co., Ltd					1.45	100,000.00
Shaoxing Social Security Citizen Card Service Co., Ltd					14.29	
Zhejiang Huarui Huqing Yutang Health Industry Investment Fund Partnership					17.00	
Zhejiang Rushan Huixin Venture Capital Partnership (Limited Partnership)					20.00	
Zhuji Gefei Chuangao Investment Partnership (Limited Partnership)					9.30	
Zhuji Guozhe Jewelry and Jade Quality Inspection Center Co., Ltd					19.19	

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Shaoxing Financing Guarantee Co., Ltd					10.00	
Zhuji Wisdom Education Technology Co., Ltd [Note]					100.00	
Zhuji Xinyinhuannong Investment Management Partnership (limited partnership)					21.57	
Zhuji Yiyin Intelligent Technology Co., Ltd	200,000.00			200,000.00	10.00	
Zhuji Cloud Intelligent Chip Technology Co., Ltd					5.00	
Zhejiang Zhongdi Pure Land Technology Co., Ltd					12.00	
Zhejiang Hongyuan Car Group Co., Ltd					13.28	
Zhejiang Weiyin Xiangxue Medical Diagnostic Technology Co., Ltd					5.00	
Zhuji Wudaokou Education Technology Co., Ltd					30.00	
Zhejiang Hexagon Carbon Technology Co., Ltd					20.00	
Hangzhou Lightip Technology Co., Ltd					7.12	
Zhuji Yingshi Chuangjia Equity Investment Partnership (Limited Partnership)[Note]					99.80	
Zhejiang Kangjiesi New Material Technology Co., Ltd[Note]					20.69	
Guangdong Yega Optoelectronic Technology Co., Ltd					8.49	
Zhejiang Hinge Electronic Technology Co., Ltd[Note]					30.00	
Zhuji Gaotejia Ruicheng Investment Partnership (Limited Partnership)					16.04	
Zhuji Hongxin Chencheng Venture Capital Centre (Limited Partnership)					15.00	
Zhuji Wanze Equity Investment Fund Partnership (Limited Partnership)					15.00	
Zhuji Gaotejia Ruian Investment Partnership (Limited Partnership)					14.90	
Zhuji Rushan Huian Entrepreneurship Investment Partnership (Limited Partnership)					14.29	

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Zhuji Jiawei Entrepreneurship Investment Partnership (Limited Partnership)					15.00	
Zhuji Fuhua Transformation And Upgrading Of Industrial Fund Partnership (Limited Partnership)					8.00	
Zhuji Lianli Pin Sign Zhejiang Made Integrated Circuit Equity Investment Partnership (Limited Partnership)					15.00	
Zhuji Zheyin Hongshen Equity Investment Partnership (Limited Partnership)					19.10	
Zhejiang Lanmei Agriculture Co., Ltd					4.52	
Zhejiang Zhuji Toutoushidao Investment Partnership (Limited Partnership)					11.51	
Zhejiang Zhuji Lianchuang Yongjun Equity Investment Partnership (Limited Partnership)[Note]					25.10	
Shaoxing New Century Rural Digital Film Co., Ltd					10.00	
Zhejiang Zhuji Thermal Power Development Co., Ltd					17.74	30,065,045.88
No.212 collective fund trust plan of CCB guoxinrongcheng						
Kerun Intelligent Control Co., Ltd					1.17	300,000.00
Zhuji Jianshun Construction Project Investment Partnership Enterprise (Limited Partnership) [Note]					37.36	
Zhuji Meichi Middle School	1,000,000.00			1,000,000.00		
Zhuji Lande renewable resources Co., Ltd					10.00	
Zhuji Sanfeng environmental protection energy Co., Ltd					16.70	
Zhuji Zihuan equity investment partnership (limited partnership)					10.00	
Zhuji kalalala Technology Co., Ltd					8.33	
Zhuji Gefei chuangji equity investment partnership (limited partnership)					14.09	
Zhuji Sanyue pearl industry investment partnership (limited partnership)					20.00	
Zhejiang Jinlian industry and Finance Service Co., Ltd					5.00	

Investee	Impairment				Share held by the Company (%)	Cash dividend in the year
	Opening balance	Increase in current year	Decrease in current year	Closing balance		
Zhuji Yingshi creates equity investment partnership (limited partnership)					99.68	
Hangzhou Fenghui liuheqiao venture capital technology Co., Ltd					10.75	
Zhejiang Ruxin Intelligent Technology Co., Ltd					12.17	
Zhejiang Zhimei Environmental Technology Co., Ltd					11.01	
Beijing Yixin Yiyi Technology Co., Ltd					12.50	
Zhejiang Ge Haite Medical Technology Co., Ltd					13.33	
Zhejiang Bangye Technology Co., Ltd					19.35	
Zhejiang Zhuji Meishu Information Technology Co., Ltd					6.73	
Shanghai Juhong Photoelectric Technology Co., Ltd					2.91	
Shanghai Dingjing Biomedical Technology Co., Ltd					7.00	
Santian Intelligent Technology (Shanghai) Co., Ltd					6.38	
Nanjing Bainiu Technology Co., Ltd					5.00	
Zhejiang Qusu Technology Co., Ltd					12.73	
Zhuji Dingqing venture capital partnership (limited partnership) [note]					48.78	
Zhejiang Ningyue Technology Co., Ltd					20.00	
Zhuji nuoxing Investment Co., Ltd. [note]					85.40	370,000.00
Zhuji Kexin independent innovation Information Industry joint stock investment partnership (limited partnership) [note]					49.88	
Total	1,200,000.00	-	-	1,200,000.00	-	30,869,170.88

Note: The Company did not assign senior management personnel to the above-mentioned investment units, and did not participate in the daily management of the company, so it did not constitute a major impact. Therefore, it is classified into an available-for-sales category and is measured by cost instruments.

4. Reasons for the provision for impairment of available-for-sale financial assets and explanations

Changes in the impairment of available-for-sale financial assets during the period:

Category	Available-for-sale equity instruments
Impairment amount withdrawn at the beginning of the period	1,200,000.00
Accrual in current period	-
Including : Transfer of other comprehensive income into	-
Decrease in current year	-
Including : Transfer of fair value increased back after the period	-
Closing balance	1,200,000.00

(X) Long-term receivables

1. Details

Items	Closing balance			Opening balance			Discount rate interval
	Book balance	Impairment	Book value	Book balance	Impairment	Book value	
Finance leases	1,550,249.99		1,550,249.99				
Including: Unrealized financing income	250,249.99		250,249.99	250,249.99		250,249.99	
Issuing margin of ABS asset-backed securities of Huanjiang water				10,000,000.00		10,000,000.00	
Guarantee deposits of Finance leases	402,906,000.00		402,906,000.00	181,710,000.00		181,710,000.00	
Total	404,456,249.99		404,456,249.99	193,260,249.99		193,260,249.99	

2. At the end of the year, there was no evidence of significant impairment in long-term receivables, so no provision was recognised.

(XI) Long-term equity investments

1. Classification

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
In joint ventures	442,197,499.01		442,197,499.01	421,619,341.82		421,619,341.82
In associates	955,750,578.42		955,750,578.42	734,242,296.02		734,242,296.02
Total	1,397,948,077.43		1,397,948,077.43	1,155,861,637.84		1,155,861,637.84

2. Details

Investee	Initial investment	Opening balance	Movement in current year			
			Additional investment	Reduction in investment	Invest income recognised under equity method	Movement in other comprehensive income
(1) Joint ventures						
Zhejiang Suichang Jiyang Shanghai Collaborative Industrial Park Development Co., Ltd	125,000,000.00	402,686,467.68			63,844.83	
Zhuji City Transportation Investment Petrochemical Management Co., Ltd	10,000,000.00	16,436,281.00			2,636,107.01	
Tao Zhu Business School	500,000.00	2,496,593.14			-6,341.71	
(2) Associates						
Zhuji Bishui Environmental Technology Co., Ltd	54,000,000.00	42,000,504.48			-1,407,653.83	
Zhuji Chuangxiao Investment Partnership (Limited Partnership)	28,700,000.00	30,090,723.52	10,000,000.00		1,991,593.97	
Zhuji Information Network Co., Ltd	4,750,517.31		4,750,517.31		1,870,815.93	
Zhejiang Feida Precision Machinery Co., Ltd	7,000,000.00	6,182,915.55			-198,400.14	
Zhejiang Feida New Material Co., Ltd	4,000,000.00	7,778,383.86				
Zhejiang Jinhe Intelligent Equipment Co., Ltd	6,000,000.00	5,216,282.23			-1,030,889.55	
Zhejiang Feida Environmental Protection Technology Co., Ltd	44,343,322.08	338,698,914.76			15,999,565.86	
Zhuji Jiazi Pin Sign Zhejiang Made Equity Investment Partnership (Limited Partnership)	250,000,000.00	250,000,000.00				
Zhejiang Dongxin Energy Conservation Technology Co., Ltd	11,400,000.00	11,452,140.51			18,414.98	
Zhejiang Jiyang Electronic Technology Co., Ltd	10,500,000.00	8,851,662.68			-467,558.53	
Zhuji Fuhua Transformation And Upgrading Of Industrial Fund Partnership (Limited Partnership)	8,000,000.00	7,600,494.23			7,079.66	
Henan Yuneng Feida environmental protection Co., Ltd	26,000,000.00		26,000,000.00		-2,183,996.51	-10,204.70
Zhuji Jida Real Estate Co., Ltd	24,000,000.00	23,980,783.34			-3,572.97	
Zhuji Dalian equity investment partnership (limited partnership)	90,000,000.00		90,000,000.00		28,214.57	
Zhejiang Zhian Technology Co., Ltd	2,500,000.00	2,389,490.86			-525,658.57	
Zhuji Gaoying equity investment partnership (limited partnership)	39,000,000.00		39,000,000.00		-7,401.16	
Zhuji Gaoying equity investment partnership (limited partnership)	30,000,000.00		30,000,000.00		3,566.33	
Zhuji Zihuan equity investment partnership (limited partnership)	9,000,000.00		9,000,000.00		0.15	
Total	784,693,839.39	1,155,861,637.84	208,750,517.31		16,787,730.33	

Continued:

Investee	Movement in current year				Closing balance	Impairment at year end
	Movements of other equipment	Cash dividends or profit declared	Impairment	Others		
(1) Joint ventures						
Zhejiang Suichang Jiyang Shanhai Collaborative Industrial Park Development Co., Ltd	17,884,547.06				420,634,859.57	-
Zhuji City Transportation Investment Petrochemical Management Co., Ltd					19,072,388.01	-
Tao Zhu Business School					2,490,251.43	-
(2) Associates						
Zhuji Bishui Environmental Technology Co., Ltd					40,592,850.65	-
Zhuji Chuangxiao Investment Partnership (Limited Partnership)		1,326,150.41			40,756,167.08	-
Zhuji Information Network Co., Ltd					6,621,333.24	-
Zhejiang Feida Precision Machinery Co., Ltd					5,984,515.41	-
Zhejiang Feida New Material Co., Ltd					7,778,383.86	-
Zhejiang Jinhe Intelligent Equipment Co., Ltd					4,185,392.68	-
Zhejiang Feida Environmental Protection Technology Co., Ltd					354,698,480.62	-
Zhuji Jiazi Pin Sign Zhejiang Made Equity Investment Partnership (Limited Partnership)					250,000,000.00	-
Zhejiang Dongxin Energy Conservation Technology Co., Ltd					11,470,555.49	-
Zhejiang Jiyang Electronic Technology Co., Ltd					8,384,104.15	-
Zhuji Fuhua Transformation And Upgrading Of Industrial Fund Partnership (Limited Partnership)					7,607,573.89	-
Henan Yuneng Feida environmental protection Co., Ltd					23,805,798.79	-
Zhuji Jida Real Estate Co., Ltd					23,977,210.37	-
Zhuji Dalian equity investment partnership (limited partnership)					90,028,214.57	-
Zhejiang Zhian Technology Co., Ltd					1,863,832.29	-
Zhuji Gaoying equity investment partnership (limited partnership)					38,992,598.84	-
Zhuji Yaohe pharmaceutical investment partnership (limited partnership)					30,003,566.33	-

Investee	Movement in current year				Closing balance	Impairment at year end
	Movements of other equipment	Cash dividends or profit declared	Impairment	Others		
Zhuji Zihuan equity investment partnership (limited partnership)					9,000,000.15	
Total	17,884,547.06				1,397,948,077.43	-

3. At the end of the year, no significant impairment of long-term equity investment was found; therefore no provision for impairment was recognised.

(XII) Investment property

1. Details

Items	Opening balance	Increase in current year				Decrease in current year		Closing balance
		Purchasing	Inventory / fixed assets / construction in progress	Business combination	Others	Disposal	Other transfer	
(1) Book value								
Houses and buildings	19,324,046.81	332,114,823.10						351,438,869.91
(2) Accumulated depreciation / amortization		Accrual / amortization						
Houses and buildings	4,418,605.11	6,971,229.11						11,389,834.22
(3) Book value								
Houses and buildings	14,905,441.70							340,049,035.69

2. No obvious sign of impairment was found in the investment real estate at the end of the period, so no provision for impairment was made.

(XIII) Fixed assets

1. Details

Items	Closing balance	Opening balance
Fixed assets	12,048,520,000.35	7,559,270,326.02
Liquidation of fixed assets	-	-
Total	12,048,520,000.35	7,559,270,326.02

2. Fixed assets

(1) Details

Items	Opening balance	Increase in current year				Decrease in current year		Closing balance
		Purchasing	Transfer from construction in progress	Business combination	Others	Disposal	Others	
(1) Book value								
Buildings	1,922,481,024.57	1,156,283,255.51	138,790,386.77	788,367,430.80	715,525,042.83	5,227,766.15	65,503,463.20	4,650,715,911.13
Plant machinery and equipment	1,520,754,415.89	395,329,295.46	40,319,989.23	2,109,984,717.93		3,666,719.92	7,121,434.60	4,055,600,263.99
Transportation	206,259,965.66	84,218,962.39	178,920.36	24,023,824.94	188,620.68	14,856,567.19	7,095,952.93	292,917,773.91
Electronic and other equipment	85,525,583.31	68,130,072.50	2,289,388.43	40,681,043.55	41,000.00	5,987,732.20	9,559,634.22	181,119,721.37
Office equipment	23,549,247.43	2,304,218.48						25,853,465.91
Special equipment	6,158,124,733.73		536,526,535.62			12,580,725.30		6,682,070,544.05
Total	9,916,694,970.59	1,706,265,804.34	718,105,220.41	2,963,057,017.22	715,754,663.51	42,319,510.76	89,280,484.95	15,888,277,680.36
(2) Accumulated depreciation		Accrual						
Buildings	393,318,574.11	99,376,113.50		184,408,837.38	2,088,351.05	3,152,566.00	16,289,663.72	659,749,646.32
Plant machinery and equipment	550,216,686.62	102,254,728.82		718,266,764.49		1,792,196.28	3,046,263.26	1,365,899,720.39
Transportation	113,126,309.45	27,986,213.54		20,685,751.49		13,036,886.78	5,878,405.07	142,882,982.63
Electronic and other equipment	44,246,521.15	13,659,400.10		21,159,381.09		4,490,921.44	8,252,220.24	66,322,160.66
Office equipment	16,013,634.91	1,506,836.41						17,520,471.32
Special equipment	1,240,502,918.33	106,564,714.62				11,951,689.04		1,335,115,943.91
Total	2,357,424,644.57	351,348,006.99		944,520,734.45	2,088,351.05	34,424,259.54	33,466,552.29	3,587,490,925.23
(3) Impairment loss								
Buildings		4,725.73						4,725.73
Plant machinery and equipment		8,185,384.00		247,063,236.95			5,936,089.63	249,312,531.32
Transportation		8,216.99		177,489.93				185,706.92
Electronic and other equipment				2,763,790.81				2,763,790.81
Office equipment								
Special equipment								
Total		8,198,326.72		250,004,517.69			5,936,089.63	252,266,754.78
(4) Net book value								
Buildings	1,529,162,450.46							3,990,961,539.08
Plant machinery and equipment	970,537,729.27							2,440,388,012.28

Items	Opening balance	Increase in current year				Decrease in current year		Closing balance
		Purchasing	Transfer from construction in progress	Business combination	Others	Disposal	Others	
Transportation	93,133,656.21							149,849,084.36
Electronic and other equipment	41,279,062.16							112,033,769.90
Office equipment	7,535,612.52							8,332,994.59
Special equipment	4,917,621,815.40							5,346,954,600.14
Total	7,559,270,326.02							12,048,520,000.35

Note: Other decreases in the current period are mainly due to the transfer of fixed assets of Zhejiang Great Southeast Co., Ltd., a subsidiary of the company, into construction in progress and the corresponding decrease of fixed assets transferred out according to Zhujia Health Investment Co., Ltd., a subsidiary of the company in the current period;

(2) At the end of the period, there is no fixed asset leased by financial leasing.

(XIV) Construction in process

1. Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Construction in process	2,474,343,232.52	-	2,474,343,232.52	5,021,055,844.63	-	5,021,055,844.63
Project goods and material	-	-	-	-	-	-
Total	2,474,343,232.52	-	2,474,343,232.52	5,021,055,844.63	-	5,021,055,844.63

2. Construction in process

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Service center of migrant workers of Shanxiahua Town	1,419,809.84		1,419,809.84	420,020.34		420,020.34
Office building	5,602,369.41		5,602,369.41	3,283,239.06		3,283,239.06
Fengqiao college	54,896,034.10		54,896,034.10	229,143.92		229,143.92
Service center of migrant workers of Yingdianjie Town	2,450,604.26		2,450,604.26	1,996,439.48		1,996,439.48
Water industry construction	11,561,554.37		11,561,554.37	11,377,256.22		11,377,256.22
Construction of Huanjiang water	26,392,468.54		26,392,468.54			

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Water plant expansion in the south of the city				7,602,413.16		7,602,413.16
Water plant and urban and rural water supply supporting project in the north of the city	82,981,942.39		82,981,942.39	600,959,102.90		600,959,102.90
Zhuji Qingshan Water Plant and supporting pipe network project	9,189,918.07		9,189,918.07	9,189,918.07		9,189,918.07
Water pipe network project				95,798,698.90		95,798,698.90
Huandong Reclaimed Water Plant Supporting Pipe Network Project	13,891,351.50		13,891,351.50	36,029,358.01		36,029,358.01
The eighth batch of central government small farmland water conservancy project in Zhuji	56,718,561.94		56,718,561.94	45,482,871.95		45,482,871.95
Puyang River Management Phase II Project	337,113,028.88		337,113,028.88	76,522,337.57		76,522,337.57
Yongning reservoir project	1,643,465,234.25		1,643,465,234.25	1,615,163,028.05		1,615,163,028.05
Renovation of Xintingbu Wharf	15,900,598.33		15,900,598.33	13,931,406.69		13,931,406.69
Zhaojiabu Grain Depot Expansion (Phase II)	81,173,419.65		81,173,419.65	80,876,129.65		80,876,129.65
Logistics Grain Depot Expansion Project	15,864,074.82		15,864,074.82	15,864,074.82		15,864,074.82
Zhaojiabu Grain Depot Expansion	6,117,166.53		6,117,166.53	5,259,083.53		5,259,083.53
Intelligent transformation project of grain depot	2,037,722.00		2,037,722.00	27,526.00		27,526.00
Fengqiao Seed Emergency Reserve Library	175,919.50		175,919.50	100,709.00		100,709.00
Jiangzao Seed Emergency Reserve Library	2,283,125.03		2,283,125.03	2,039,901.70		2,039,901.70
Rice Industry Improvement Project	1,080,183.00		1,080,183.00	1,080,183.00		1,080,183.00
Seed company warehouse remodeling	332,255.00		332,255.00	290,598.50		290,598.50
Rain and sewage diversion project	71,767.00		71,767.00	71,767.00		71,767.00
Xindianwan to Wangjiazhai Highway Reconstruction Project				264,344,857.03		264,344,857.03
Livable village construction project				407,532,221.50		407,532,221.50
Lanting to store road construction project				32,568,195.00		32,568,195.00
Beautiful highway project in the national forest park of huanhui kuaishan				30,860,686.40		30,860,686.40
Ring road east extension project				41,945,692.50		41,945,692.50
Renovation of Sandu Middle school				3,000,000.00		3,000,000.00
Puyang River Management Phase I Project				601,576,755.29		601,576,755.29
Gaohu store and prevent flood reconstruction project				938,769,279.97		938,769,279.97
High lake comprehensive development project				39,246,707.53		39,246,707.53

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
Special actions for the three reforms in 2015				27,701,482.00		27,701,482.00
Sporadic Engineering	8,407,670.47		8,407,670.47	9,914,759.89		9,914,759.89
Environmentally friendly town	5,900,000.00		5,900,000.00			
Grassroots reform of tax bureau	2,320,234.99		2,320,234.99			
Jiangsu sanling wisdom material union	915,065.22		915,065.22			
No.2 Plant project of No. 1, cambuddy road	324,117.97		324,117.97			
Rescue center rectification project	2,327,388.42		2,327,388.42			
Huandong street outside builders management service center	2,206,887.88		2,206,887.88			
Test training center (section 1, 4) decoration project	207,506.73		207,506.73			
Parking lot project	20,384,979.43		20,384,979.43			
Chengdong transfer hub and bus service platform project	4,801,694.70		4,801,694.70			
Technical transformation project of diaphragm production line	45,990,940.15		45,990,940.15			
Expert building decoration project	792,040.15		792,040.15			
Anhua town heyang passenger station construction project	4,326,787.00		4,326,787.00			
Donghe township dalin passenger station construction project	4,718,811.00		4,718,811.00			
Total	2,474,343,232.52	-	2,474,343,232.52	5,021,055,844.63	-	5,021,055,844.63

(2) No obvious signs of impairment were found in the construction under construction at the end of the period, so no impairment provision was made.

