

INDEX TO FINANCIAL STATEMENTS

Unaudited but reviewed consolidated financial statements of the Issuer as at and for the six months ended 30 June 2022

Independent Review Report.	F-2
Consolidated Balance Sheet.	F-4
Consolidated Income Statement.	F-5
Consolidated Cash Flows Statement	F-6
Consolidated Statement of Changes in Equity	F-7
Balance Sheet	F-9
Income Statement	F-10
Cash Flows Statement.	F-11
Statement of Changes in Equity	F-12
Notes to Financial Statements from January to June in Year 2022.	F-14

Audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2021

Independent Auditor's Report	F-174
Consolidated Balance Sheet.	F-178
Consolidated Income Statement.	F-179
Consolidated Cash Flows Statement	F-180
Consolidated Statement of Changes in Equity	F-181
Balance Sheet	F-183
Income Statement	F-184
Cash Flows Statement	F-185
Statement of Changes in Equity	F-186
Notes to Financial Statements in 2021	F-188

Audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2020

Independent Auditor's Report	F-347
Consolidated and the Company Balance Sheets as at 31 December 2020	F-350
Consolidated and the Company Income Statements for the year ended 31 December 2020.	F-352
Consolidated and the Company Cash Flow Statements for the year ended 31 December 2020.	F-353
Consolidated Statement of Changes in Owners' Equity for the year ended 31 December 2020.	F-354
Company Statement of Changes in Owners' Equity for the year ended 31 December 2020.	F-355
Notes to the Financial Statements	F-356

Independent Review Report

D.H.H.Z.[2022]0012489

To the shareholders of AVIC International Leasing Co., Ltd.:

We have reviewed the accompanying financial statements of AVIC International Leasing Co., Ltd. (the "Company"), which comprise the consolidated balance sheet and company balance sheet as at 30 June 2022, the consolidated income statement and company income statement, the consolidated statement of changes in owners' equity and company statement of changes in owners' equity and the consolidated cash flow statement and company cash flow statement for six-month ended 30 June 2022, and the notes to the financial statements. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with China CPA Review Standard No. 2101 - Review of Financial Statements. The Standard requires us to plan and perform a review to obtain a limited assurance on whether the financial statements are free from material misstatement. The review is mainly limited to inquiring about the company's personnel and the analysis of financial data. The review provides less assurance than auditing. We have not performed the audit and therefore do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements are not prepared fairly in accordance with the requirement in Accounting Standards for Business Enterprises, or not present fairly the financial position of the consolidated and Company as at June 30, 2022, the financial performance and the cash flow of the consolidated and Company from January to June 2022 in all material respects.

【Signature Page】

Da Hua Certified Public Accountants
(Special General Partnership)



CICPA:

邵志文

CICPA:

张世恒

24 August 2022

Consolidated Balance Sheet

Prepared by: AVIC International Leasing Co., Ltd

30 June 2022

Currency: Chinese Yuan

Item	Note VIII	Closing Balance	Opening Balance	Item	Note VIII	Closing Balance	Opening Balance
Current assets:				Current liabilities:			
Cash at bank and on hand	1	8,442,576,823.73	5,900,843,933.96	Short-term borrowings	21	9,666,933,665.89	6,671,444,259.15
Financial assets held for trading	2	1,993,281,062.44	1,984,831,566.71	Financial liabilities held for trading		-	-
☆ Financial assets classified as measured at fair value and the change of which shall be included in current profit or loss		-	-	☆ Financial liabilities classified as measured at fair value and the change of which shall be included in current profit or loss		-	-
Derivative financial assets		-	-	Derivative financial liabilities		-	-
Notes receivable	3	15,805,748.03	38,609,013.37	Notes payable	22	1,361,420,000.00	508,750,000.00
Accounts receivable	4	152,269,308.04	129,341,138.28	Accounts payable	23	387,884,967.37	237,483,220.78
Accounts receivable financing		-	-	Payments received in advance	24	1,575,182,400.58	966,918,710.52
Prepayments	5	24,252,904.39	28,617,202.22	Contract liabilities	25	2,846,915.55	4,487,154.00
Other receivables	6	48,996,027.89	20,035,154.00	Employee benefits payable	26	3