(XV) Intangible assets

1. Details

Items	Opening balance	Increase in current year				Decrease in current year		Closing balance
		Purchasing	Internal R&D	Business combination	Others	Disposal	Others[Note]	
(1) Book balance								
Land use rights	1,299,068,308.37	180,412,792.65		120,711,957.03		3,636,699.73	634,020,000.00	962,536,358.32
Software use rights	796,299.46	107,689.32		19,349,908.38		18,879,216.68		1,374,680.48
Total	1,299,864,607.83	180,520,481.97		140,061,865.41		22,515,916.41	634,020,000.00	963,911,038.80

Items	Opening balance	Increase in current year				Decrease in current year		Closing balance
		Purchasing	Internal R&D	Business combination	Others	Disposal	Others[Note]	
(2) Accumulated depreciation		Recognise	Others			Disposal	Others	
Land use rights	107,419,800.60	30,504,915.33		35,603,049.82		1,685,306.78	38,764,761.90	133,077,697.07
Software use rights	719,019.97	207,673.62		9,964,672.26		10,030,040.27		861,325.58
Total	108,138,820.57	30,712,588.95		45,567,722.08		11,715,347.05	38,764,761.90	133,939,022.65
(3) Impairment loss								
Land use rights								
Software use rights		1,476,863.69		7,331,870.62		8,808,734.31		
Total		1,476,863.69		7,331,870.62		8,808,734.31		
(4) Book value								
Land use rights	1,191,648,507.77							829,458,661.25
Software use rights	77,279.49							513,354.90
Total	1,191,725,787.26							829,972,016.15

(XVI) Goodwill

1. Original book value of goodwill

The invested entity of the matter of goodwill	Opening balance	Increase in current year		Decrease in current year		Closing balance
		Business combination	Others	Disposal	Others[Note]	
Zhejiang Great Southeast Corp.Ltd		593,507,468.55				593,507,468.55
Jiangsu Feida Baokai Electric co., LTD		54,397,501.40				54,397,501.40
Total		647,904,969.95				647,904,969.95

2. Description of goodwill formed in this period

This period of goodwill is formed by the merger of Zhuji Water group co., ltd. and Feida group co., LTD., the subsidiaries of the company, during the reporting period. Please refer to note VI(1) of this financial statement for the relevant explanation in "the merger of enterprises not under the same control".

(XVII) Long-term prepaid expenses

Items	Opening balance	Increase in current year	Amortised in current year	Other reduction	Closing balance
Bond issue fee amortization	66,345,732.19	13,589,322.04	28,537,276.48		51,397,777.75
Huangshan land lease fee	1,308,059.00		219,204.00		1,088,855.00
Decoration expense	257,484.27	4,693,663.32	568,611.24		4,382,536.35
Intellectual property	282,268.94		5,829.32		276,439.62
Rent	364,285.74		364,285.74		
Highway billboard removal costs		6,730,731.19	5,390,584.96		1,340,146.23
Total	68,557,830.14	25,013,716.55	35,085,791.74		58,485,754.95

(XVIII) Deferred tax assets

Non offset deferred income tax assets

Item of deferred tax assets	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	33,571,000.35	8,392,750.09	23,051,247.63	5,762,811.91
Accrued expenses	918,436.92	229,609.23		
Undeducted loss	29,853,603.60	7,463,400.90		
Total	64,343,040.87	16,085,760.22	23,051,247.63	5,762,811.91

(XIX) Other non-current assets

Items	Closing balance	Opening balance
Zhuji Section of Hangzhou-Changzhou Railway Passenger Dedicated Line	565,580,000.00	565,580,000.00
Advance payment for equipment	12,151,594.80	-
Total	577,731,594.80	565,580,000.00

(XX) Short-term borrowings

1. Details

Category	Closing balance	Opening balance
Pledge loans		330,000,000.00

Category	Closing balance	Opening balance
Mortgage loans	83,000,000.00	
Guaranteed loans	1,390,170,500.00	308,000,000.00
Credit loans	910,593,203.87	500,653,174.02
Pledge and Guaranteed loans		370,000,000.00
Mortgage, pledge and guaranteed loan	26,243,766.78	
Total	2,410,007,470.65	1,508,653,174.02

2. Short-term borrowings during the extension period

Lender	Category	Amount of borrowing	Maturity date of extension
Agricultural Development Bank of China	Credit loans	7,380,000.00	2020/12/17
Agricultural Development Bank of China	Credit loans	6,384,000.00	2020/11/6
Agricultural Development Bank of China	Credit loans	6,000,000.00	2020/8/26
Agricultural Development Bank of China	Credit loans	20,627,200.00	2020/7/24
Agricultural Development Bank of China	Credit loans	6,000,000.00	2020/9/25
Agricultural Development Bank of China	Credit loans	5,040,000.00	2020/7/31
Agricultural Development Bank of China	Credit loans	18,931,500.00	2020/9/25
Agricultural Development Bank of China	Credit loans	27,902,000.00	2020/12/18
Agricultural Development Bank of China	Credit loans	7,200,000.00	2020/7/24
Total	Credit loans	105,464,700.00	

(XXI) Notes payable

1. Details

Items	Closing balance	Opening balance
bank acceptance	20,250,000.00	
Trade acceptance	73,960,689.46	
Total	94,210,689.46	

(XXII)Accounts payable

(1) Details

Aging	Closing balance	Opening balance
Within 1 year	702,245,637.51	188,504,468.66
1-2 years	46,900,825.92	28,832,591.29
2-3 years	24,291,573.61	28,604,740.54
Over 3 years	112,960,349.94	133,561,206.27
Total	886,398,386.98	379,503,006.76

(2) Significant account payable and aged over 1 year

Name of company	Closing balance	Reason of unpaid or transferred
Zhejiang Zhuji Jinmao Real Estate Co., Ltd	80,000,000.00	Payment is not settled before completion
Zhejiang Guangchuan Construction Co., Ltd	23,339,991.00	Payment is not settled before completion
Zhejiang Zhengbang Hydropower Construction Co., Ltd	11,302,388.00	Payment is not settled before completion
Total	114,642,379.00	

(XXIII) Advance from customers

1. Details

Aging	Closing balance	Opening balance
Within 1 year	394,990,238.88	634,098,729.50
1-2 years	86,972,028.58	149,483,129.55
2-3 years	9,135,368.15	24,460,203.62
Over 3 years	95,432,150.13	75,472,290.82
Total	586,529,785.74	883,514,353.49

2. Significant advance from customers and aged over 1 year

Name of company	Closing balance	Reason of unpaid or not transferred
Resettlement Work Office of Yongning Reservoir Project	96,606,738.45	Project unsettle
Water industry construction	24,757,479.55	Project unsettle
Total	121,364,218.00	

(XXIV) Employee benefits payable

1. Details

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
(1) Short-term employee benefits	27,972,576.35	496,370,709.28	476,120,661.06	48,222,624.57
(2) Post-employment benefits - setting up a defined contribution plan	935,212.30	32,521,034.13	31,699,777.46	1,756,468.97
(3) termination benefits		29,148.25	21,678.37	7,469.88
(4) Other benefits due within one year				
Total	28,907,788.65	528,920,891.66	507,842,116.89	49,986,563.42

2. Short-term employee benefits

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
(1) Wages, bonuses, allowances and subsidies	27,582,377.20	438,851,659.79	418,639,780.04	47,794,256.95
(2) Welfare	57,410.21	18,138,905.01	18,114,153.36	82,161.86
(3) Social insurance		18,249,008.38	17,955,044.77	293,963.61
Including: Medical insurance		16,189,578.19	15,935,246.78	254,331.41
Industrial injury insurance		1,016,439.85	1,004,572.46	11,867.39
Maternity insurance		1,035,266.76	1,007,501.95	27,764.81
Others		7,723.58	7,723.58	
(4) Housing accumulation fund	51,116.24	19,214,259.74	19,255,576.68	9,799.30
(5) Labor union fund and employee education expenses	281,672.70	1,916,876.36	2,156,106.21	42,442.85
(6) Short term paid absence				
(7) Short term profit sharing plan				
(8) Non-monetary welfare				
(9) Other short-term employee benefits				
Total	27,972,576.35	496,370,709.28	476,120,661.06	48,222,624.57

3. Post-employment benefits - setting up a defined contribution plan

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
(1) Endowment insurance	934,726.01	30,724,929.60	29,925,263.30	1,734,392.31
(2) Unemployment insurance	486.29	1,172,743.93	1,151,153.56	22,076.66
(3) Enterprise annuity payment		623,360.60	623,360.60	
Total	935,212.30	32,521,034.13	31,699,777.46	1,756,468.97

(XXV) Taxes payable

Items	Closing balance	Opening balance
VAT	46,834,031.82	27,372,787.85
Business tax	55,089,328.30	55,051,918.39
Urban maintenance and construction tax	5,888,484.82	4,616,968.89
Corporate income tax	265,717,895.71	233,659,836.08
Property tax	6,679,828.28	35,642,319.06
Stamp duty	159,867.36	97,484.67
Increment tax on land value	106,564.80	36,876.32
Land use tax	55,775,397.33	113,879,278.84
Education surcharge	3,350,132.31	2,674,445.33
Local education surcharges	918,762.62	656,911.42
Special fund for water conservancy construction	14,453.74	-
Withholding personal income tax	543,271.60	261,641.10
Disability insurance	29,217.76	
vehicle purchase tax	2,999.25	
Environmental tax	18,510.44	
Other	1,256,897.38	1,208,281.65
Total	442,385,643.52	475,158,749.60

(XXVI) Other payables

1. Details

Items	Closing balance	Opening balance
Interest payable	480,214,522.33	397,489,448.01
Dividends payable		-
Other payables	4,649,883,607.07	7,741,783,733.98
Total	5,130,098,129.40	8,139,273,181.99

2. Interest payable

(1) Details

Items	Closing balance	Opening balance
Short-term borrowings	1,290,635.07	738,054.92
Long-term borrowings	52,165,125.11	50,353,729.88
Corporate bonds	406,029,120.94	343,605,798.39
Long-term payable	2,027,111.11	
Finance leases	18,702,530.10	2,791,864.82
Total	480,214,522.33	397,489,448.01

3. Other payables

(1) Details

Items	Closing balance	Opening balance
Within 1 year	2,008,001,064.87	984,564,633.52
1-2 years	656,526,230.89	688,541,568.55
2-3 years	599,875,496.39	804,156,743.45
Over 3 years	1,385,480,814.92	5,264,520,788.46
Total	4,649,883,607.07	7,741,783,733.98

(2) Significant other payable and aged over 1 year

Items	Closing balance	Reason of unsettle
Zhuji Municipal Bureau of Finance	786,236,261.94	Temporary borrowing
Zhuji Jianshun Construction Project Investment Partnership (Limited Partnership)	596,450,000.00	Temporary borrowing
Zhuji Yuedu Investment Development Co., Ltd	200,000,000.00	Temporary borrowing
Zhuji Charity Federation	120,000,000.00	Temporary borrowing
China Agricultural Development Key Construction Fund Co., Ltd	114,000,000.00	Temporary borrowing
Total	1,816,686,261.94	

(3) Description of the nature or content of other payables with a larger amount

Name of company	Closing balance	Nature or content
Zhuji Municipal Bureau of Finance	812,873,518.67	Temporary borrowing
Zhuji Jianshun Construction Project Investment Partnership (Limited Partnership)	596,450,000.00	Temporary borrowing
Zhuji Yuedu Investment Development Co., Ltd	321,024,854.10	Temporary borrowing
Total	1,730,348,372.77	

(XXVII) Non-current liabilities due within one year

1. Details

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	6,642,420,000.00	4,444,609,770.89
Debentures payable due within 1 year	401,000,000.00	414,000,000.00
Long-term payable due within 1 year	2,394,326,624.04	476,888,298.34
Total	9,437,746,624.04	5,335,498,069.23

2. Long-term borrowings due within one year

(1) Details

Categories	Closing balance	Opening balance
Pledge loans	298,500,000.00	340,500,000.00
Mortgage loans		210,000,000.00
Credit loans	620,000,000.00	330,000,000.00
Guaranteed loans	3,782,420,000.00	2,188,180,000.00
Mortgage and Pledge loans	400,000,000.00	1,020,000,000.00
Mortgage, Pledge and Guaranteed loans	450,000,000.00	
Mortgage and Guaranteed loans	89,000,000.00	
Pledge and Guarantee loans	1,002,500,000.00	355,929,770.89
Total	6,642,420,000.00	4,444,609,770.89

(2) Top 5 in amount of long-term borrowings due within one year

Loan unit	Borrowing date	Due date	Currency	Closing balance
Bank of Hangzhou	2019/3/20	2020/9/20	RMB	500,000,000.00
Minsheng Bank	2017/8/10	2020/8/10	RMB	400,000,000.00
Bank of Hangzhou	2017/4/1	2020/3/13	RMB	350,000,000.00
Industrial Bank	2018/9/21	2020/9/21	RMB	300,000,000.00
Bank of Hangzhou	2015/12/16	2020/12/15	RMB	300,000,000.00
Total				1,850,000,000.00

3. Debentures payable due within one year

Names of bonds	Face value	Issue date	Term	Issue Amount	Opening balance	Repayments in current year	Increase in current year	Closing balance
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Names of bonds	Face value	Issue date	Term	Issue Amount	Opening balance	Repayments in current year	Increase in current year	Closing balance
18 Huanjiang Water Stock Bond	704,000,000.00	2018/11	6years	704,000,000.00	94,000,000.00	94,000,000.00	101,000,000.00	101,000,000.00
12 Zhuji Bond	1,600,000,000.00	2012/12/19	7years	1,600,000,000.00	320,000,000.00	320,000,000.00		
16 Zhuji City East debt	1,500,000,000.00	2016/8/26	7years	1,500,000,000.00			300,000,000.00	300,000,000.00
Total	3,804,000,000.00			3,804,000,000.00	414,000,000.00	414,000,000.00	401,000,000.00	401,000,000.00

4. Long-term payable due within one year

Name of company	Initial value	Interest payable	Closing balance
Bocom International			1,000,000,000.00
Minmetals International Trust Co., Ltd			90,000,000.00
Huarong Financial Leasing Co., Ltd			100,000,000.00
AVIC International Leasing Co., Ltd			48,551,875.56
Huiyin Financial Leasing Co., Ltd			50,000,000.00
Zhejiang Chouzhou Financial Leasing Co., Ltd			40,000,000.00
Xiamen Jinyuan Financial Leasing Co., Ltd			79,430,731.26
Gansu Lanyin Financial Leasing Co., Ltd			33,333,333.34
Yunongshang Financial Leasing Co., Ltd			70,000,000.00
Yongying Financial Leasing Co., Ltd			15,000,000.00
Ping An International Financial Leasing Co., Ltd			80,000,000.00
Pingan International Leasing (Tianjin) Co., Ltd			39,818,287.20
Huaxin International Trust Co., Ltd			123,200,000.00
Far East Horizon Co. Ltd.,			66,780,155.78
Pingan International Leasing (Tianjin) Co., Ltd			59,288,819.75
Jiangsu Financial Leasing Co., Ltd			20,000,000.00
Changjiang United Financial Leasing Co., Ltd			60,000,000.00
Jiyin finance and Huasheng joint leasing project			62,500,000.00
Huarong Financial Leasing Co., Ltd			52,536,135.77
Beijing Hengtai Pratt & Whitney Information Service Co., Ltd			199,470,000.00

Name of company	Initial value	Interest payable	Closing balance
Yongying Financial Leasing Co., Ltd			42,000,000.00
Zhejiang airport Financial Leasing Co., Ltd			62,417,285.38
Total			2,394,326,624.04

(XXVIII) Other current liabilities

Items	Closing balance	Opening balance
Short term bonds payable	236,410,000.00	

(XXIX) Long-term borrowings

Categories	Closing balance	Opening balance
Pledge loans	5,342,250,000.00	6,136,500,000.00
Guaranteed loans	7,952,720,000.00	10,585,770,000.00
Credit loans	2,510,000,000.00	3,132,000,000.00
Mortgage and guaranteed loans	491,000,000.00	580,000,000.00
Pledge and guaranteed loans	6,880,429,770.89	5,639,430,000.00
Mortgage and pledge loans	2,100,000,000.00	2,500,000,000.00
Mortgage, pledge and guaranteed loans	810,000,000.00	840,000,000.00
Total	26,086,399,770.89	29,413,700,000.00

(XXX) Bonds payable

1. Details

Items	Closing balance	Opening balance
Face value of bond	17,961,100,000.00	11,508,455,200.00

2. Movement in debentures payable

Name	Face value	Issue date	Term	Issue amount	Opening balance	Current issue	Accrued interest at face value	Amortization of surplus and discount	Current repayment	Other decrease [Note]	Closing balance
16 Zhuj State-Owned Bond 01	2,000,000,000.00	2016/9/30	5years	2,000,000,000.00	2,000,000,000.00						2,000,000,000.00
17 Zhuj State-Owned Bond 01	1,000,000,000.00	2017/6/30	7years	1,000,000,000.00	1,000,000,000.00						1,000,000,000.00

Name	Face value	Issue date	Term	Issue amount	Opening balance	Current issue	Accrued interest at face value	Amortization of surplus and discount	Current repayment	Other decrease [Note]	Closing balance
17 Zhuji State-Owned Bond 02	1,300,000,000.00	2017/7/31	7years	1,300,000,000.00	1,300,000,000.00						1,300,000,000.00
16 Zhuji Economic Development small and micro Bond 01	800,000,000.00	2016/1/25	4years	800,000,000.00	800,000,000.00				800,000,000.00		
16 Zhuji Economic Development small and micro Bond 02	700,000,000.00	2016/10/27	4years	700,000,000.00	700,000,000.00				700,000,000.00		
18 Huanjiang Water Stock Bond	704,000,000.00	2018/11	6years	704,000,000.00	574,000,000.00					101,000,000.00	473,000,000.00
16 Zhuji City East debt	1,500,000,000.00	2016/8/26	7years	1,500,000,000.00	1,500,000,000.00				300,000,000.00	300,000,000.00	900,000,000.00
18 Zhuji State-Owned MTN001	1,500,000,000.00	2018/3/22	5years	1,500,000,000.00	1,500,000,000.00						1,500,000,000.00
US dollar-denominated bonds 1	230,000,000.00dollars	2018/12/12	3years	230,000,000.00dollars	1,578,536,000.00						1,578,536,000.00
US dollar-denominated bonds 2	81,000,000.00dollars	2018/12/24	3years	81,000,000.00dollars	555,919,200.00						555,919,200.00
19 Zhuji State-Owned PPN001	3,500,000,000.00	2019/1/25	3years	3,500,000,000.00		3,500,000,000.00					3,500,000,000.00
19 Zhuji State-Owned Bond 01	1,800,000,000.00	2019/10/29	5years	1,800,000,000.00		1,800,000,000.00					1,800,000,000.00
Overseas USD bond 626	189,000,000.00dollars	2019/6/26	3years	189,000,000.00dollars		1,353,644,800.00					1,353,644,800.00
19 Zhuxin 01 bond	2,000,000,000.00	2019/11/26	3+2years	2,000,000,000.00		2,000,000,000.00					2,000,000,000.00
Total					11,508,455,200.00	8,653,644,800.00			1,800,000,000.00	401,000,000.00	17,961,100,000.00

Note: The decrease of 101,000,000.00 yuan in 18Huanjiang water assets securities is the non-current liability account due within one year; The decrease of 300,000,000.00 yuan in 16Zhuji Chengdong debt is the non-current liability account due within one year.

(XXXI) Long-term payable

1. Details

Items	Closing balance	Opening balance
Long-term payable	8,635,079,244.85	2,884,802,834.35

Items	Closing balance	Opening balance
Special payables	4,256,109,486.47	4,770,114,028.47
Total	12,891,188,731.32	7,654,916,862.82

2. Long-term payable

(1) Details

Items	Closing balance	Opening balance
Far Eastern Horizon Leasing Co., Ltd	124,884,003.74	191,664,159.52
Pingan International Leasing (Tianjin) Co., Ltd	382,983,135.84	363,719,289.44
Guoyin Financial Leasing Co., Ltd		484,400,000.00
China Huarong Financial Leasing Co., Ltd	647,143,541.68	511,712,985.07
Avic International Leasing Co., Ltd	105,494,524.76	154,046,400.32
Huishang Bank Financial Leasing Co., Ltd	160,000,000.00	120,000,000.00
Beijing Hengtaipuhui Information Service Co., Ltd	199,220,000.00	90,260,000.00
Suyin Financial Leasing Co., Ltd	83,097,870.00	100,000,000.00
Pingan International Leasing Co., Ltd	413,181,102.24	280,000,000.00
Qingdao Urban and Rural Construction Leasing Co., Ltd	81,576,426.89	99,000,000.00
Ligan financial leasing (Shanghai) Co., Ltd	56,000,000.00	70,000,000.00
Guangzhou Yuexiu Financial Leasing Co., Ltd	210,000,000.00	150,000,000.00
YONGYING Financial Leasing Co., Ltd	603,000,000.00	270,000,000.00
China Resources SDIC Trust Co., Ltd	200,000,000.00	
Zhejiang Chouzhou Financial Leasing Co., Ltd	160,000,000.00	
Xiamen Jinyuan Financial Leasing Co., Ltd	170,569,268.74	
Gansu Lanyin Financial Leasing Co., Ltd	49,999,999.99	
Yunongshang Financial Leasing Co., Ltd	200,000,000.00	
Huaxin International Trust Co., Ltd	150,000,000.00	
Xiamen International Trust Co., Ltd	50,000,000.00	
Land reserve center of Zhuji Municipal People's Government	1,600,000,000.00	
China Shipping Trust Co., Ltd	884,800,000.00	
Lujiazui International Trust Co., Ltd	299,200,000.00	

Items	Closing balance	Opening balance
Foshan Haisheng Financial Leasing Co., Ltd	173,127,247.55	
Zhejiang zheyin Financial Leasing Co., Ltd	182,605,286.13	
Huabaoduding (Shanghai) Financial Leasing Co., Ltd	224,130,789.34	
Shanghai Yuansheng Financial Leasing Co., Ltd	83,333,333.33	
Jiushi financial leasing (Shanghai) Co., Ltd	196,900,000.00	
Cornerstone International Financial Leasing Co., Ltd	70,000,000.00	
Jiangsu Financial Leasing Co., Ltd	70,000,000.00	
Changjiang United Financial Leasing Co., Ltd	210,000,000.00	
Jiyin Financial Leasing Co., Ltd	156,250,000.00	
Zhejiang airport Financial Leasing Co., Ltd	137,582,714.62	
Bocom International Trust Co., Ltd	300,000,000.00	
Total	8,635,079,244.85	2,884,802,834.35

3. Special payables

Items	Opening balance	Increase in current year	Transferred in current year	Closing balance
Financial allocation	3,808,336,194.10	489,689,578.00	597,514,820.00	3,700,510,952.10
Liquidation of fixed assets	62,116,817.37			62,116,817.37
Primary industry special funds	2,066,825.00			2,066,825.00
Grain storage safety installations and purchase facilities to facilitate people counterpart funding	57,492.00	650,000.00		707,492.00
Modern agricultural rice industry upgrading project	1,000,000.00			1,000,000.00
Liveable village construction project capital	122,838,000.00			122,838,000.00
Special actions for the three reforms in 2015	398,869,400.00	30,000,000.00	80,000,000.00	348,869,400.00
Gaohu store and prevent flood reconstruction project	374,829,300.00	20,000,000.00	394,829,300.00	
Special capital construction loan subsidy for zhaojiabu grain depot project		8,460,000.00	8,460,000.00	
Intelligent transformation of grain depot in Zhuji City		1,928,725.00	1,928,725.00	

Items	Opening balance	Increase in current year	Transferred in current year	Closing balance
Transformation of passenger station		18,000,000.00		18,000,000.00
Total	4,770,114,028.47	568,728,303.00	1,082,732,845.00	4,256,109,486.47

(XXXII) Deferred income

1. Details

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Government subsidies	70,720,372.05	119,016,624.20	26,985,979.86	162,751,016.39
twice supplying water for high building	117,766,249.20	22,004,205.86	10,730,849.94	129,039,605.12
Initial installation cost of rural household project		54,261,714.90	1,910,734.07	52,350,980.83
Unrealized financing profits	250,249.99		54,470.00	195,779.99
Total	188,736,871.24	195,282,544.96	39,682,033.87	344,337,382.33

2. Project involving government subsidies

Items	Opening balance	Increase in current year	Amortisation in current year		Other movement	Closing balance	Related to assets/revenue
			Transferred in	Amount			
Fiscal subsidy to Water Factory and pump station	66,020,865.47	476,267.57	Other income	117,839.40		66,379,293.64	Related to assets
Sewage pipeline construction subsidy	4,660,873.38	743,114.26	Other income	247,479.96		5,156,507.68	Related to assets
Support and promote the development of the primary industry	38,633.20					38,633.20	Related to revenue
Street lamp subsidy		28,000,000.00	Other income	22,900,043.54		5,099,956.46	Related to assets
Smart agriculture construction subsidy		12,000,000.00				12,000,000.00	Related to assets
Subsidy for construction project of new optical film materials with an annual output of 50000 tons			Other income	2,965,083.65	61,942,153.36	58,977,069.71	Related to assets
Subsidy for construction project of new functional BOPET packaging film with annual output of 60000 tons			Other income	8,333.33	163,888.87	155,555.54	Related to assets

Items	Opening balance	Increase in current year	Amortisation in current year		Other movement	Closing balance	Related to assets/revenue
			Transferred in	Amount			
Technical transformation project of ultrathin capacitor membrane with annual output of 8000 tons			Other income	747,199.98	15,691,200.14	14,944,000.16	Related to assets
Total	70,720,372.05	41,219,381.83		26,985,979.86	77,797,242.37	162,751,016.39	

(XXXIII) Paid-in capital

1. Details

Investor	Opening balance	Percent at beginning (%)	Increase in current year	Decrease in current year	Closing balance	Percent at end of year (%)
Zhuji City, State-owned Assets Supervision and Administration Commission	800,000,000.00	100.00	-	-	800,000,000.00	100.00

(XXXIV) Capital reserve

1. Details

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Capital premium	32,249,333,300.26	158,441,198.90	390,606.92	32,407,383,892.24
Other capital reserve	7,004,786,483.79	5,795,717,225.77	2,126,327,926.16	10,674,175,783.40
Total	39,254,119,784.05	5,954,158,424.67	2,126,718,533.08	43,081,559,675.64

2. The reason and details of the change in capital reserve during the reporting period

The Company received a capital input of RMB 156,214,476.19 by Zhuji Finance Bureau, RMB156,214,476.19 of which increased the paid-in capital and the others increased the capital reserve - capital premium ;

The Company received a capital input by RMB 2,226,722.71 from Zhuji state owned assets supervision and Administration Commission, that increased the capital reserve - capital premium by RMB2,226,722.71;

The company's joint venture Zhejiang Suichang Jiyang Shanghai Cooperation Industrial Park Development Co., Ltd. (the company's shareholding ratio is 50%) had other equity changes of 35,769,094.12 yuan in the current period, and the company increased the capital reserve - other capital reserve by 17,884,547.06 yuan according to the shareholding ratio;

Zhuji Urban and Rural Investment Group Co., Ltd., a subsidiary of the company, appropriated the equity of Zhuji Health Investment Co., Ltd. according to the documents, reducing the capital reserve - other capital reserve by 85,503,567.08 yuan;

Zhejiang Huanjiang Media Group Co., Ltd., a subsidiary of the company, received 106,494,900.00 yuan of transferred assets from Zhuji Finance Bureau and increased capital reserve - other capital reserve by 106,494,900.00 yuan;

Zhejiang Linhang Investment Co., Ltd., a subsidiary of the company, received an asset of 300,762,000.00 yuan from Zhuji Finance Bureau, and increased the capital reserve - other capital reserve of 300,762,000.00 yuan;

Zhuji Jindun Security Service Co., Ltd., a subsidiary of the company, was cancelled, reducing capital reserve - capital premium of 390,606.92 yuan;

According to the documents of Zhuji Municipal Bureau of finance, Zhuji Water Group Co., Ltd., a subsidiary of the company, took the government bond replacement fund of 590,000,000.00 yuan as capital investment, and increased the capital reserve - other capital reserve of 590,000,000.00 yuan;

Zhuji Yongning water conservancy investment and Development Co., Ltd., a subsidiary of the company, took the government bond replacement fund of 681,000,000.00 yuan as capital investment according to the documents of Zhuji Finance Bureau, and increased the capital reserve - other capital reserve of 681,000,000.00 yuan;

Zhuji Yongning water conservancy investment and Development Co., Ltd., a subsidiary of the company, received 25,066,421.00 yuan of transferred assets from Zhuji Finance Bureau and increased capital reserve - other capital reserve by 25,066,421.00 yuan;

Zhuji Water Group Co., Ltd., a subsidiary of the company, received 11,460,124.57 yuan of equity transferred from Zhuji state owned assets supervision and Administration Commission to Zhuji Hydropower Survey and Design Institute in this period, and increased capital reserve - other capital reserve by 11,460,124.57 yuan;

Zhuji Transportation Infrastructure Construction Co., Ltd., a subsidiary of the company, reduced the land use right and the capital reserve - other capital reserve by 595,255,238.10 yuan according to the documents of the Finance Bureau in this period;

Zhuji Public Transport Co., Ltd., a subsidiary of the company, received financial appropriation of 110,804,812.00 yuan in the current period, and increased capital reserve - capital premium of 110,804,812.00 yuan;

Zhuji Education Development Investment Co., Ltd., a subsidiary of the company, received 16,034,760.00 yuan of assets transferred from Zhuji Finance Bureau and increased capital reserve - other capital reserve by 16,034,760.00 yuan;

Zhuji Communications Investment Group Co., Ltd., a subsidiary of the company, received 168,171,959.00 yuan of assets transferred from Zhuji Finance Bureau and increased the capital reserve - other capital reserve by 168,171,959.00 yuan;

Zhuji urban and Rural Investment Group Co., Ltd., a subsidiary of the company, received 40,705.72 yuan of assets transferred from Zhuji Finance Bureau and increased capital reserve - other capital reserve by 40,705.72 yuan;

Zhuji urban and Rural Investment Group Co., Ltd., a subsidiary of the company, received the equity of 4,750,517.31 yuan transferred by Zhuji state owned assets supervision and Administration Commission into Zhuji Information Network Co., Ltd. in the current period, and increased the capital reserve - other capital reserve of 4,750,517.31 yuan;

Zhuji Urban and Rural Investment Group Co., Ltd., a subsidiary of the company, returned 722,750,172.30 yuan financial transferred in assets in the current period, reduced capital reserve - other capital reserve 722,750,172.30 yuan;

Zhuji Urban and Rural Investment Group Co., Ltd., a subsidiary of the company, reduced the land use right and capital reserve - other capital reserve 437,200,000.00 yuan according to the documents of the Finance Bureau;

Zhuji Xingcheng Industrial Investment Co., Ltd., a subsidiary of the company, received the assets transferred in by Zhuji Finance Bureau, 17,250.00 yuan, increase capital reserve - other capital reserve 17,250.00 yuan;

Zhuji City Square Property Management Co., Ltd., a subsidiary of the company, received 130,664.96 yuan assets transferred from Zhuji Finance Bureau, increased capital reserve - other capital reserve 130,664.96 yuan;

Zhuji Grain Storage Co., Ltd., a subsidiary of the company, received 12,189,005.00 yuan assets transferred from Zhuji Finance Bureau, increase capital reserve - other capital reserve 12,189,005.00 yuan;

Zhuji Huansha Small Town Construction Investment Co., Ltd., a subsidiary of the company, has replaced 350,000,000.00 yuan of government bonds in accordance with the documents of Zhuji Finance Bureau as capital input, increase capital reserve - other capital reserve 350,000,000.00 yuan;

Zhuji Xincheng investment and Development Group Co., Ltd., a subsidiary of the company, has replaced 560,000,000.00 yuan of government bonds in accordance with the documents of Zhuji Finance Bureau as capital input, increase capital reserve - other capital reserve 560,000,000.00 yuan;

Zhuji Xincheng investment and Development Group Co., Ltd., a subsidiary of the company, received 637,034.00 yuan assets transferred from Zhuji Finance Bureau, increased capital reserve - other capital reserves 637,034.00 yuan;

In accordance with the documents of Zhuji Finance Bureau, Zhuji Communications Investment Group Co., Ltd., a subsidiary of the company, has replaced RMB 2,602,293,600.00 with government bonds. As capital investment, RMB 2,602,293,600.00 will be increased from capital reserve to other capital reserve,;

Zhuji Rural Development Investment Co., Ltd., a subsidiary of the company, received 232,238,594.26 yuan assets from Zhuji Finance Bureau, increased capital reserve - other capital reserve 232,238,594.26 yuan;

Zhuji rural development and Investment Co., Ltd., a subsidiary of the company, has reduced the

land use right and capital reserve - other capital reserve RMB 285,447,578.00 according to the documents of the Finance Bureau;

Zhuji Rural Development Investment Co., Ltd., a subsidiary of the company, has reduced its assets and other capital reserves in accordance with the documents of the Finance Bureau 171,370.68, yuan;

Zhuji Environmental Sanitation Management Group Co., Ltd., a subsidiary of the company, received RMB 5,740,330.89 shares of Zhuji Environmental Sanitation Service Co., Ltd. transferred by Zhuji state owned assets supervision and Administration Commission in this period, increased capital reserve - capital premium RMB 5,740,330.89.

(XXXV) Other comprehensive income

Items	Opening balance	Movement in current year (+,-)					Closing balance
		Pretax income	Less: transferred from other comprehensive income to the profit or loss in the period	Less: Income tax expenses	Attributable to owners of the Company, net of tax	Attributable to non-controlling interests, net of tax	
(1) Other comprehensive income that cannot be reclassified into profit and loss		-10,204.70			-10,204.70		-10,204.70
Other comprehensive income that cannot be transferred to profit or loss under equity method		-10,204.70			-10,204.70		-10,204.70
(2) Other comprehensive income to be reclassified into profit and loss	23.43	174,326.63			174,326.63		174,350.06
Translation differences in foreign currency	23.43	174,326.63			174,326.63		174,350.06
Total	23.43	164,121.93			164,121.93		164,145.36

(XXXVI) Surplus reserve

1. Details

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
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Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Statutory surplus reserve	24,774,299.44	-	-	24,774,299.44

(XXXII) Retained earnings

1. Details

Items	Current year	Previous year
Retained earnings at end of previous year	4,288,920,921.58	4,168,035,076.33
Plus: adjustment of undistributed profit at the beginning of the year		-76,861,302.65
Adjustment to retained earnings at the beginning of current year	4,288,920,921.58	4,091,173,773.68
Plus: net profit attributable to equity holders of parent	215,157,177.26	239,062,356.62
Change of defined benefit plan carried forward to retained earnings		-
Less: appropriation of statutory surplus reserve		20,215,208.72
Withdraw general risk reserves		-
Common Stock dividends payable		-
Income from turning over state-owned capital	111,003,035.71	21,100,000.00
Retained earnings at the end of the period	4,393,075,063.13	4,288,920,921.58

2. Details of the adjustment to retained earnings at the beginning of current year

Due to the correction of important previous errors, the retained earnings at the beginning of the period was affected by - 90,222,987.40 yuan.

3. The explanation of profit distribution

According to the requirements of Zhuji Finance Bureau, the company turned over state-owned capital income RMB 96,003,035.71;

Zhuji Anshun Security Service Co., Ltd., a subsidiary of the company, turned over RMB 5,000,000.00 state-owned capital gains as required by Zhuji Finance Bureau;

Zhuji Yuefeng Seed Industry Co., Ltd., a subsidiary of the company, turned over 10,000,000.00 state-owned capital gains as required by Zhuji Finance Bureau.

(XXXVIII) Operating revenue / costs of sales

1. Details

Items	Current year		Previous year	
	Revenue	Cost of sale	Revenue	Cost of sale
Main business	6,314,316,836.02	5,858,456,338.30	4,391,515,204.85	4,113,152,336.94
Other business	292,018,038.33	69,900,537.43	119,649,080.37	27,416,253.63
Total	6,606,334,874.35	5,928,356,875.73	4,511,164,285.22	4,140,568,590.57

2. Operating revenue / costs of sales (business categories)

Name of business	Current year		Previous year	
	Revenue	Cost of sale	Revenue	Cost of sale
Tap water sales	285,341,572.10	241,630,285.21	211,203,748.12	152,230,306.35
Grain and oil sales	116,930,225.57	154,075,174.28	105,531,480.46	105,186,832.66
Pipe installing	58,834,292.25	46,703,271.79	27,906,054.85	23,996,012.97
Radio and television film media	183,203,790.08	107,812,749.11	174,373,746.90	165,566,644.83
Bus revenue	36,199,624.39	147,398,424.22	29,057,121.52	113,828,684.33
Tuition and fees	27,788,235.00	6,849,191.99	29,418,724.29	10,207,117.54
Crop seed sales	12,011,905.40	9,237,382.37	12,311,424.15	9,693,287.17
Demolition service			352,830.19	-
Income of movie city			844,579.88	574,465.35
Construction	1,029,555,449.61	950,637,864.81	665,863,101.68	559,491,141.54
Resettlement housing development	759,345,736.48	683,887,306.35	604,999,164.45	511,987,036.24
Land development	51,198,979.10	46,668,096.00	279,621,702.99	255,088,010.35
Sewage treatment	53,526,426.49	48,636,333.99	47,278,920.23	43,127,969.91
Copper trade	2,323,457,835.19	2,322,281,068.03	2,093,645,269.79	2,092,547,176.27
Security Service	167,670,781.43	115,033,815.22	88,573,643.24	54,479,766.01
Asphalt sales	24,289,250.47	24,847,985.29		
Income from sanitation services	11,742,198.31	15,286,193.33		
CPP sales revenue	78,003,583.45	75,526,881.44		

Name of business	Current year		Previous year	
	Revenue	Cost of sale	Revenue	Cost of sale
BOPET sales revenue	365,110,954.28	262,817,849.40		
Sales revenue of optical film	247,190,478.12	198,747,419.27		
Sales revenue of electric melting film	128,935,364.37	120,416,870.61		
Manufacture and Processing of Mechanical equipment & Warehouse logistics services	298,274,115.69	213,658,949.46		
Other service	55,706,038.24	66,303,226.13	20,533,692.11	15,147,885.42
Total	6,314,316,836.02	5,858,456,338.30	4,391,515,204.85	4,113,152,336.94

(XXXIX) Taxes and surcharges

Items	Current year	Previous year
Business tax		897,873.84
Urban maintenance and construction tax	3,874,666.14	3,322,726.78
Land use tax	44,221,438.35	24,508,550.73
Land value added tax.	69,688.48	
Property tax	20,540,806.73	9,941,478.92
Education surcharges	2,085,025.40	1,418,655.77
Local education surcharges	1,026,929.79	859,475.94
Water conservancy construction fund		29,929.14
Stamp duty	4,066,929.75	1,655,330.13
Vehicle and vessel use tax	19,576.46	106,329.61
Vehicle purchase tax	403,656.79	
Environmental tax	73,604.12	
Disability insurance	883,141.64	
Others	711,468.46	886,453.26
Total	77,976,932.11	43,626,804.12

[Note] The calculation standards for business taxes and levies refer to Note IV of the note of financial statements.

(XL) Financial expenses

Items	Current year	Previous year
Interest expenditure	1,365,730,691.24	599,397,608.67
Less: interest income	361,899,219.28	138,837,968.02
Exchange loss	19,298,014.38	3,793,811.28
Less: Exchange gain	65,174,123.15	-
Commission charges	4,133,785.41	737,528.73
Others	82,521,914.01	30,856,447.87
Total	1,044,611,062.61	495,947,428.53

(XLI) Other income

Government grants project	Current year	Previous year	Related to assets/revenue
The subsidy to the oil	10,366,997.00	10,153,390.00	Related to Revenue
Bus platform operate expenses	12,667,218.04	14,000,000.00	Related to Revenue
Fiscal subsidy to Water Factory and pump station	4,036,795.06	4,411,226.62	Related to Assets
Sewage pipeline construction subsidy	247,479.96	247,479.96	Related to Assets
Social security subsidy	142,345.89		Related to Revenue
Zhuji energy and water saving product certification Award	14,700.00		Related to Revenue
Zhuji market supervision patent subsidy	3,180.00		Related to Revenue
Funds for the third batch of science and technology projects of Panhuo District Finance and audit department in 19 years	6,000.00		Related to Revenue
Reduction of rural drinking water tax	1,085,014.50		Related to Revenue
Provincial reserve grain and oil subsidies	3,101,200.00	3,910,800.00	Related to Revenue
Municipal reserve grain and oil subsidies	27,544,406.20	25,840,810.04	Related to Revenue
Turnover grain and oil subsidies	900,000.00	900,000.00	Related to Revenue
Subsidy for retired elites	1,800,000.00	800,000.00	Related to Revenue
Basic subsidies for employees	1,700,000.00	1,700,000.00	Related to Revenue

Government grants project	Current year	Previous year	Related to assets/revenue
Jiashanxia removal subsidies	250,000.03	250,000.00	Related to Revenue
Military oil and gas subsidies	28,313.75	99,498.00	Related to Revenue
Other food subsidies	2,982,940.08		Related to Revenue
subsidy income of grain price difference	21,491,898.23		Related to Revenue
Subsidy for over standard late grain expenses	13,249,969.27		Related to Revenue
Subsidy for early Valley disposal expenses	3,576,613.10		Related to Revenue
Collect the street lamp electricity fee and maintenance fee subsidy from the Finance Bureau	22,900,043.54		Related to Revenue
Refund of service charge for withholding individual income tax	16,166.09		Related to Revenue
Income from VAT plus deduction	1,792,510.25		Related to Revenue
Subsidy for construction project of new optical film materials with an annual output of 50000 tons	2,965,083.65		Related to Assets
Subsidy for construction project of new functional BOPET packaging film with annual output of 60000 tons	8,333.33		Related to Assets
Technical transformation project of ultrathin capacitor membrane with annual output of 8000 tons	747,199.98		Related to Assets
18 years' peace grain and oil Demonstration County		11,000.00	Related to Revenue
Expenditure of special funds for food security		650,000.00	Related to Revenue
Allowance for storage fee of revolving grain		805,678.69	Related to Revenue
Public cinema subsidy	750,000.00	750,000.00	Related to Revenue
Rural 2131 film subsidies	2,203,520.00	1,621,380.00	Related to Revenue
Income of film screening in school	771,906.00	814,939.00	Related to Revenue
Bounty of domestic films		60,000.00	Related to Revenue
Culture propaganda subsidies		180,000.00	Related to Revenue
Provincial superior specialty (Nursing) construction provincial supplementary fund	975,039.00	1,532,400.00	Related to Revenue
Subsidy to cover operating losses	64,626,703.27	70,785,044.04	Related to Revenue
Low fare subsidy	2,577,016.24		
Infrastructure maintenance subsidy	200,000,000.00		
Subsidy for energy conservation and emission reduction		839,900.00	Related to Revenue

Government grants project	Current year	Previous year	Related to assets/revenue
Special funds for financial science and technology support		1,000,000.00	Related to Revenue
Tuition free provincial subsidy	2,000,000.00	4,040,000.00	Related to Revenue
Master Studio subsidy		300,000.00	Related to Revenue
Subsidy for Discipline Construction and scientific research projects	70,000.00		Related to Revenue
Veterans funds	57,726.52		Related to Revenue
Subsidy for reconstruction of parking lot of rescue center	1,750,000.00		Related to Revenue
Public welfare post subsidy for veterans	332,776.01		Related to Revenue
Reward for transformation and upgrading of manufacturing industry	760,000.00		Related to Revenue
Other sporadic subsidies	817,677.53		Related to Revenue
Total	411,316,772.52	145,703,546.35	

[Note] For details of government subsidies included in other income of the current period, please refer to note V(LII) "government subsidies".

(XLII) Investment income

1. Details

Items	Current year	Previous year
Gains/(losses) on long-term equity investments accounted for using equity method	16,787,730.32	-67,228,262.78
Gains/(losses) on disposing long-term equity investments	144,883.38	-
Gains/(losses) on financial assets at fair value through profit or loss during the holding period	909,653.00	870,437.25
Gains/(losses) on available for sale financial assets during the holding period	30,869,170.88	20,252,754.17
Investment income from disposal of financial assets measured at fair value through profit or loss	1,379,533.76	
Investment income from disposal of held to maturity investment		-
Investment income from disposal of available for sale financial assets		373,975.01
Interest of financial products	13,518,630.13	-
Other investment income	4,539,493.43	7,433,028.58
Total	68,149,094.90	-38,298,067.77

2. Long-term equity investment income measured by equity method

Name of investee	Current year	Previous year
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Name of investee	Current year	Previous year
Zhejiang Suichang Jiyangshanhai Collaborative Industrial Park Development Co., Ltd	63,844.83	302,927.68
Zhuji City Transportation Investment Petrochemical Management Co., Ltd	2,636,107.01	6,690,171.77
Zhuji Bishui Environmental Technology Co., Ltd	-1,407,653.83	-1,017.98
Tao Zhu Business School	-6,341.71	614,304.21
Zhejiang Feida Precision Machinery Co., Ltd	-198,400.14	-461,391.79
Zhejiang Feida New Material Co., Ltd		396,642.50
Zhejiang Jinhe Intelligent Equipment Co., Ltd	-1,030,889.55	-464,480.44
Zhejiang Dongxin Energy Conservation Technology Co., Ltd	18,414.98	28,461.37
Zhejiang Jiyang Electronic Technology Co., Ltd	-467,558.53	-1,027,574.21
Zhuji Fuhua Transformation And Upgrading Of Industrial Fund Partnership (Limited Partnership)	7,079.66	-239,943.07
Zhejiang Feida Environmental Protection Technology Co., Ltd	15,999,565.86	-74,425,298.67
Henan Yuneng Feida environmental protection Co., Ltd	-2,183,996.51	
Zhuji Jida Real Estate Co., Ltd	-3,572.97	
Zhuji Dalian equity investment partnership (limited partnership)	28,214.57	
Zhuji Chuangxiao Investment Partnership (Limited Partnership)	1,991,593.97	1,238,176.61
Zhejiang Zhian Technology Co., Ltd	-525,658.57	120,759.24
Zhuji Gaoying equity investment partnership (limited partnership)	-7,401.16	
Zhuji Yaohe pharmaceutical investment partnership (limited partnership)	3,566.33	
Zhuji Zihuan equity investment partnership (limited partnership)	0.15	
Zhuji Information Network Co., Ltd	1,870,815.93	
Total	16,787,730.32	-67,228,262.78

3. The company does not have significant restrictions on the repatriation of investment income.

(XLIII) Gains from changes in fair values

Items	Current year	Previous year
Financial assets at fair value through profit or loss	4,258,500.96	-12,339,766.52

(XLIV) Assets impairment loss

Items	Current year	Previous year
Loss on bad debt	-33,327,275.40	-77,051,919.53
Loss on Inventory	-6,188,542.10	-
Impairment losses on financial assets available for sale		-200,000.00
Impairment loss of fixed assets	-7,959,215.73	-
Impairment loss of Intangible assets	-1,476,863.69	-
Total	-48,951,896.92	-77,251,919.53

(XLV) Income from asset disposal

Items	Current year	Previous year
Gains/(losses) on disposing non-current assets that not classified to available for sale non-current assets	-277,188.85	-736,132.33
Including : fixed assets	-277,672.24	-736,132.33
Intangible assets	483.39	-
Total	-277,188.85	-736,132.33

(XLVI) Non-operating income

1. Details

Items	Current year	Previous year
Government grants	1,121,431,135.77	986,319,746.85
Incentive funds	365,314.21	-
Forfeited and liquidated damages income	1,216,238.61	72,803.00
The payable unable to pay		3,128,937.43
Loss of non-current assets scrap gain	50,068.24	
Others	2,204,995.13	4,467,618.56
Total	1,125,267,751.96	993,989,105.84

2. Details of government grants

Items	Current year	Previous year	Related to assets/revenue
Subsidy from Zhuji Municipal Bureau of Finance	1,121,431,135.77	986,319,746.85	Related to revenue

[Note] For the accounting treatment and documents which the government grants included in non-operating income are on basis of please refer to Note V (LII) "Government grants".

(XLVII) Non-operating expenses

Items	Current year	Previous year
Loss of debt restructuring		13,712,076.14
Donation	1,110,400.00	653,000.00
Inventory loss	4,080,250.90	-
Loss of assets being scrapped or damaged	2,594,312.22	5,623.50
Fine expenses	13,240,915.77	857,466.02
Compensation and liquidated damages	681,355.83	-
Tax Delay Charge	6,292,524.29	68,757.21
Others	1,974,546.60	17,550,263.69
Total	29,974,305.61	32,847,186.56

(XLVIII) Income tax expenses

Items	Current year	Previous year
Current income tax expenses	42,449,723.00	69,444,879.70
Deferred tax expenses	-7,253,441.16	767,967.77
Total	35,196,281.84	70,212,847.47

(XLIX) Other comprehensive income

For other comprehensive income, please refer to note V (XXXV) to the description of "other comprehensive income" for details.

(L) Supplementary information on statement of cash flow

1. Supplementary information on statement of cash flow

Items	Current year	Previous year
(1) Reconciliation of net profit/(loss)to cash flows from operating activities:		
Net profit	341,873,695.43	223,347,892.34

Items	Current year	Previous year
Add: Impairment	48,951,896.92	77,251,919.53
Depreciation of Investment properties, fixed assets, Oil and gas assets, productive biological assets	351,348,006.99	318,882,351.81
Amortisation of intangible assets	30,712,588.95	31,463,191.27
Amortisation of long-term prepaid expenses	35,085,791.74	18,423,330.22
Losses on disposal of fixed assets intangible assets and other long-term assets (“-“means gain)	277,188.85	736,132.33
Losses on scrap fixed assets (“-“means gain)	2,594,312.22	-
Losses from changes in fair value	-4,258,500.96	12,339,766.52
Financial expenses (“-“means gain)	1,448,252,605.25	599,397,608.67
Losses arising from investments (“-“means gain)	-68,149,094.90	38,298,067.77
Decrease in deferred tax assets (“-“means increase)	-10,322,948.31	767,967.77
Increase in deferred tax liabilities (“-“means decrease)		
Decrease in inventories (“-“means increase)	-6,627,125,281.55	-281,972,113.67
Decrease in operating receivables (“-“means increase)	7,153,895,426.25	-11,360,017,720.40
Increase in operating payables (“-“means decrease)	-5,632,072,762.74	2,263,691,657.18
Loss on disposal of non-current assets (Other than financial instruments, long-term equity investments and investment property) or disposal teams (excluding subsidiaries and operations) (“-“means gain)	-	-
Others	-32,710,804.76	-6,168,706.58
Net cash flows from operating activities	-2,961,647,880.62	-8,063,558,655.24
(2) Investing and financing activities that do not involve cash receipts and payment:	-	-
Conversion of debt into capital	-	-
Reclassification of convertible bonds expiring within one year as current liability	-	-
Non-current assets acquired under finance leases	-	-
(3) Net increase/(decrease) in cash and cash equivalents	-	-
Cash at end of year	10,720,938,931.19	8,435,592,418.25
Less: Cash at the beginning of year	8,435,592,418.25	12,009,392,079.20
Add: Cash equivalents at end of year	-	-
Less: Cash equivalents at the beginning of year	-	-
Net increase/(decrease) in cash and cash equivalents	2,285,346,512.94	-3,573,799,660.95

2. Net cash payment for acquisition of subsidiaries

Items	Amount
The cash paid for acquisition of subsidiaries	1,464,285,514.80
Including: Great Southeast Co., Ltd	1,200,000,000.00
Jiangsu Feida Baokai Electric Co., Ltd	264,285,514.80
Less: the cash subsidiaries held in the acquisition date	873,693,495.25
Including: Great Southeast Co., Ltd	815,280,399.54
Jiangsu Feida Baokai Electric Co., Ltd	58,413,095.71
Net cash payment for acquisition of subsidiary	590,592,019.55

3. Net cash received from disposal of subsidiaries in the current period

Items	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period	43,960,166.13
Including: Shanghai Yutang Network Technology Co., Ltd	41,577,632.69
Less: cash and cash equivalents held by the company on the date of loss of control	2,382,533.44
Including: Shanghai Yutang Network Technology Co., Ltd	2,382,533.44
Net cash received from disposal of subsidiaries	41,577,632.69

4. Cash and cash equivalents

Items	Closing balance	Opening balance
(1)Cash	10,720,938,931.19	8,435,592,418.25
Including: Cash in hand	427,923.24	275,325.49
Bank deposits that can be used for payment at any time	10,718,097,834.05	8,433,820,209.56
Other monetary fund that can be used for payment at any time	2,413,173.90	1,496,883.20
(2)Cash equivalents	-	-
Including: Bond investments maturing within three months	-	-
(3) Cash and cash equivalents at end of year	10,720,938,931.19	8,435,592,418.25
Including: the cash and cash equivalents which are limited of the parent company or the subsidiaries within the group	-	-

Note : Explain supplementary information on statement of cash flow

The closing balance of cash in the cash flow statement in 2019 is 10,720,938,931.19 yuan, the closing balance of monetary funds in the balance sheet on December 31, 2019 is 109,875,742.78

yuan, and the difference is 266,936,811.59 yuan, which is the closing balance of cash flow performance fund after deducting the frozen bank deposit of 709,094.90 yuan that does not meet the cash and cash equivalents standards, and other monetary funds of 266,227 yuan, 716.69 yuan (the pledged time deposit certificate is 250,000,000.00 yuan, the bill deposit is 7,087,500.00 yuan, the guarantee deposit is 760200.00 yuan, and the letter of credit deposit is 8,380,016.69 yuan).

The closing balance of cash in the cash flow statement of 2018 is 8,435,592,418.25 yuan, the closing balance of monetary capital in the balance sheet of December 31, 2018 is 8,692,512,418.25 yuan, and the difference is 256,920,000.00 yuan, which is the closing balance of cash flow performance fund deducting 256,920,000.00 yuan of other monetary capital that does not meet the standards of cash and cash equivalents (250,000,000.00 yuan of pledged term deposit certificate), Guarantee deposit: RMB 6920,000.00).

(LI) Foreign Currency

1. Details

Items	Balance in foreign currency	Exchange rate	Balance in RMB
Cash at bank and on hand			-
Including: USD	159,023,222.211	6.9762	1,109,377,802.79
HKD	2,526,136.70	0.8958	2,262,913.26
Euro	38,151.70	7.8155	298,174.61
Yen	1.00	0.0641	0.0641
Ruble	5,959.00	0.0976	581.60
Accounts receivable			
Including: USD	1,553,248.70	6.9762	10,835,773.58
Short-term loan			
Including: Euro	11,000,000.00	7.8155	85,970,500.00
USD	3,761,900.00	6.9762	26,243,766.78
Accounts payable			
Including: USD	9,293,870.00	6.9762	64,835,895.89
Other payables			
Including: USD	12,552,516.10	6.9762	87,568,862.82
Bonds payable			-
Including: USD	500,000,000.00	6.9762	3,488,100,000.00

2. The explanation of overseas subsidiaries

The subsidiary of The Company ZHUJIDEVELOPMENTLIMITED operates in HongKong, so that the functional currency of it is determined as USA Dollars(USD);

The functional currency of the overseas subsidiary of The Company is determined as USA Dollars(USD) in accordance with the primary economic environment in which it operates, and as of the end of the period the functional currency is not changed.

(LII) Government grants

Items	Included in Balance sheet	Included in current profit or loss	
		Included in income sheet	Amount
The subsidy to the oil	Other income	Other income	10,366,997.00
Bus platform operate expenses	Other income	Other income	12,667,218.04
Fiscal subsidy to Water Factory and pump station	Deferred income	Other income	4,036,795.06
Sewage pipeline construction subsidy	Deferred income	Other income	247,479.96
Social security subsidy	Other income	Other income	142,345.89
Zhuji energy and water saving product certification Award	Other income	Other income	14,700.00
Zhuji market supervision patent subsidy	Other income	Other income	3,180.00
Funds for the third batch of science and technology projects of Panhuo District Finance and audit department in 19 years	Other income	Other income	6,000.00
Rural drinking water tax relief	Other income	Other income	1,085,014.50
Provincial reserve grain and oil subsidies	Other income	Other income	3,101,200.00
Municipal reserve grain and oil subsidies	Other income	Other income	27,544,406.20
Turnover grain and oil subsidies	Other income	Other income	900,000.00
Subsidy for retired elites	Other income	Other income	1,800,000.00
Basic subsidies for employees	Other income	Other income	1,700,000.00
Jiashanxia removal subsidies	Other income	Other income	250,000.03
Military oil and gas subsidies	Other income	Other income	28,313.75
Other food subsidies	Other income	Other income	2,982,940.08
Grain price difference subsidy income	Other income	Other income	21,491,898.23

Items	Included in Balance sheet	Included in current profit or loss	
		Included in income sheet	Amount
Subsidy for over standard late grain expenses	Other income	Other income	13,249,969.27
Subsidy for early Valley disposal expenses	Other income	Other income	3,576,613.10
Collect the street lamp electricity fee and maintenance fee subsidy from the Finance Bureau	Other income	Other income	22,900,043.54
Refund of service charge for withholding individual income tax	Other income	Other income	16,166.09
Income from VAT plus deduction	Other income	Other income	1,792,510.25
Subsidy for construction project of new optical film materials with an annual output of 50000 tons	Deferred income	Other income	2,965,083.65
Subsidy for construction project of new functional BOPET packaging film with annual output of 60000 tons	Deferred income	Other income	8,333.33
Technical transformation project of ultrathin capacitor membrane with annual output of 8000 tons	Deferred income	Other income	747,199.98
Public cinema subsidy	Other income	Other income	750,000.00
Rural 2131 film subsidies	Other income	Other income	2,203,520.00
Film income from school	Other income	Other income	771,906.00
Provincial superior specialty (Nursing) construction provincial supplementary funds	Other income	Other income	975,039.00
Subsidy to cover operating losses	Other income	Other income	64,626,703.27
Low fare subsidy	Other income	Other income	2,577,016.24
Infrastructure maintenance subsidy	Other income	Other income	200,000,000.00
Tuition free provincial subsidy	Other income	Other income	2,000,000.00
Subsidy for Discipline Construction and scientific research projects	Other income	Other income	70,000.00
Veterans funds	Other income	Other income	57,726.52
Subsidy for reconstruction of parking lot of rescue center	Other income	Other income	1,750,000.00
Public welfare post subsidy for veterans	Other income	Other income	332,776.01
Reward for transformation and upgrading of manufacturing industry	Other income	Other income	760,000.00
Other sporadic subsidies	Other income	Other income	817,677.53
Government grants [Note]	Non-operating income	Non-operating income	1,121,431,135.77
Total			1,532,747,908.29

[Note]According to the documents of Zhuji Municipal People's government, the company received the financial

subsidy fund of 1,121,431,135.77 yuan in 2019

According to the documents of Zhuji Finance Bureau, the company received the financial subsidy fund of RMB 253,002,200.00 in 2019;

Zhuji Urban and Rural Investment Group Co., Ltd., a subsidiary of the company, received a financial subsidy of RMB 220,000,000.00 in 2019 according to the documents of Zhuji Finance Bureau;

Zhuji Xincheng Investment and Development Co., Ltd., a subsidiary of the company, received 200,000,000.00 yuan of financial subsidy in 2019 and 16,172,010.77 yuan of subsidy from Zhuji Economic Development Zone Management Committee in 2019 according to the documents of Zhuji Finance Bureau;

Zhuji Transportation Investment Group Co., Ltd., a subsidiary of the company, received a subsidy of RMB 100,000,000.00 in 2019 according to the documents of Zhuji Finance Bureau;

Zhuji Rural Development and Investment Co., Ltd., a subsidiary of the company, received a financial subsidy of 80,000,000.00 yuan in 2019 according to the documents of Zhuji Finance Bureau;

Zhuji Chengdong New City Construction Co., Ltd., a subsidiary of the company, received a financial subsidy of 120,000,000.00 yuan in 2019 according to the documents of Zhuji Finance Bureau;

Zhuji Radio and Television Network Co., Ltd., a subsidiary of the company, received a subsidy of RMB 100,000,000.00 in 2019 according to the documents of Zhuji Finance Bureau;

Zhejiang Linhang Investment Co., Ltd., a subsidiary of the company, received a subsidy of RMB 30,000,000.00 in 2019 according to the documents of Zhuji Finance Bureau;

ZHUJIDEVELOPMENTLIMITED, a subsidiary of the company, received a subsidy of 2,256,925.00 yuan from the Hong Kong government.

VI. Changes in consolidation scope

The data listed in this section is in RMB 10,000.00 unless otherwise stated.

(I) Business combination under common control

1. Details of business combination under common control in the current year

Name of the company	Combination date	Cost of equity acquisition	Equity acquisition ratio (%)	Method of equity acquisition
Zhuji Great Southeast Electric Co., Ltd	2019/6/26	1,200,000,000.00	27.91	Buy in
Jiangsu Fida Baokai Electric Co., Ltd	2019/3/31	264,285,514.80	100.00	Buy in

Continue:

Name of the company	Acquisition date	Basis for determination of purchase date	Income of the acquiree from the date of purchase to the end of the period	Net profit of the acquiree from the date of purchase to the end of the period
Zhuji Great Southeast Electric Co., Ltd	2019/6/26	Practical control	870,321,712.44	55,100,531.99
Jiangsu Fida Baokai Electric Co., Ltd	2019/3/31	Practical control	307,600,073.58	22,595,023.74

2. Consolidation cost and goodwill

Consolidation cost	Zhuji Great Southeast Electric Co., Ltd	Jiangsu Fida Baokai Electric Co., Ltd
--Cash	1,200,000,000.00	264,285,514.80
Total consolidated costs	1,200,000,000.00	264,285,514.80
Less: fair value share of identifiable net assets obtained	606,492,531.45	209,888,013.40
The amount of goodwill / combination cost less than the fair value share of the identifiable net assets obtained	593,507,468.55	54,397,501.40

3. Other instructions

In September 2019, the company received 100.00% equity transferred into Zhuji Property Rights Trading Co., Ltd. free of charge in accordance with the government documents, and has substantial control over it. Therefore, since the date of the company's transfer, it has been included in the scope of consolidated financial statements.

Zhuji Water Group Co., Ltd., a subsidiary of the company, was transferred to Zhuji Jiyang water survey and Design Co., Ltd. free of charge in December 2019 according to the government documents 100% The company has substantial control over its equity, so it will be included in the scope of consolidated financial statements from the date of transfer of the company.

In March 2019, Zhuji Environmental Sanitation Management Group Co., Ltd., a subsidiary of the company, received and transferred to Zhuji Environmental Sanitation Service Co., Ltd. free of charge according to the government documents 100% The company has substantial control over its equity, so it will be included in the scope of consolidated financial statements from the date of transfer of the company.

(II) Disposal of subsidiaries

1. Loss of control right due to single disposal of investment in subsidiaries

Name of subsidiary	Equity disposal price	Equity disposal ratio (%)	Equity disposal method	Time point of losing control	Basis for determining the time point of loss of control
Shanghai Youtang Network	57,500,000.00	100.00	Equity transfer	2019/10/31	Receive most of the equity transfer funds

Name of subsidiary	Equity disposal price	Equity disposal ratio (%)	Equity disposal method	Time point of losing control	Basis for determining the time point of loss of control
Technology Co., Ltd					and complete the industrial and commercial change

Continue:

Name of subsidiary	The difference between the disposal price and the share of the subsidiary's net assets in the consolidated financial statements corresponding to the disposal investment	Proportion of remaining equity on the date of loss of control (%)	Share of net assets of the subsidiary at the level of consolidated financial statements corresponding to the remaining equity at the date of loss of control	Fair value of remaining equity at the date of loss of control
Shanghai Youtang Network Technology Co., Ltd	1,982,155.61	-	-	-

Continue:

Name of subsidiary	Gain or loss arising from remeasurement of remaining equity at fair value	Determination methods and main assumptions of the fair value of the remaining equity on the date of loss of control	Amount of other comprehensive income related to equity investment of the atomic company transferred into investment profit and loss
Shanghai Youtang Network Technology Co., Ltd	-	-	-153.74

Other instructions

After the completion of this transaction, the company will no longer hold the equity of Shanghai Youtang Network Technology Co., Ltd. or the equity of its subsidiaries Shanghai KEHUAN Information Technology Co., Ltd. and CLOUD HOLDINGS GROUP LIMITED. The above three companies will no longer be included in the scope of the company's consolidated statements.

(III) Changes of consolidation scope due to other reasons

1. Subsidiaries increased by direct establishment or investment

In December 2019, the subsidiary Zhuji Xingcheng industrial investment Co., Ltd. invested to establish Zhejiang Chenghui Trade Co., Ltd. The company completed the registration of industrial and commercial establishment on December 6, 2019, with a registered capital of 30 million yuan, of which Zhuji Xingcheng industrial investment Co., Ltd. contributed 30 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In November 2019, the subsidiary Zhuji Xingcheng industrial investment Co., Ltd. invested to

establish Zhuji Chengqing Construction Co., Ltd. The company completed the registration of industrial and commercial establishment on November 11, 2019, with a registered capital of 10 million yuan, of which Jishi Xingcheng industrial investment Co., Ltd. invested 10 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In April 2019, the subsidiary Zhuji urban and Rural Investment Group Co., Ltd. funded the establishment of Zhuji Environmental Health Management Group Co., Ltd. The company completed the registration of industrial and commercial establishment on April 11, 2019, with a registered capital of RMB 100 million, of which Zhuji urban and Rural Investment Group Co., Ltd. contributed RMB 100 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In April 2019, the subsidiary Zhuji Environmental Sanitation Management Group Co., Ltd. funded the establishment of Zhuji Zhongyi waste disposal Co., Ltd. The company completed the registration of industrial and commercial establishment on April 17, 2019, with a registered capital of 20 million yuan, of which Zhuji Environmental Health Management Group Co., Ltd. contributed 20 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since its establishment, it has been included in the scope of consolidated financial statements.

In April 2019, Zhuji Environmental Sanitation Management Group Co., Ltd., a subsidiary, invested to establish Zhuji Zhongce waste cleaning and Transportation Service Co., Ltd. The company completed the registration of industrial and commercial establishment on April 17, 2019, with a registered capital of 20 million yuan, of which Zhuji Environmental Health Management Group Co., Ltd. contributed 20 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since its establishment, it has been included in the scope of consolidated financial statements.

In April 2019, the subsidiary Zhuji Environmental Sanitation Management Group Co., Ltd. funded the establishment of Zhuji West Ring Cleaning Service Co., Ltd. The company completed the registration of industrial and commercial establishment on April 17, 2019, with a registered capital of 10 million yuan, of which Zhuji Environmental Health Management Group Co., Ltd. contributed 10 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since its establishment, it has been included in the scope of consolidated financial statements.

In April 2019, the subsidiary Zhuji Environmental Sanitation Management Group Co., Ltd. funded the establishment of Zhuji Huandong Cleaning Service Co., Ltd. The company completed the registration of industrial and commercial establishment on April 17, 2019, with a registered capital of 10 million yuan, of which Zhuji Environmental Health Management Group Co., Ltd. contributed 10 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since its establishment, it has been included in the scope of consolidated financial statements.

In April 2019, the subsidiary Zhuji urban and Rural Investment Group Co., Ltd. funded the establishment of Zhuji street lamp Management Co., Ltd. The company completed the registration of industrial and commercial establishment on April 4, 2019, with a registered capital of 5 million yuan, of which Zhuji urban and Rural Investment Group Co., Ltd. contributed 5 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In February 2019, the subsidiary Zhuji Xincheng investment and Development Group Co., Ltd. funded the establishment of Zhuji Yongqin Investment Co., Ltd. The company completed the registration of industrial and commercial establishment on February 22, 2019, with a registered capital of RMB 500 million, of which Zhuji Xincheng investment and Development Group Co., Ltd. contributed RMB 500 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In February 2019, the subsidiary Zhuji Xincheng investment and Development Group Co., Ltd. funded the establishment of Zhuji Yongxin Education Investment Co., Ltd. The company completed the registration of industrial and commercial establishment on February 22, 2019, with a registered capital of RMB 200 million, of which Zhuji Xincheng investment and Development Group Co., Ltd. contributed RMB 200 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In December 2019, the subsidiary Zhuji Transportation Infrastructure Construction Co., Ltd. funded the establishment of Zhuji Yuesheng Mining Co., Ltd. The company completed the registration of industrial and commercial establishment on December 13, 2019, with a registered capital of RMB 200 million, of which Zhuji Transportation Infrastructure Construction Co., Ltd. contributed RMB 200 million, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of its establishment, the company has been included in the scope of consolidated financial statements.

In December 2019, the subsidiary Zhuji Transportation Infrastructure Construction Co., Ltd. funded the establishment of Zhuji Yuesheng Highway Engineering Materials Co., Ltd. The company completed the registration of industrial and commercial establishment on December 13, 2019, with a registered capital of 50 million yuan, of which Zhuji Transportation Infrastructure Construction Co., Ltd. contributed 50 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In December 2019, the subsidiary Zhuji Transportation Infrastructure Construction Co., Ltd. and Zhejiang Transportation Resources Investment Co., Ltd. jointly funded the establishment of Zhuji Yuexing Mining Co., Ltd. The company completed the registration of industrial and commercial establishment on December 24, 2019, with a registered capital of 50 million yuan, of which Zhejiang Transportation Resources Investment Co., Ltd. contributed 12.5 million yuan, accounting for 25% of its registered capital, and Zhuji Transportation Infrastructure Construction Co., Ltd.

contributed 3, 7.5 million yuan, accounting for 75% of its registered capital, has substantial control over it, so it has been included in the scope of consolidated financial statements since the establishment of the company.

In July 2019, the subsidiary Zhuji Yuesheng Traffic Engineering Co., Ltd. funded the establishment of Zhuji Yuesheng aggregate Management Co., Ltd. The company completed the registration of industrial and commercial establishment on July 18, 2019, with a registered capital of 10 million yuan, of which Zhuji Yuesheng Traffic Engineering Co., Ltd. contributed 10 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In December 2019, the subsidiary Zhejiang Linhang Investment Co., Ltd. invested to establish Zhuji high tech Real Estate Development Co., Ltd. The company completed the registration of industrial and commercial establishment on December 11, 2019, with a registered capital of 10 million yuan, of which Zhejiang Linhang Investment Co., Ltd. contributed 10 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In March 2019, the subsidiary Zhuji state owned Capital Investment Holding Co., Ltd. invested to establish Zhuji Huanshajiing Equity Investment Co., Ltd. The company completed the registration of industrial and commercial establishment on March 12, 2019, with a registered capital of 20 million yuan, of which Zhejiang Linhang Investment Co., Ltd. contributed 20 million yuan, accounting for 100% of its registered capital, and has substantial control over it. Therefore, since the date of establishment of the company, it has been included in the scope of consolidated financial statements.

In December 2019, the subsidiary company Zhuji state owned Capital Investment Holding Co., Ltd., the subsidiary company Zhuji Property Rights Trading Co., Ltd. and the subsidiary company Zhuji Huanshajiing Equity Investment Co., Ltd. jointly funded the establishment of Zhuji Huanshajiing Yongze equity investment partnership (limited partnership). The company completed the registration of industrial and commercial establishment on December 11, 2019, with a registered capital of RMB 50 million, of which, Zhuji Huanshajiing Equity Investment Co., Ltd. contributed RMB 100000, accounting for 0.2% of its registered capital, Zhuji Property Rights Trading Co., Ltd. contributed RMB 2 million, accounting for 4% of its registered capital, and Zhuji State-owned Capital Investment Holding Co., Ltd. contributed RMB 4, 7.9 million yuan, accounting for 95.8% of its registered capital, has substantial control over it. Therefore, since the establishment of the company, it has been included in the scope of consolidated financial statements.

2. Decrease of subsidiaries due to other reasons

Due to the stagnation of project development, the board of directors of Zhuji Feida Logistics Management Service Co., Ltd. decided to dissolve the company in June 2019. The liquidation of the company was completed on June 10, 2019, and the cancellation formalities were completed on

June 10, 2019. Therefore, the company will not be included in the scope of consolidated financial statements since its cancellation.

Due to the stagnation of project development, the board of directors of Zhuji Jindun Security Service Co., Ltd. decided to dissolve the company in September 2019. The liquidation of the company was completed on September 23, 2019, and the cancellation formalities were completed on September 23, 2019. Therefore, the company will not be included in the scope of consolidated financial statements since its cancellation.

Zhuji Urban and Rural Investment Group Co., Ltd., a subsidiary of the company, transferred 100.00% equity of Zhuji Health Investment Co., Ltd. and its subsidiaries free of charge in December 2019 according to the government documents, so it will not be included in the consolidated financial statements since the date of transfer.

3. There is no merger in this period.

VII. Equity in other entities

The data listed in this section is in RMB 10,000.00 unless otherwise stated.

(I) Equity in subsidiaries

1. Composition of enterprise group

Names of subsidiaries	Level	Main place of business	Registered place	Nature of business	Percentage (%)		Way of acquisition
					Directly	Indirectly	
Zhuji Urban & Rural Investment Group Co., Ltd	Level 1	Zhuji	Zhuji	Comprehensive	100.00	-	Transferred
Zhuji Xingcheng Industrial investment Co., Ltd	Level 2	Zhuji	Zhuji	Comprehensive	-	100.00	Established
Zhejiang Chenghui Trade Co., Ltd	Level 3	Zhuji	Zhuji	Other services	-	100.00	Established
Zhuji Chengqing Construction Co., Ltd	Level 3	Zhuji	Zhuji	Construction business	-	100.00	Established
Zhuji Yongxing housing demolition Service Co., Ltd	Level 2	Zhuji	Zhuji	Construction business	-	100.00	Transferred
Zhuji Green Garden Co., Ltd	Level 2	Zhuji	Zhuji	Landscape planning	-	100.00	Transferred
Zhuji Changda Construction Engineering Co., Ltd	Level 2	Zhuji	Zhuji	Municipal Engineering Construction	-	100.00	Transferred
Zhuji City Square Property Management Co., Ltd	Level 2	Zhuji	Zhuji	Estate management	-	100.00	Transferred
Zhuji Sewage Pipe Network Co., Ltd	Level 2	Zhuji	Zhuji	Sewage disposal		100.00	Transferred
Zhuji Huansha Small Town Construction Investment Co., Ltd	Level 2	Zhuji	Zhuji	Business services		100.00	Established
Zhuji Yong'an Municipal Public Works Quality Inspection Co., Ltd	Level 2	Zhuji	Zhuji	Scientific research and technical services		100.00	Transferred
Zhuji Environmental Sanitation Management Group Co., Ltd	Level 2	Zhuji	Zhuji	Environment and public facilities		100.00	Established

Names of subsidiaries	Level	Main place of	Registered place	Nature of business	Percentage (%)	Way of acquisition
				management		
Zhuji Huanmei Cleaning Service Co., Ltd	Level 3	Zhuji	Zhuji	Residential services, repairs and other services	100.00	Transferred
Zhuji Zhongyi waste disposal Co., Ltd	Level 3	Zhuji	Zhuji	Construction business	100.00	Established
Zhuji Zhongce Waste Cleaning and Transportation Service Co., Ltd	Level 3	Zhuji	Zhuji	Transportation	100.00	Established
Zhuji West Ring Cleaning Service Co., Ltd	Level 3	Zhuji	Zhuji	Residential services, repairs and other services	100.00	Established
Zhuji East Ring Cleaning Service Co., Ltd	Level 3	Zhuji	Zhuji	Residential services, repairs and other services	100.00	Established
Zhuji Street Lamp Management Co., Ltd	Level 2	Zhuji	Zhuji	Environment and public facilities management	100.00	Established
Zhuji Communications Investment Group Co., Ltd	Level 2	Zhuji	Zhuji	Comprehensive	100.00	Transferred
Zhuji Traffic Investment Port Co., Ltd	Level 3	Zhuji	Zhuji	Transportation, warehousing and postal services	100.00	Established
Zhuji Transportation Logistics Co., Ltd	Level 3	Zhuji	Zhuji	Transportation industry	100.00	Transferred
Zhuji Public Transport Station Management Co., Ltd	Level 3	Zhuji	Zhuji	Transportation industry	100.00	Transferred
Zhuji Yueda Public Transport Co., Ltd	Level 3	Zhuji	Zhuji	Transportation industry	100.00	Transferred
Zhuji Xincheng Investment and Development Group Co., Ltd	Level 2	Zhuji	Zhuji	Comprehensive	100.00	Transferred
Zhuji Xincheng Property Management Co., Ltd	Level 3	Zhuji	Zhuji	Service industry	100.00	Transferred
Zhuji Wangyun Construction and Development Co., Ltd	Level 3	Zhuji	Zhuji	Comprehensive	100.00	Transferred
Zhuji Jingchuangfong Investment Co., Ltd	Level 3	Zhuji	Zhuji	Business services	100.00	Established
Zhuji Chuangfa Equity Investment fund Co., Ltd	Level 4	Zhuji	Zhuji	Capital market services	100.00	Established
Zhuji Shengshi Hechuang Investment Partnership (limited partnership)	Level 5	Zhuji	Zhuji	Leasing and business services	98.99	Established
Zhuji Chuangfa Information Industry Investment Co., Ltd	Level 5	Zhuji	Zhuji	Leasing and business services	100.00	Established
Zhuji Lefu Biotechnology Co., Ltd	Level 4	Zhuji	Zhuji	Research and experimental development	55.00	Established
Zhuji Chuangjia Investment Co., Ltd	Level 4	Zhuji	Zhuji	Business services	100.00	Established
Zhuji Jiaxiang Biotechnology Co., Ltd	Level 5	Zhuji	Zhuji	Wholesale and retail	100.00	Established
Zhuji Jingkai CHUANGYOU Equity Investment Fund Co., Ltd	Level 4	Zhuji	Zhuji	Capital market services	100.00	Established
Zhuji Jingkai equity investment fund Co., Ltd	Level 4	Zhuji	Zhuji	Business services	100.00	Established
Zhuji Chuangyu Investment Co., Ltd	Level 4	Zhuji	Zhuji	Business services	100.00	Established

Names of subsidiaries	Level	Main place of	Registered place	Nature of business	Percentage (%)	Way of acquisition
Zhuji Chuang Rong Angel equity investment fund Co., Ltd	Level 4	Zhuji	Zhuji	Capital market services	100.00	Established
Zhuji CHUANGHE Investment Co., Ltd	Level 4	Zhuji	Zhuji	Leasing and business services	100.00	Established
Zhuji Yongxin Enterprise Management Co., Ltd	Level 3	Zhuji	Zhuji	Leasing and business services	100.00	Established
Zhuji Yongqin Investment Co., Ltd	Level 3	Zhuji	Zhuji	Leasing and business services	100.00	Established
Zhuji Yongxin Education Investment Co., Ltd	Level 3	Zhuji	Zhuji	Leasing and business services	100.00	Established
Zhuji Rural Development Investment Co., Ltd	Level 2	Zhuji	Zhuji	New rural construction investment	100.00	Transferred
Zhuji Gaohu Construction Investment Co., Ltd	Level 3	Zhuji	Zhuji	New rural construction investment	100.00	Established
Zhuji Yuefeng Seed Industry Co., Ltd	Level 2	Zhuji	Zhuji	Agriculture	100.00	Transferred
Zhuji grain storage Co., Ltd	Level 2	Zhuji	Zhuji	Warehousing	100.00	Transferred
Zhuji Kaiyuan rice Co., Ltd	Level 3	Zhuji	Zhuji	Agriculture	100.00	Transferred
Zhuji Puyang Grain Logistics Co., Ltd	Level 3	Zhuji	Zhuji	Agricultural Service Industry	100.00	Transferred
Zhuji Water Group Co., Ltd	Level 1	Zhuji	Zhuji	Water production and supply	100.00	Transferred
Zhuji Water Industry Development Co., Ltd	Level 2	Zhuji	Zhuji	Water production and supply	100.00	Transferred
Zhuji Water Industry Construction Engineering Co., Ltd	Level 2	Zhuji	Zhuji	Water production and supply	100.00	Transferred
Huanjiang water Co., Ltd	Level 2	Zhuji	Zhuji	Water production and supply	100.00	Transferred
Zhuji Jiyang Drainage Management Co., Ltd	Level 3	Zhuji	Zhuji	Sewage collection and transmission	100.00	Transferred
Great Southeast Co., Ltd	Level 2	Zhuji	Zhuji	Construction business	27.91	购入
Hangzhou Great Southeast hi tech new material Co., Ltd	Level 3	Hangzhou	Hangzhou	Construction business	100.00	购入
Ningbo Great Southeast Vientiane Technology Co., Ltd	Level 3	Ningbo	Ningbo	Construction business	100.00	购入
Zhejiang Great Southeast Vientiane Technology Co., Ltd	Level 3	Zhuji	Zhuji	Construction business	100.00	购入
Zhejiang Great Southeast lithium battery separator Research Institute	Level 3	Zhuji	Zhuji	Research and development	100.00	购入
Zhejiang green sea new energy technology Co., Ltd	Level 3	Zhuji	Zhuji	Scientific research and technical services	100.00	购入
Zhuji Runze Ecological Agriculture Co., Ltd	Level 2	Zhuji	Zhuji	Agriculture	100.00	Transferred
Zhuji water technology testing Co., Ltd	Level 2	Zhuji	Zhuji	Water production and supply	100.00	Transferred
Zhuji Water Conservancy Investment Development Co., Ltd	Level 2	Zhuji	Zhuji	Water production and supply	100.00	Transferred
Zhuji Raw Water Management Co., Ltd	Level 2	Zhuji	Zhuji	Power, heat, gas and water production and	100.00	Transferred

Names of subsidiaries	Level	Main place of	Registered place	Nature of business	Percentage (%)	Way of acquisition
				supply industry		
Zhuji Yongning Water Conservancy Investment Development Co., Ltd	Level 2	Zhuji	Zhuji	Water conservancy investment	100.00	Transferred
Zhuji Jiyang water industry survey and Design Co., Ltd	Level 2	Zhuji	Zhuji	Water conservancy, environment and public facilities management	100.00	Transferred
Zhejiang Zhuji transformation and upgrading industry fund Co., Ltd	Level 1	Zhuji	Zhuji	Finance	60.00	Transferred
Zhejiang Huanjiang Media Group Co., Ltd	Level 1	Zhuji	Zhuji	Radio, television, film and television recording and production industry	51.00	Transferred
Zhuji radio and television network Co., Ltd	Level 2	Zhuji	Zhuji	Special equipment manufacturing industry	100.00	Transferred
Zhuji radio and Television Materials Co., Ltd	Level 2	Zhuji	Zhuji	Special equipment manufacturing industry	100.00	Transferred
Zhuji radio, television, film and Media Co., Ltd	Level 2	Zhuji	Zhuji	Radio, television, film and television recording and production industry	100.00	Transferred
Zhuji radio and Television Information Technology Co., Ltd	Level 2	Zhuji	Zhuji	Software and information technology services	100.00	Transferred
Zhuji radio and Television Information Engineering Construction Co., Ltd	Level 2	Zhuji	Zhuji	Software and information technology services	100.00	Transferred
Zhuji Transportation Infrastructure Construction Co., Ltd	Level 1	Zhuji	Zhuji	Transportation industry	100.00	Transferred
Zhuji Yuesheng Mining Co., Ltd	Level 2	Zhuji	Zhuji	Mining industry	100.00	Established
Zhuji Yuesheng Highway Engineering Materials Co., Ltd	Level 2	Zhuji	Zhuji	Wholesale and retail	100.00	Established
Zhuji Yuexing Mining Co., Ltd	Level 2	Zhuji	Zhuji	Mining industry	75.00	Established
Zhuji Film Industry Co., Ltd	Level 2	Zhuji	Zhuji	Radio, television, film and television recording and production industry	100.00	Transferred
Zhuji Education Development Investment Co., Ltd	Level 2	Zhuji	Zhuji	Education	100.00	Transferred
Zhuji Education Logistics Distribution Center Co., Ltd	Level 3	Zhuji	Zhuji	Wholesale industry	80.00	Transferred

Names of subsidiaries	Level	Main place of	Registered place	Nature of business	Percentage (%)		Way of acquisition
Zhuji Public Transport Co., Ltd	Level 2	Zhuji	Zhuji	Transportation, warehousing and postal services		100.00	Transferred
Zhuji YueShun automobile repair Co., Ltd	Level 3	Zhuji	Zhuji	Residential services, repairs and other services		100.00	Transferred
Zhuji communications media Co., Ltd	Level 2	Zhuji	Zhuji	Zhuji communications media Co., Ltd		100.00	Transferred
Zhuji Yuesheng Traffic Engineering Co., Ltd	Level 2	Zhuji	Zhuji	Construction business		100.00	Transferred
Zhuji Yuesheng aggregate Management Co., Ltd	Level 3	Zhuji	Zhuji	Wholesale and retail		100.00	Established
Fida Group Co., Ltd	Level 1	Zhuji	Zhuji	Manufacturing sales	100.00		Transferred
Zhejiang Feida Jinyuan Metal Materials Co., Ltd	Level 2	Zhuji	Zhuji	Metal trade		100.00	Transferred
Zhejiang Qianzheng asset management partnership (limited partnership)	Level 2	Zhuji	Zhuji	Asset management		100.00	Transferred
Zhejiang Feida equity investment fund partnership (limited partnership)	Level 2	Zhuji	Zhuji	Equity investment		100.00	Transferred
Zhejiang Feida Garden Machinery Co., Ltd	Level 2	Zhuji	Zhuji	Garden machinery and accessories		70.00	Transferred
Jiangsu Fida baokai Electric Co., Ltd	Level 2	Yangzhou	Yangzhou	Manufacturing industry		100.00	Purchase
Xuzhou Feida baokai Machinery Manufacturing Co., Ltd	Level 3	Xuzhou	Xuzhou	Manufacturing industry		100.00	Purchase
Shanghai Feida Yicang Logistics Technology Co., Ltd	Level 3	Shanghai	Shanghai	Information transmission, software and information technology services		100.00	Purchase
Zhuji Infrastructure Investment Fund Co., Ltd	Level 1	Zhuji	Zhuji	Business services	60.00		Established
Zhejiang Linhang Investment Co., Ltd	Level 1	Zhuji	Zhuji	Leasing and business services	100.00		Established
Zhejiang Zhuji Jiefang Lake Linhang Investment Co., Ltd	Level 1	Zhuji	Zhuji	Leasing and business services		100.00	Established
Zhuji high tech Real Estate Development Co., Ltd	Level 2	Zhuji	Zhuji	Estate		100.00	Established
Zhuji Huimin Security Housing Construction Co., Ltd	Level 1	Zhuji	Zhuji	Construction business	100.00		Established
Zhuji Anshun Security Service Co., Ltd	Level 1	Zhuji	Zhuji	Leasing and business services	100.00		Transferred
Zhuji state owned Capital Investment Holding Co., Ltd	Level 1	Zhuji	Zhuji	Leasing and business services	100.00		Established
Zhuji huanshajang Equity Investment Co., Ltd	Level 2	Zhuji	Zhuji	Leasing and business services		100.00	Established
Zhuji huanshajang Yongze equity investment partnership (limited partnership)	Level 2	Zhuji	Zhuji	Leasing and business services		100.00	Established
ZHUJI DEVELOPMENT LIMITED	Level 1	Zhuji	Hongkong	Comprehensive	100.00		Established
Zhuji Chengdong new City Construction Co., Ltd	Level 1	Zhuji	Zhuji	Infrastructure industry	100.00		Transferred

Names of subsidiaries	Level	Main place of	Registered place	Nature of business	Percentage (%)	Way of acquisition
Zhuji Property Rights Trading Co., Ltd	Level 1	Zhuji	Zhuji	Leasing and business services	100.00	Transferred

(1) The reason why the parent has half or less of the voting rights but control the investee

The Company holds 50% shares in Zhejiang Qianzheng Asset Management Partnership (Limited Partnership) and is the largest shareholder. At the same time, the Company has majorities on the board of directors. Therefore, the Company has substantial control over it and includes it in consolidation scope.

(2)Other

Names of subsidiary	Registered Capital	Paid-in Capital	Percentage (%)	Reason of not being included in consolidation scope	Note
Zhuji Wisdom Education Technology Co., Ltd [Note]	500.00	500.00	100.00	Have no substantial control	[Note]

[Note]: Zhuji Wisdom Education Technology Co., Ltd is invested by Zhuji Economic Development Corporation the subsidiary of the Company. Base on the document the explication of nominee holding of Zhuji SASAC, Zhuji New City Investment Development Co., Ltd hasn't involved in the management of Zhuji Wisdom Education Technology Co., Ltd, and has not substantial control. So it is not included in consolidation scope.

(II) Equity in joint ventures and associates

Important joint ventures and associates

Names of joint ventures or associates	Main place of business	Registered place	Nature of business	Percentage (%)		Accounting Treatment
				Directly	Indirectly	
Zhejiang Suichang Jiyang Shanghai Collaborative	Suichang	Suichang	Investment	50.00	-	Equity Method
Zhuji Traffic Investment Petrochemical Operation Co., Ltd	Zhuji	Zhuji	Automobile filling		49.90	Equity Method
Taozhu Business School Zhuji	Zhuji	Zhuji	school		50.00	Equity Method
Bishui Environmental Technology Co., Ltd	Zhuji	Zhuji	Research and development of environmental protection technology		30.00	Equity Method
Zhuji Chuangxiao investment partnership (limited partnership)	Zhuji	Zhuji	Leasing and business services		49.90	Equity Method
Zhejiang Feida Precision Machinery Co., Ltd	Zhuji	Zhuji	Manufacturing sales		20.00	Equity Method
Zhejiang Feida New Material Co., Ltd	Zhuji	Zhuji	Research and development		35.00	Equity Method
Zhejiang Jinhe Intelligent Equipment Co., Ltd	Zhuji	Zhuji	Manufacturing sales		20.00	Equity Method

Names of joint ventures or associates	Main place of business	Registered place	Nature of business	Percentage (%)		Accounting Treatment
				Directly	Indirectly	
Zhejiang Feida Environmental Protection Technology Co., Ltd	Zhuji	Zhuji	Manufacturing industry		17.65	Equity Method
Zhuji Jinan Real Estate Co., Ltd	Zhuji	Zhuji	Estate		30.00	Equity Method
Zhuji jiazipinbiao Zhejiang manufacturing equity investment partnership (limited partnership)	Zhuji	Zhuji	Leasing and business services		41.67	Equity Method
Zhejiang Dongxin Energy Saving Technology Co., Ltd	Zhuji	Zhuji	Scientific research and technical services		30.00	Equity Method
Zhejiang Jiyang Electronic Technology Co., Ltd	Zhuji	Zhuji	Scientific research and technical services		30.00	Equity Method
Zhuji Fuhua industrial transformation and upgrading fund partnership (limited partnership)	Zhuji	Zhuji	Equity investment		28.33	Equity Method
Zhuji Information Network Co., Ltd	Zhuji	Zhuji	Construction business		48.00	Equity Method
Zhejiang Zhian Technology Co., Ltd	Zhuji	Zhuji	Information transmission, software and information technology services		25.00	Equity Method
Henan Yuneng Feida environmental protection Co., Ltd	Zhengzhou	Zhengzhou	Residential services, repairs and other services		25.00	Equity Method
Zhuji Dalian equity investment partnership (limited partnership)	Zhuji	Zhuji	Leasing and business services		50.00	Equity Method
Zhuji Gaoying equity investment partnership (limited partnership)	Zhuji	Zhuji	Leasing and business services		49.30	Equity Method
Zhuji Yaohe pharmaceutical investment partnership (limited partnership)	Zhuji	Zhuji	Leasing and business services		40.00	Equity Method
Zhuji Zihuan equity investment partnership (limited partnership)	Zhuji	Zhuji	Leasing and business services		40.00	Equity Method

VIII. Relationships and transactions with related parties

The data listed in this section is in RMB unless otherwise stated.

(I) Relationships with related parties

1. Details of the shareholder of the Company

The shareholder of the Company is Zhuji City, State-owned Assets Supervision and Administration Commission.

2. Details of the subsidiaries of the Company

Details of the subsidiaries of the Company are presented in Note VII (I) "Equity in subsidiaries".

3. Details of the joint ventures and associates of the Company

Joint ventures and associates are presented in Note VII (II) "Equity in joint ventures and associates".

4. Details of other related parties

Names of company	Relationship with the Company
Zhuji Yuedu Investment Development Co., Ltd	Director of the Company is its director
Zhuji Cultural Tourism Group Co., Ltd	Director of the Company is its director
Zhuji Xishi Youli Travel Agency Co., Ltd	Director of the Company is the director of its parent company
Zhuji Huanjiang International Trade City Development Co., Ltd	Director of the Company is its chairman of the board of supervisors
Zhuji Huanjiang Real Estate Co., Ltd	Director of the Company is the director of its parent company
Zhuji Huanjiang Business Management Co., Ltd	Director of the Company is the director of its parent company

(II) Related party transactions

Details of related guarantee (Expressed in RMB 10,000.00)

Guarantor	Obligor	Amount of guarantee	Start date	Due date	Has been fulfilled or not
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	10,000,000.00	2016/7/12	2025/12/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	37,500,000.00	2016/9/14	2023/12/29	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	1,000,000.00	2016/9/14	2024/6/28	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	85,250,000.00	2016/9/14	2024/12/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	1,000,000.00	2016/9/14	2025/6/27	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	75,250,000.00	2016/9/14	2025/12/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	51,250,000.00	2017/1/31	2022/12/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	1,000,000.00	2017/1/31	2023/6/30	No

Guarantor	Obligor	Amount of guarantee	Start date	Due date	Has been fulfilled or not
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	47,750,000.00	2017/1/31	2023/12/29	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	1,000,000.00	2017/2/28	2021/6/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	85,250,000.00	2017/2/28	2021/12/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	1,000,000.00	2017/2/28	2022/6/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	78,750,000.00	2017/2/28	2020/12/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	1,000,000.00	2017/2/28	2020/6/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	6,500,000.00	2017/2/28	2020/12/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	34,000,000.00	2017/2/28	2022/12/30	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	200,000,000.00	2019/9/25	2021/9/25	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Urban & Rural Investment Group Co., Ltd	300,000,000.00	2019/9/25	2022/9/25	No
Zhuji Yuedu Investment Development Co., Ltd	Zhuji Chengdong New City Construction Co., Ltd	550,000,000.00	2017/2/6	2022/8/26	No
Zhuji Huanjiang Real Estate Co., Ltd	Zhuji State Owned Assets Management Co., Ltd	50,000,000.00	2019/8/16	2034/8/15	No
Zhuji Tourism Investment Development Co., Ltd	Zhuji Sewage Pipe Network Co., Ltd	74,500,000.00	2017/4/5	2020/4/5	No
Zhuji Tourism Investment Development Co., Ltd	Zhuji Changda Construction Engineering Co., Ltd	67,500,000.00	2017/4/5	2020/4/5	No
Zhuji Tourism Investment Development Co., Ltd	Zhuji Green Garden Co., Ltd	72,500,000.00	2017/4/5	2020/4/5	No
Zhuji Huanjiang International Trade City Development Co., Ltd	Zhuji Xincheng investment and Development Group Co., Ltd	50,000,000.00	2017/6/16	2020/6/6	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	99,000,000.00	2019/11/28	2020/10/20	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	105,000,000.00	2018/6/19	2023/6/19	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	180,000,000.00	2018/8/6	2023/8/6	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	65,000,000.00	2019/3/19	2020/3/18	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	150,000,000.00	2019/10/15	2024/10/15	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang Real Estate Co., Ltd	65,000,000.00	2019/3/19	2020/3/18	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd	200,000,000.00	2019/12/2	2021/12/2	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd	500,000,000.00	2019/6/26	2024/7/10	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Yuedu Investment Development Co., Ltd	300,000,000.00	2019/9/26	2021/10/12	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	188,000,000.00	2018/10/10	2023/10/9	No

Guarantor	Obligor	Amount of guarantee	Start date	Due date	Has been fulfilled or not
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	500,000,000.00	2019/1/28	2022/1/27	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	200,000,000.00	2019/11/22	2022/11/21	No
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanjiang International Trade City Development Co., Ltd	200,000,000.00	2019/12/19	2022/12/19	No
Zhuji Sewage Pipe Network Co., Ltd	Zhuji Cultural Tourism Group Co., Ltd	65,000,000.00	2019/3/19	2020/3/18	No
Zhuji Sewage Pipe Network Co., Ltd	Zhuji Huanjiang Real Estate Co., Ltd	65,000,000.00	2019/3/19	2020/3/18	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Highway Engineering Company	75,000,000.00	2019/8/29	2020/8/29	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhejiang Wuxie Tourism Development Co., Ltd	50,000,000.00	2019/4/8	2020/4/7	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhejiang Baita Lake Ecotourism Development Co., Ltd	50,000,000.00	2019/7/12	2020/7/12	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Xishi Hometown Tourism Development Co., Ltd	50,000,000.00	2019/7/31	2020/7/31	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Huanjiang Landscape Engineering Co., Ltd	60,000,000.00	2019/7/12	2020/7/12	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhejiang Datang Socks industry city Co., Ltd	80,000,000.00	2019/9/3	2020/9/3	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhejiang Wuxie Tourism Development Co., Ltd	30,000,000.00	2019/9/30	2020/9/19	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhejiang Wuxie Tourism Development Co., Ltd	30,000,000.00	2019/11/27	2020/11/19	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Xishi hometown Tourism Development Co., Ltd	20,000,000.00	2019/9/30	2020/9/19	No
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Xishi hometown Tourism Development Co., Ltd	20,000,000.00	2019/11/27	2020/11/19	No
Zhuji Transportation Investment Group Co., Ltd	Zhuji Tourism Investment Development Co., Ltd	10,000,000.00	2017/4/28	2020/4/28	No
Zhuji Transportation Investment Group Co., Ltd	Zhuji Tourism Investment Development Co., Ltd	68,000,000.00	2017/6/28	2020/6/28	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Protection Technology Co., Ltd	140,000,000.00	2019/10/23	2020/10/23	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Protection Technology Co., Ltd	100,000,000.00	2019/8/2	2020/8/1	No
Feida Group Co., Ltd[Note1]	Zhejiang Feida Environmental Protection Technology Co., Ltd	100,000,000.00	2019/7/25	2020/7/21	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Protection Technology Co., Ltd	60,000,000.00	2019/3/27	2020/3/26	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Protection Technology Co., Ltd	26,000,000.00	2019/6/26	2020/6/25	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Protection Technology Co., Ltd	25,000,000.00	2019/9/2	2020/9/1	No
Feida Group Co., Ltd	Zhejiang Feida Environmental Protection Technology Co., Ltd	24,000,000.00	2019/6/26	2020/6/25	No

Guarantor	Obligor	Amount of guarantee	Start date	Due date	Has been fulfilled or not
	Protection Technology Co., Ltd				
Feida Group Co., Ltd	Zhejiang Feida Environmental Protection Technology Co., Ltd	6,000,000.00	2019/5/23	2020/5/22	No
Huang Feigang[Note2]	Zhejiang Great Southeast Co., Ltd	160,000,000.00	2018/1/16	2020/1/16	Yes
Huang shuishou[Note2]	Zhejiang Great Southeast Co., Ltd	160,000,000.00	2018/4/12	2020/4/1	Yes
Huang Shengxiang[Note2]	Zhejiang Great Southeast Co., Ltd	160,000,000.00	2018/4/12	2020/4/12	Yes
Huang Feigang, Peng Lili[Note2]	Zhejiang Great Southeast Co., Ltd	160,000,000.00	2019/1/18	2021/1/18	Yes
Huang Feigang[Note2]	Zhejiang Great Southeast Co., Ltd	133,500,000.00	2019/4/22	2020/4/21	Yes
Huang Feigang, Peng Lili[Note2]	Zhejiang Great Southeast Co., Ltd	39,970,000.00	2019/1/18	2021/7/12	Yes
Total		6,601,470,000.00			

[Note 1] This loan is jointly guaranteed by Juhua Group;

[Note 2] This guarantee is in the litigation stage. Please refer to IX (II) contingencies for details;

2. Other guarantees (outside the scope of consolidation)

Fida Group Co., Ltd., a subsidiary of the company, provides Fida Environmental Protection Technology Co., Ltd. with a note payable guarantee of 53.66 million yuan, with a term from July 29, 2019 to January 29, 2020; and a letter of credit guarantee of 25 million yuan, with a term from November 21, 2019 to February 21, 2020.

(III) Related party receivables and payables

1. Receivables from related parties

Items	Closing balance		Opening balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
(1) Accounts receivable				
Zhuji Huanjiang Business Management Co., Ltd	630,750.00			
Zhuji Cultural Tourism Group Co., Ltd	516,055.07			
(2) Prepayments				
Zhuji Cultural Tourism Group Co., Ltd			50,000,000.00	

Items	Closing balance		Opening balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Zhuji Xishi Youli Travel Agency Co., Ltd	626,579.00			
(3) Other receivables				
Zhuji Huanjiang International Trade City Development Co., Ltd	1,954,262,500.00		1,702,195,596.11	
Zhuji State-owned assets supervision and Administration Commission			297,876,144.43	
Zhuji Yuedu Investment Development Co., Ltd			200,000,000.00	
Zhuji Huanjiang Business Management Co., Ltd	251,500.00		251,500.00	
Zhejiang Feida Environmental Protection Technology Co., Ltd			94,780.82	
Zhuji Cultural Tourism Group Co., Ltd	30,000,000.00			
Zhuji Xishi Youli Travel Agency Co., Ltd	116,213.00			

2. Payable to related parties

Items	Closing balance	Opening balance
(1) Payables		
Zhuji Cultural Tourism Group Co., Ltd	6,907,740.00	-
(2) Advance from customers		
Zhuji Cultural Tourism Group Co., Ltd	3,640,887.04	3,611,112.73
Zhuji Yuedu Real Estate Co., Ltd	43,200.90	43,200.90
Zhuji Yuedu Investment Development Co., Ltd		141,119.00
Zhuji Huanjiang International Trade City Development Co., Ltd	1,087,722.11	1,359,560.03
(2) Other payables		
Zhuji Yuedu Real Estate Co., Ltd	250,000.00	250,000.00
Zhuji Yuedu Investment Development Co., Ltd	321,024,854.10	221,024,854.10
Zhuji Cultural Tourism Group Co., Ltd	187,450,432.00	297,450,432.00
Zhejiang Feida Precision Machinery Co., Ltd	1,300,000.00	545,000.00

IX. Commitment and contingency

(I) Significant commitment

1. Other major financial commitments

(1) For details of the property mortgage and pledge guarantee between the companies within the scope of consolidation, please refer to Note IX (II) 3 of the financial statements, “Guarantee between the companies within the scope of the Company's consolidation”.

(2) Property mortgage guarantees for each company's external loan within the scope of consolidation (Expressed in RMB 10,000.00)

Mortgagor	Mortgagee	Mortgaged object	Mortgage loan balance	Due date
Zhuji State-owned Assets Management Co., Ltd	Minsheng Bank	Land right use	250,000.00	2025/8/10
Zhuji Transportation Investment Group Co., Ltd	Huaxia Bank Shaoxing Zhuji sub branch	Land right use	28,000.00	2021/3/25
Zhuji Transportation Investment Group Co., Ltd	Bank of communications Shaoxing Zhuji sub branch	Land right use	30,000.00	2026/12/30
Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank Zhuji sub branch	Land right use	84,000.00	2022/5/30
Jiangsu fida baokai Electric Co., Ltd	Agricultural Bank of China	Land right use	3,300.00	2020/7/24
Great Southeast Co., Ltd	Agricultural bank	Real property	2,624.38	2021/12/28
Zhuji Water Group Co., Ltd	Shaoxing Zhuji sub branch of China Minsheng Bank Co., Ltd	House property	5,000.00	2020/8/21
Total			402,924.38	

(3) Property pledge guarantees for each company's external borrowing within the scope of consolidation (Expressed in RMB 10,000.00)

Pledgor	Pledgee	Pledged object	Pledge loan balance	Due date
Zhuji Urban & Rural Investment Group Co., Ltd	China Construction Bank	Accounts receivable	132,300.00	2027/5/11
Zhuji Urban & Rural Investment Group Co., Ltd	the Agricultural Bank of China	Accounts receivable	100,000.00	2032/3/8
Zhuji Sewage Pipe Network Co., Ltd	China Development Bank	Income right of government purchase agreement	60,000.00	2026/4/27
Zhuji New City Investment Development Co., Ltd	the Agricultural Bank of China	Income right of government purchase agreement	95,000.00	2027/5/4
Zhuji Communications Investment Group Co., Ltd	Agricultural Development Bank of China	Accounts receivable	105,000.00	2025/2/27
Zhuji Chengdong new City Construction Co., Ltd	China Development Bank	Accounts receivable	71,775.00	2041/8/28

Pledgor	Pledgee	Pledged object	Pledge loan balance	Due date
Zhuji state owned Assets Management Co., Ltd	Minsheng Bank	Accounts receivable	250,000.00	2025/8/10
Zhuji Chengdong new City Construction Co., Ltd	Industrial Bank	Accounts receivable	248,000.00	2031/12/31
Zhuji Chengdong new City Construction Co., Ltd	ICBC	Accounts receivable	55,000.00	2022/8/26
Zhuji Communications Investment Group Co., Ltd	Agricultural Development Bank of China	Accounts receivable	84,000.00	2022/5/30
Zhuji Communications Investment Group Co., Ltd	Agricultural Development Bank of China	All the rights and interests and income of the pledgor under the agreement on making up the repayment difference signed with Zhuji Finance Bureau on the Jiangzao Wangjiaying section project of Zhuji 03 Provincial Road East double track.	105,000.00	2025/2/27
Zhuji Communications Investment Group Co., Ltd	China Development Bank	All the rights and interests and income of the pledgor under the agreement on making up the repayment difference signed with Zhuji Finance Bureau on the Jiangzao Wangjiaying section project of Zhuji 03 Provincial Road East double track.	105,000.00	2025/2/27
Zhuji Rural Development Investment Co., Ltd	Industrial Bank	Pledge of receivables under government purchase service agreement	200,000.00	2029/11/13
Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	50 million certificates of deposit	25,292.98	2023/5/25
Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	Accounts receivable under the agreement of 50 million fixed deposit receipt and entrusted purchasing service	50,000.00	2031/1/28
Zhejiang Great Southeast Co., Ltd	Agricultural Bank of China	Accounts receivable	2,624.38	2021/12/28
Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China	Accounts receivable under the 150 million deposit	42,000.00	2023/5/30

Pledgor	Pledgee	Pledged object	Pledge loan balance	Due date
		certificate and the agreement of entrusted agent construction for the reconstruction project of Gaohu flood storage and detention area in Zhuji City		
Total			1,730,992.35	

(II) Contingencies

1. Contingent liabilities formed by pending litigation and arbitration and their financial impact

2. Contingent liabilities formed by providing debt guarantee for other units and their financial impact

(1) For details of the guarantee the companies provides for companies outside of the consolidation scope, please refer to Note VIII (II) of the financial statements, “Related party transactions”.

(2) Details of the company providing guarantee for non-related parties.

As of December 31, 2019, details of the company providing guarantee for non-related parties.

(Expressed in RMB 10,000.00)

Guarantor	Obligor	Guaranteed loan balance	Due date
Zhuji Transportation Investment Group Co., Ltd	Zhuji Diankou Comprehensive Control Of Environmental Co., Ltd	12,000.00	2024/1/25
Zhuji Transportation Investment Group Co., Ltd	Zhuji Diankou Comprehensive Control Of Environmental Co., Ltd	2,000.00	2020/9/29
Zhuji Transportation Investment Group Co., Ltd	Zhuji Diankou Comprehensive Control Of Environmental Co., Ltd	1,500.00	2020/9/29
Zhejiang Great Southeast Corp., Ltd	Zhejiang Great Southeast Corp., Ltd	1,650.00	2018/3/19
Zhejiang Great Southeast Corp., Ltd	Zhejiang Great Southeast Corp., Ltd	4,602.13	2018/3/23
Zhejiang Great Southeast Corp., Ltd	Zhejiang Great Southeast Corp., Ltd	4,197.42	2018/5/1
Zhejiang Great Southeast Corp., Ltd	Zhejiang Great Southeast Corp., Ltd	2,840.00	2018/12/12
Zhejiang Great Southeast Corp., Ltd	Zhejiang Great Southeast paper packaging Corp., Ltd	3,000.00	2018/12/18
Total		31,789.55	

Notes: This guarantee has been fulfilled and is in the litigation stage. Please refer to IX(II) contingencies for details

3. Guarantee between companies within the scope of merger of the company

(1) As of December 31, 2019, details of guarantee between companies within the scope of the Company's consolidation scope (Expressed in RMB 10,000.00).

Guarantor	Obligor	Loan financial institutions	Guaranteed loan balance	Due date
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji State-owned Assets Management Co., Ltd	China Everbright Bank	8,000.00	2020/7/23
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Huanmei Cleaning Service Co., Ltd	Industrial Bank Shaoxing Branch	9,000.00	2020/3/20
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Bank of Beijing Zhuji branch	15,000.00	2020/7/8
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Bank of Beijing Zhuji branch	10,000.00	2020/7/9
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Bank of Beijing Zhuji branch	12,000.00	2020/7/9
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Hua Xia Bank Zhuji branch	8,000.00	2020/12/20
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	Bank of Ningbo Zhuji branch	10,000.00	2020/5/28
Zhuji State-owned Assets Management Co., Ltd	Feida Group Co., Ltd	China CITIC Bank Zhuji branch	10,000.00	2020/10/7
Feida Group Co., Ltd	Jiangsu Feida baokai Electric Co., Ltd	China Bank	1,000.00	2020/11/17
Zhuji State-owned Assets Management Co., Ltd	Huanjiang water Co., Ltd	Bank of Ningbo Shaoxing Branch	8,597.05	2020/10/9
Zhuji Rural Development Investment Co., Ltd. and Zhuji Water Group Co., Ltd	Huanjiang water Co., Ltd	Bank of Communications Zhuji sub branch	7,710.00	2020/10/23
Ningbo Great Southeast Vientiane Technology Co., Ltd. and Hangzhou Great Southeast hi tech new material Co., Ltd	Zhejiang Great Southeast Co.,Ltd	Agricultural bank	2,624.38	2021/12/28
Zhuji State-owned Assets Management Co., Ltd	Zhuji Water Group Co., Ltd	China CITIC Bank Shaoxing Zhuji sub branch	30,000.00	2020/11/27
Zhuji Urban & Rural Investment Group Co., Ltd	Zhuji Water Group Co., Ltd	Bank of Hangzhou Co., Ltd. Shaoxing Zhuji sub branch	9,710.00	2020/12/1
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Transportation Infrastructure Construction Co., Ltd	Industrial and Commercial Bank of China (livable Village)	15,000.00	2026/11/13
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Transportation Infrastructure Construction Co., Ltd	Industrial and Commercial Bank of China (livable Village)	4,841.00	2025/12/30
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Transportation Infrastructure Construction Co., Ltd	Industrial and Commercial Bank of China (livable Village)	8,602.00	2026/11/13
Zhuji Xincheng investment and Development Group Co., Ltd.; Zhuji Transportation Investment Group Co., Ltd	Zhuji Transportation Infrastructure Construction Co., Ltd	China Guangfa Bank	20,000.00	2021/6/24
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Chengdong new City Construction Co., Ltd	Industrial Bank Shaoxing Branch	248,000.00	2031/12/31
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Huaxia Bank Shaoxing Zhuji sub branch	20,000.00	2021/3/25
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Huaxia Bank Shaoxing Zhuji sub branch	3,300.00	2021/3/21
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Huaxia Bank Shaoxing Zhuji sub branch	4,700.00	2020/11/21

Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2020/6/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2020/12/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2021/6/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2021/12/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2022/6/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2022/12/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2023/6/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2023/12/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2024/6/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2024/12/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2025/6/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,100.00	2025/12/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,400.00	2026/6/30
Zhuji Water Group Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank communications Shaoxing Zhuji branch	of sub	2,400.00	2026/12/30
Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Zhuji sub branch	Bank	12,000.00	2021/4/30
Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Zhuji sub branch	Bank	5,000.00	2021/4/30

Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank Zhuji sub branch	17,000.00	2021/10/30
Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank Zhuji sub branch	100.00	2022/5/30
Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank Zhuji sub branch	17,900.00	2022/5/30
Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank Zhuji sub branch	2,000.00	2020/4/30
Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank Zhuji sub branch	10,000.00	2020/4/30
Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank Zhuji sub branch	4,000.00	2020/4/30
Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank Zhuji sub branch	10,100.00	2020/10/30
Zhuji Xincheng investment and Development Group Co., Ltd;Zhuji Rural Development Investment Co., Ltd.[Notes]	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank Zhuji sub branch	5,900.00	2020/10/30
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	6,000.00	2020/5/29
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	7,000.00	2020/11/30
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	7,000.00	2021/5/28
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	7,000.00	2021/11/30
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	7,000.00	2022/5/30
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	7,000.00	2022/11/30
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	900.00	2023/5/30
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	100.00	2031/5/30
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	10,000.00	2021/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	7,000.00	2021/12/20

Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	3,000.00	2021/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	2,000.00	2022/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	5,000.00	2022/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	3,000.00	2022/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	2,000.00	2022/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	8,000.00	2022/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	2,000.00	2023/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	8,000.00	2023/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	10,000.00	2023/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	12,500.00	2024/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	12,500.00	2025/2/27
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	7,000.00	2020/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	3,000.00	2020/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	7,000.00	2020/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Agricultural Development Bank of China	3,000.00	2020/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Development Bank	10,000.00	2021/6/20

Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	10,000.00	2021/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	3,000.00	2022/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	7,000.00	2022/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	3,000.00	2022/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	7,000.00	2022/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	3,000.00	2023/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	7,000.00	2023/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	1,000.00	2023/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	9,000.00	2023/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	1,000.00	2024/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	11,500.00	2024/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	3,500.00	2025/2/27
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	10,000.00	2020/6/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	10,000.00	2020/12/20
Zhuji Chengdong new City Construction Co., Ltd;Zhuji Radio and Television Network Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	China Bank	Development	9,000.00	2025/2/27
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Shaoxing Branch		8,000.00	2021/5/13
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Industrial Bank Shaoxing Branch		8,000.00	2021/11/13

Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,450.00	2021/7/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,450.00	2022/1/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,450.00	2022/7/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,450.00	2023/1/27
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,450.00	2023/7/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,450.00	2024/1/26
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,450.00	2024/7/26
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,450.00	2025/1/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,450.00	2025/7/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	450.00	2020/1/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	4,000.00	2020/7/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	750.00	2026/1/28
Zhuji Transportation Investment Group Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	300.00	2031/1/28
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Bank of China Zhuji branch	16,000.00	2021/6/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Bank of China Zhuji branch	13,333.50	2020/6/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Bank of China Zhuji branch	13,333.50	2020/12/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Bank of China Zhuji branch	16,000.00	2021/12/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou Shaoxing Zhuji bank sub branch	10,000.00	2021/4/22
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou Shaoxing Zhuji bank sub branch	10,000.00	2021/10/22
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou Shaoxing Zhuji bank sub branch	8,750.00	2020/4/22
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou Shaoxing Zhuji bank sub branch	8,750.00	2020/10/22
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou Shaoxing Zhuji bank sub branch	8,750.00	2020/4/22

Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou Shaoxing Zhuji bank sub branch	8,750.00	2020/10/22
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou Shaoxing Zhuji bank sub branch	10,000.00	2021/4/22
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou Shaoxing Zhuji bank sub branch	10,000.00	2021/10/22
Zhuji State-owned Assets Management Co., Ltd;Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd. Shanghai Branch	12,750.00	2021/4/17
Zhuji State-owned Assets Management Co., Ltd;Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd. Shanghai Branch	750.00	2020/4/26
Zhuji State-owned Assets Management Co., Ltd;Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Xiamen International Bank Co., Ltd. Shanghai Branch	750.00	2020/10/26
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2021/12/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2022/6/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2022/12/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2023/6/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2023/12/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2024/6/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2024/12/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2025/6/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2025/12/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	8,000.00	2026/6/16
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	China Minsheng Bank Shaoxing Branch	20,000.00	2026/12/16
Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	500.00	2021/3/18
Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	500.00	2021/8/18
Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	500.00	2022/3/18
Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	500.00	2022/8/18
Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	500.00	2023/3/17
Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	500.00	2023/8/18

Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	500.00	2024/3/18
Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	500.00	2024/8/16
Zhuji Urban and Rural Investment Group Co., Ltd	Zhuji Chengdong New City Construction Co., Ltd	Xiamen International Bank Co., Ltd. Shanghai Baoshan sub branch	10,000.00	2021/9/18
Zhuji Urban and Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co.	Bank of Ningbo	100,000.00	2021/10/17
Zhuji Urban and Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co.	Macau Bank	28,500.00	2022/1/31
Zhuji Urban and Rural Investment Group Co., Ltd	Zhuji State-owned Assets Management Co.	China Bohai bank	25,000.00	2022/10/16
Zhuji Water Group Co., Ltd	Zhuji Radio and Television network Co., Ltd	Minsheng Bank	20,000.00	2022/8/1
Zhuji State-owned Assets Management Co., Ltd	Zhuji Radio and Television network Co., Ltd	Bank of China	50,000.00	2027/9/15
Zhuji Xincheng Investment and Development Group Co., Ltd	Zhuji Water Group Co., Ltd	Zhuji sub branch of ICBC	29,000.00	2024/6/24
Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	704.00	2020/3/18
Zhuji Rural Development Investment Co., Ltd	Zhuji Grain Storage Co., Ltd	Agricultural Development Bank of China Zhuji sub branch	750.00	2020/8/18
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Xincheng Investment and Development Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	760.00	2021/1/18
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Xincheng Investment and Development Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	7,600.00	2021/12/18
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Xincheng Investment and Development Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	760.00	2022/1/18
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Xincheng Investment and Development Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	2,520.00	2022/12/18
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	2,000.00	2021/1/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	1,500.00	2020/1/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	20,000.00	2020/7/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	20,000.00	2021/7/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	2,000.00	2022/1/21
Zhuji Chengdong New City Construction Co., Ltd	Zhuji Urban and Rural Investment Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	16,000.00	2022/7/8
Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	Bank of Beijing Shaoxing Zhuji sub branch	20,000.00	2027/4/16

Zhuji Xincheng investment and Development Group Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	Industrial and Commercial Bank of China Zhuji sub branch	80,000.00	2027/4/16
Zhuji Chengdong new City Construction Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	Industrial and Commercial Bank of China Zhuji sub branch	59,000.00	2021/9/10
Zhuji Chengdong new City Construction Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	39,690.00	2021/9/10
Zhuji urban and Rural Investment Group Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	Xiamen International Bank Shanghai Branch	27,000.00	2021/9/10
Zhuji urban and Rural Investment Group Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	China Bohai Bank Co., Ltd	5,000.00	2022/10/16
Zhuji Chengdong new City Construction Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	Bank of Hangzhou	50,000.00	2020/9/20
Zhuji Rural Development Investment Co., Ltd	Zhuji Transportation Investment Group Co., Ltd	Bank of Hangzhou	35,000.00	2020/3/13
Zhuji urban and Rural Investment Group Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	Bank of Hangzhou	30,000.00	2020/12/15
Zhuji urban and Rural Investment Group Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	Industrial and Commercial Bank of China Limited	12,200.00	2020/12/15
Zhuji urban and Rural Investment Group Co., Ltd	Zhuji urban and Rural Investment Group Co., Ltd	Industrial and Commercial Bank of China Zhuji sub branch	16,800.00	2020/12/25
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Xincheng investment and Development Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	570.00	2020/1/28
Zhuji Chengdong new City Construction Co., Ltd	Zhuji Xincheng investment and Development Group Co., Ltd	Hangzhou bank Shaoxing Zhuji sub branch	7,600.00	2020/12/18
Zhuji State-owned Assets Management Co., Ltd	Zhuji Water Group Co., Ltd	Ningbo Bank	20,000.00	2021/12/23
Zhuji urban and Rural Investment Group Co., Ltd	Zhuji Transportation Infrastructure Construction Co., Ltd	Pingan International Financial Leasing (Tianjin) Co., Ltd	21,828.00	2024/3/6
Zhuji urban and Rural Investment Group Co., Ltd	Zhuji Transportation Infrastructure Construction Co., Ltd	YONGYING Financial Leasing Co., Ltd	19,690.00	2023/6/19
Zhuji urban and Rural Investment Group Co., Ltd	Zhuji Transportation Infrastructure Construction Co., Ltd	Changjiang United Financial Leasing Co., Ltd	27,900.00	2024/5/30
Zhuji urban and Rural Investment Group Co., Ltd	Zhuji Public Transport Co., Ltd	Jiushi Financial Leasing (Shanghai) Co., Ltd. and Xingyin Financial Leasing (Qingdao) Co., Ltd	27,000.00	2024/5/15
Total			2,195,666.41	

[Notes]: The guarantee amount of Zhuji Xincheng investment and Development Co., Ltd. is 2,284,000,000 yuan, and that of Zhuji urban and Rural Investment Group Co., Ltd. is 212,000,000 yuan;

(2) As of December 31, 2019, property mortgage guarantee between companies within the scope of merger of the company (Expressed in RMB 10,000.00).

Guarantor	Guaranteed unit	Mortgagee	Mortgaged object	Mortgage loan balance	Due date
Zhuji Traffic Infrastructure Construction Co., Ltd	Zhuji Rural Development Investment Co., Ltd	Agricultural Development Bank of	Land use right	42,000.00	2023/5/30

Guarantor	Guaranteed unit	Mortgagee	Mortgaged object	Mortgage loan balance	Due date
		China Zhuj sub branch			

(III) Others

Significant contingencies at the balance sheet date

(1)Contingent liabilities formed by pending litigation and arbitration and their financial impact

1) From 2016 to 2017, Zhejiang Great Southeast Group Co., Ltd. raised RMB 35 million from Zhu Hongwei in the form of stock transfer, and Ningbo Vientiane Co., Ltd. provided joint liability guarantee for the above loans. Because Zhejiang Great Southeast Group Co., Ltd. failed to repay part of the loan on time, Zhu Hongwei sued Ningbo Vientiane company (case No. (2019) zh0681 minchu No. 5010) in Zhuj people's court in March 2019. The plaintiff requested that Ningbo Vientiane company should bear the guarantee liability, return the loan principal and interest totaling 16.5 million yuan, and bear the litigation costs of this case. Zhuj Municipal People's court made a first instance decision on May 27, 2019, holding that Zhu Hongwei, the plaintiff, is not a goodwill t counterpart, and that the guarantee act involved in the case has no effect on the defendant Ningbo Vientiane company, and it rejected Zhu Hongwei's claim. Zhu Hongwei refused to accept the first trial decision and appealed to Shaoxing intermediate people's Court on June 10, 2019. On August 19, 2019, the second trial judgment was received, which was to reject the appeal and maintain the original judgment.

2) In 2018, Zhejiang Great Southeast Group Co., Ltd. signed a loan contract with Dalian Jinma mall Enterprise Group Co., Ltd. with a loan amount of 40 million yuan. Zhejiang Great Southeast Co., Ltd., Huang Shuishou, Huang Feigang and Huang Shengxiang provided joint and several liability guarantee for the loan. Due to the failure to repay the loan on time, Dalian Jinma mall Enterprise Group Co., Ltd. has filed a lawsuit against the company and related parties with Dalian intermediate people's Court (case No. (2018) Liao 02 min Chu 1604), demanding the repayment of principal and interest in total 46021, three hundred and eleven point one one Yuan. On April 30, 2019, Dalian intermediate people's court decided to transfer the case to Zhuj people's court for handling. On August 5, 2019, the people's Court of Zhuj City ruled that the case should be handled according to the withdrawal of the plaintiff Dalian

Jinma mall Enterprise Group Co., Ltd.

On September 6, 2019, Zhejiang Great Southeast Co., Ltd. took the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) zh0681 and the Republic of China beginning on 14936) to confirm the invalidity of the guarantee contract. The people's Court of Zhuji City made a first instance decision on November 17, 2019 to confirm the invalidity of the guarantee provided by the company in the guarantee contract. Dalian Jinma mall Enterprise Group Co., Ltd. refuses to accept the first trial decision and appeals to Shaoxing intermediate people's court for revoking the first trial decision,

The company's original lawsuit request shall be rejected in a new judgment. As of the date of this report, no judgment has been made in the second instance of the case.

3) In 2018, Zhejiang Great Southeast Group Co., Ltd. signed a loan contract with Ningbo Houdao Xinzhi investment partnership (limited partnership), with a loan amount of 36 million yuan. Zhejiang Great Southeast Co., Ltd. and its subsidiaries Ningbo Great Southeast Vientiane Technology Co., Ltd. (hereinafter referred to as "Ningbo Vientiane company") and Huang Shuishou respectively signed guarantee contracts with Ningbo Houdao Xinzhi investment partnership (limited partnership) to provide joint liability guarantee for the loan, The guarantee covers principal, interest, liquidated damages, compensation, compensation, overdue interest, etc. Because Zhejiang Great Southeast Group Co., Ltd. failed to repay the loan principal and interest on schedule, Ningbo houdaoxinzhi investment partnership (limited partnership) filed a lawsuit to the people's Court of Xihu District, Hangzhou City in June 2018 (case No. (2018) z0106 early Republic 4838). The plaintiff Ningbo houdaoxinzhi investment partnership (limited partnership) requested Zhejiang Great Southeastn Group Co., Ltd. to bear the interest The overdue penalty interest and attorney's agency fee totaled 2.14 million yuan, and Ningbo Vientiane company and Huang Shuishou were requested to be adjudged jointly and severally liable for the above debts. On May 14, 2019, the people's Court of West Lake District of Hangzhou made a first instance judgment, which was as follows: 1. Ningbo Houdao Xinzhi investment partnership (limited partnership) enjoyed interest of 900000 yuan (calculated by 10% of the annual interest rate based on the loan principal of 36 million yuan) during the loan period for Zhejiang Great Southeast Group Co., Ltd. and overdue default interest of 1.19

million yuan (calculated by 3% of the loan principal) from February 12, 2018 to May 8, 2018, 6 million yuan as the base, calculated at 14% of the annual interest rate); 2. Huang Shuishou and Ningbo Vientiane are jointly and severally liable for paying off the interest and overdue default interest during the above loan period, and Huang Shuishou and Ningbo Vientiane are entitled to recover from Zhejiang Great Southeast Group Co., Ltd. after assuming the guarantee liability; 3. Reject other claims of Ningbo houdaoxinzhi investment partnership (limited partnership). Zhejiang Great Southeast Group Co., Ltd., Ningbo Vientiane Co., Ltd. and Huang Shuishou shall bear the case acceptance fee and property preservation fee of 27630 yuan. Ningbo Vientiane company refused to accept the first trial decision and appealed to Hangzhou intermediate people's Court on June 3, 2019. It requested to cancel the part of the first trial decision that required the appellant Ningbo Vientiane company to bear the guarantee responsibility, and requested Zhejiang Great Southeast Group Co., Ltd. and Huang Shuishou to bear 27% of the first trial litigation cost, 630 yuan, requesting to order Ningbo Houdao Xinzhi Investment partnership (limited partnership) to bear the litigation costs of the second instance of this case. At the same time, Ningbo Houdao Xinzhi Investment partnership (limited partnership) filed an appeal to Hangzhou intermediate people's Court on June 10, 2019, requesting that Zhejiang Great Southeast Group Co., Ltd. pay the attorney agency fee of 50000 yuan and guarantee service fee of Ningbo Houdaoxinzhi Investment partnership (limited partnership) for the case, 2. Ningbo Vientiane Co., Ltd. and Huang Shuishou are jointly and severally liable for the above debts. On October 15, 2019, Hangzhou intermediate people's court made a second trial decision (case No. (2019) z01minzhong 6144), which was as follows: 1. Maintain the first and second civil judgments of Hangzhou West Lake District People's Court (2018) z0106 and the beginning of the Republic of China 4838; 2. Cancel the third civil judgments of Hangzhou West Lake District People's Court (2018) z0106 and the beginning of the Republic of China 4838; 3. Confirm that Zhejiang Great Southeast group has The limited company owes 50000 yuan to the lawyer of Ningbo Houdaoxinzhi Investment partnership (limited partnership); 4. Huang Shuishou and Ningbo Vientiane owe 50 yuan to the lawyer of Ningbo Houdaoxinzhi Investment partnership (limited partnership) for Zhejiang Great Southeast Group Co., Ltd, RMB 000 shall be jointly and severally liable to Ningbo Houdaoxinzhi Investment partnership (limited

partnership); 5. Other claims of Ningbo Houdaoxinzhi Investment partnership (limited partnership) shall be rejected. On December 11, 2019, Ningbo Vientiane company applied to the higher people's Court of Zhejiang Province for retrial of this case, requesting that the judgment be changed to reject the application of Ningbo Houdao Xinzhi investment partnership (limited partnership) to Ningbo Vientiane company. As of the date of this report, the provincial high court of the case has not made a relevant ruling. On June 13, 2019, the company has taken the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) z0681 MC 10012) to confirm the invalidity of the guarantee contract. As of the disclosure date of this announcement, the case has not been adjudicated.

On November 14, 2019, Ningbo Houdao Xinzhi Investment partnership (limited partnership) filed a lawsuit with Zhuji Municipal People's Court (case No. (2019) zh0681 and minchu 18219), requesting Ningbo Vientiane company to return the loan principal of 36 million yuan and overdue penalty interest 1 under the loan contract No. jk20180201 to the plaintiff, The debt of 3.248 million yuan shall be jointly and severally liable for repayment (the overdue default interest shall be calculated based on 36 million yuan at an annual interest rate of 24%, temporarily from May 9, 2018 to November 12, 2019, totaling 552 days, $36,000,000 \times 24\% \div 360 \times 552 = 13,248,000$ yuan, and the overdue default interest after November 13, 2019 shall be calculated to the date of actual repayment according to the above standards).

In November 2018, Ningbo Houdao Xinzhi investment partnership (limited partnership) has declared its creditor's rights to the manager of Zhejiang Great Southeast Group Co., Ltd., and the declared amount for the above loan matters is 41.9742 million yuan. As of the date of this report, the case has not been adjudicated.

4) In 2017, Zhejiang Great Southeast Group Co., Ltd. and Deqing Houdao Taifu management consulting partnership (limited partnership) signed a loan contract and a supplementary agreement to the loan contract, with the agreed loan amount of RMB 100 million and the loan term of 6 months. The company, Zhejiang Great Southeast Real Estate Co., Ltd. and Huang Shuishou respectively signed a guarantee contract with Deqing Houdao Taifu management consulting partnership (limited partnership) to provide joint and several liability guarantee for the loan, with the guarantee scope of principal, interest, liquidated damages, compensation,

compensation, overdue interest, etc.

On June 13, 2019, the company took the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) zhe 0681 min Chu 10019) to confirm the invalidity of the guarantee contract. As of the date of this report, the case has not been adjudicated.

5) In 2017, Zhejiang Great Southeast Group Co., Ltd. and Ningbo Houdaoxinshang Investment partnership (limited partnership) signed a loan contract and a supplementary agreement to the loan contract, with the agreed loan amount of 24 million yuan and the loan term of 6 months. The company, its subsidiaries Ningbo Vientiane Co., Ltd. and Huang Shuishou respectively signed a guarantee contract with Ningbo Houdaoxinshang Investment partnership (limited partnership) to provide joint and several liability guarantee for the loan, with the guarantee scope of principal, interest, liquidated damages, compensation, compensation, overdue interest and other funds.

On June 13, 2019, the company took the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) zhe 0681 min Chu 10016) to confirm the invalidity of the guarantee contract. As of the disclosure date of this announcement, the case has not yet been adjudicated. On June 17, 2019, Ningbo Vientiane company took the initiative to file a lawsuit to the people of Zhuji City (case No. (2019) zhe 0681 min Chu 10114) to confirm the invalidity of the guarantee contract.

In November 2018, Deqing Houdao Taifu management consulting partnership (limited partnership) has declared creditor's rights to the manager of Zhejiang Great Southeast Group Co., Ltd., with the declared amount of 27.9213 million yuan. As of the date of this report, the case has not been adjudicated.

6) In 2018, Zhejiang Great Southeast Group Co., Ltd. signed a loan contract with Zhuji branch of Agricultural Bank of China with a loan amount of 28.4 million yuan. The loan period is from July 12, 2018 to December 17, 2018. Fengqiu Group Co., Ltd. provides joint liability guarantee for the loan. In order to realize the above-mentioned secured creditor's rights, the company, Huang Feigang, Peng Lili and Fengqiu Group Co., Ltd. signed a counter guarantee guarantee contract, and the company, Huang Feigang and Peng Lili provided counter guarantee for Fengqiu Group Co., Ltd., covering all debts paid by Fengqiu Group Co., Ltd. on behalf of

Zhejiang Great Southeast Group Co., Ltd., including loan principal, interest, compound interest Liquidated damages and expenses for realization of claims.

On September 30, 2019, the company took the initiative to file a lawsuit to the people's Court of Zhuji City (case No. (2019) zhe 0681 min Chu 16161), asking the company not to assume the guarantee responsibility. As of the date of this report, the people's Court of Zhuji has not made a judgment.

7) In 2018, Zhuji Great Southeast paper packaging Co., Ltd. signed a loan contract with Zhuji branch of Agricultural Bank of China with a loan amount of 30 million yuan. The loan period is from June 29, 2018 to December 28, 2018. Fengqiu Group Co., Ltd. provides joint liability guarantee for the loan.

In order to realize the above-mentioned secured creditor's rights, the company, Huang Feigang, Peng Lili and Fengqiu Group Co., Ltd. signed a counter guarantee guarantee contract, and the company, Huang Feigang and Peng Lili provided counter guarantee for Fengqiu Group Co., Ltd., covering all debts paid by Fengqiu Group Co., Ltd. on behalf of Zhejiang Great Southeast Group Co., Ltd., including loan principal, interest, compound interest Liquidated damages and expenses for realization of claims.

On September 30, 2019, the company took the initiative to file a lawsuit to the people's Court of Zhuji City (case No. (2019) zhe 0681 min Chu 16158), asking the company not to assume the guarantee responsibility. As of the date of this report, the people's Court of Zhuji has not made a judgment.

As of the end of 2019, the total amount of the above guarantees provided by Zhejiang Great Southeast Co., Ltd. to the controlling shareholder Zhejiang Great Southeast Group Co., Ltd. and the enterprises under its control is about 21, 7.7785 million yuan, Zhejiang Great Southeast Co., Ltd. failed to perform the approval procedures and information disclosure obligations of the board of directors and the general meeting of shareholders in accordance with the provisions of relevant laws and regulations. Zhejiang Great Southeast Co., Ltd. judged that the illegal guarantee has no effect on the company, and the company does not need to bear the guarantee liability, and it is not expected to have adverse impact on it. On June 26, 2019, the manager of Zhejiang Great Southeast Group Co., Ltd. has reserved a deposit 26 in his account (account

name: manager of Zhejiang Great Southeastn Group Co., Ltd., account: 201000210638706, Bank of deposit: Business Department of Zhejiang Zhuji Rural Commercial Bank Co., Ltd.) in accordance with the relevant provisions of the reorganization plan of Zhejiang Great Southeast Group Co., Ltd, 6.4481 million yuan, the fund will be mainly used to solve the problem that the company provides guarantee for Zhejiang Great Southeast Group Co., Ltd. and related parties in violation of regulations (if the company needs to bear all or part of the guarantee liability for this reason), the corresponding amount in the reserved guarantee will be directly liable for guarantee after the final liability of each violation guarantee liability of the company is clear (for example, Zhejiang Great Southeast Co., Ltd Limited company is confirmed to be liable) to ensure that the violation guarantee of which it is a related party will not cause loss to the company.

X. Non adjustment events after the balance sheet date

The Company have no other material events after balance sheet date up to the approved date of the financial statements.

XI. Other important matters

Instructions for correction of previous errors

Retrospective restatement

Content of accounting error correction	Affected report items	Affected amount
Make up the property tax and land use tax of the previous year	Undistributed profit at the beginning of the period	-76,861,302.65
	Minority interest	-5,277,193.69
	Taxes and surcharges	17,362,912.89
	Taxes payable	97,188,417.03
	Income tax expense	-2,312,992.20
	Net profit	-15,049,920.69
	Including: Net profit attributable to the owner of the parent company	-13,361,684.75

XII. Notes to important items in the financial statements of the parent company

Unless otherwise noted, the beginning of the period refers to January 1, 2019 and the end of the period refers to December 31, 2019; the current period refers to 2019 and the previous year refers to 2018. Amount unit: RMB

(I) Accounts receivable

(1) Details

Category	Closing balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually					
Tested for impairment on group basis	7,180,500.00	100.00			7,180,500.00
Insignificant but tested for impairment individually					
Total	7,180,500.00	100.00			7,180,500.00

Continued:

Category	Opening balance				Net book value
	Book blue		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually					
Tested for impairment on group basis	6,559,000.00	100.00			6,559,000.00
Insignificant but tested for impairment individually					
Total	6,559,000.00	100.00			6,559,000.00

(2) Details for bad debt provision

Account receivable tested for impairment on group basis

Related parties, government and other administrations group

Name of the company	Book value	Bad debt provision	Percent (%)
Zhejiang Zhuji Transformation and Upgrading Industry Fund Co., Ltd	7,180,500.00	-	-

There is a significant difference between the recoverability of the above-mentioned current accounts with related parties, government departments or administrative investment entities and other accounts, and no impairment is found after independent test at the end of the period, so no provision for bad debts is made for these accounts.

(3) Description of the accounts receivable with related parties

Name of company	Relationship with the Company	Closing balance	Proportion in accounts receivables (%)
Zhejiang Zhuji Transformation and Upgrading Industry Fund Co., Ltd	Subsidiary of the Company	7,180,500.00	100.00

(II) Other receivables

1. Details

Items	Closing balance			Opening balance		
	Book balance	Provision for bad and doubtful debts	The book value	Book balance	Provision for bad and doubtful debts	The book value
Interest receivable	483,991,418.84		483,991,418.84	160,193,363.52		160,193,363.52
Dividends receivable						
Other receivables	12,750,926,625.25	12,175,644.21	12,738,750,981.04	10,197,956,100.91	12,466,150.00	10,185,489,950.91
Total	13,234,918,044.09	12,175,644.21	13,222,742,399.88	10,358,149,464.43	12,466,150.00	10,345,683,314.43

2. Interest receivable

Project	Closing balance	Opening balance
Inter-enterprise loan	483,991,418.84	160,193,363.52

3. Other receivables

(1) Details

Category	Closing balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-
Tested for impairment on group basis	12,750,926,625.25	100.00	12,175,644.21	-	12,738,750,981.04
Insignificant but tested for impairment individually	-	-	-	-	-
Total	12,750,926,625.25	100.00	12,175,644.21	-	12,738,750,981.04

Continued:

Category	Opening balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Significant and tested for impairment individually	-	-	-	-	-

Category	Opening balance				Net book value
	Book value		Provision for bad and doubtful debts		
	Amount	Percent (%)	Amount	Percent (%)	
Tested for impairment on group basis	10,197,956,100.91	100.00	12,466,150.00	0.12	10,185,489,950.91
Insignificant but tested for impairment individually	-	-	-	-	-
Total	10,197,956,100.91	100.00	12,466,150.00	0.12	10,185,489,950.91

(2)Details of bad debt provision

1) Other receivable tested for impairment on group basis

①Aging basis

Aging	Closing balance		
	Book balance	Provision for bad debts	Percent (%)
Within 1 year	87,506,884.21	4,375,344.21	5.00
1-2 years	58,003,000.00	5,800,300.00	10.00
2-3 years			
3-4 years	4,000,000.00	2,000,000.00	50.00
Total	149,509,884.21	12,175,644.21	8.14

②Related parties, government and other administrations group

Name of the company	Book value	Bad debt provision	Percent (%)
Related parties, government and other administrations group	5,908,500,000.0	-	-

There is a significant difference between the recoverability of the above-mentioned current accounts with related parties, government departments or administrative investment entities and other accounts, and no impairment is found after independent test at the end of the period, so no provision for bad debts is made for these accounts.

(3)Description of the nature or content of other receivables with a larger amount

Name of company	Closing balance	Nature or content
Zhuji New City Investment Development Co., Ltd	5,908,500,000.00	Temporary borrowing
Zhuji Huanjiang International Trade City Development Co., Ltd	1,550,000,000.00	Temporary borrowing
Zhuji Transportation Investment Group Co., Ltd	1,155,000,000.00	Temporary borrowing
Zhuji Water Group Co., Ltd	1,000,000,000.00	Temporary borrowing
Zhuji Finance Bureau	968,762,233.33	Current account
Zhuji Urban and Rural Investment Group Co., Ltd	499,760,000.00	Temporary borrowing

Name of company	Closing balance	Nature or content
Total	11,082,022,233.33	

(4) Description of the other receivables with related parties

Name of company	Relationship with the Company	Closing balance	Proportion in other receivables (%)
Zhuji New City Investment Development Co., Ltd	Subsidiary of the Company	5,908,500,000.00	46.34
Zhuji Huanjiang International Trade City Development Co., Ltd	Chairman of the Company is its chairman of the board of supervisors	1,550,000,000.00	12.16
Zhuji Transportation Investment Group Co., Ltd	Subsidiary of the Company	1,155,000,000.00	9.06
Zhuji Water Group Co., Ltd	Subsidiary of the Company	1,000,000,000.00	7.84
Zhuji Urban and Rural Investment Group Co., Ltd	Subsidiary of the Company	699,760,000.00	5.49
Zhuji Huimin Security Housing Construction Co., Ltd	Subsidiary of the Company	300,000,000.00	2.35
Zhuji Transportation Infrastructure Construction Co., Ltd	Subsidiary of the Company	100,000,000.00	0.78
Fida Group Co., Ltd	Subsidiary of the Company	66,294,144.21	0.52
Zhejiang Feida Metal Material Co., Ltd	Subsidiary of the Company	300,000.00	
Total		10,779,854,144.21	84.54

(III) Long-term equity investments

1. Details

Items	Closing balance			Opening balance		
	Book balance	Impairment	Book value	Book balance	Impairment	Book value
To subsidiaries	29,012,685,535.40	-	29,012,685,535.40	26,905,157,017.27	-	26,905,157,017.27
To joint ventures and associates	420,634,859.57	-	420,634,859.57	402,686,467.68	-	402,686,467.68
Total	29,433,320,394.97	-	29,433,320,394.97	27,307,843,484.95	-	27,307,843,484.95

2. Details of subsidiaries

Investee	Opening balance	Increase in current year	Decrease in current year	Closing balance	Impairment in current year	Closing balance of impairment
Zhejiang Zhuji Transformation And Upgrading Of Industrial Fund Co., Ltd	1,199,951,110.43		480,000,000.00	719,951,110.43		
Zhuji Chengdong New City Construction Co., Ltd	6,398,481,734.29			6,398,481,734.29		

Investee	Opening balance	Increase in current year	Decrease in current year	Closing balance	Impairment in current year	Closing balance of impairment
Zhuji Urban & Rural Investment Group Co., Ltd	13,836,830,263.93	300,000,000.00		14,136,830,263.93		
Zhuji Grain Storage Co., Ltd	60,580,344.75		60,580,344.75			
Zhuji Yuefeng Seed Industry Co., Ltd	8,953,012.89		8,953,012.89			
Zhuji Education Development Investment Co., Ltd	314,128,326.17		314,128,326.17			
Zhuji Traffic Infrastructure Construction Co., Ltd	206,459,750.53			206,459,750.53		
Zhuji Film Co., Ltd	40,300,681.40		40,300,681.40			
Zhuji Health Investment Co., Ltd	67,514,460.68		67,514,460.68			
Zhejiang Huanjiang Media Group Co., Ltd	30,537,787.74			30,537,787.74		
Zhuji Rural Development Investment Co., Ltd	3,462,706,555.35		3,462,706,555.35			
Feida Group Co., Ltd	484,334,583.76			484,334,583.76		
Zhuji Infrastructure Investment Fund Co., Ltd	120,000,000.00			120,000,000.00		
Zhejiang Linhang Investment Co., Ltd	200,000,000.00	1,271,150,791.83		1,471,150,791.83		
Zhuji Huimin Security Housing Construction Co., Ltd	300,000,000.00			300,000,000.00		
Zhuji Anshun Security Service Co., Ltd	133,198,218.60			133,198,218.60		
Zhuji Jindun Security Service Co., Ltd	41,180,186.75		41,180,186.75			
Zhuji state owned Capital Investment Holding Co., Ltd		250,000,000.00		250,000,000.00		
Zhuji Water Group Co., Ltd		4,759,514,571.58		4,759,514,571.58		
Zhuji Property Rights Trading Co., Ltd		2,226,722.71		2,226,722.71		
Total	26,905,157,017.27	6,582,892,086.12	4,475,363,567.99	29,012,685,535.40	-	-

3. Investment to associates and joint venture

Investee	Initial investment cost	Opening balance	Movement in current year			
			Additional investment	Reduction in investment	Invest income recognised under equity method	Movement in other comprehensive income
Joint venture						
Zhejiang Suichang Jiyang Shanghai Collaborative Industrial Park Development Co., Ltd	125,000,000.00	402,686,467.68			63,844.83	

Continued:

Investee	Movement in current year				Closing balance	Impairment at year end
	Movement in other equity	Cash dividends or profit declared	Impairments	Other		
Joint venture						
Zhejiang Suichang Jiyang Shanghai Collaborative Industrial Park Development Co., Ltd	17,884,547.06			-	420,634,859.57	

(IV) Operating revenue / costs of sales

Items	Current year		Previous year	
	Revenue	Cost of sale	Revenue	Cost of sale
Other business	751,715,132.80	-	365,603,357.07	-

(V) Investment income

1. Details

Items	Current year	Previous year
Gains/(losses) on long-term equity investments accounted for using equity method	63,844.83	302,927.68
Gains/(losses) on financial assets at fair value through profit or loss during the holding period	909,653.00	780,185.37
Gains/(losses) on available for sale financial assets during the holding period	134,125.00	20,252,754.17
Other Investment income	1,004,459.97	
Total	2,112,082.80	21,335,867.22

2. Long-term equity investment income measured by equity method

Name of investee	Current year	Previous year
Zhejiang Suichang Jiyang Shanghai Collaborative Industrial Park Development Co., Ltd	63,844.83	302,927.68

3. The company does not have significant restrictions on the repatriation of investment income.

Zhuji State-owned Assets Management Co., Ltd.

30 April, 2020

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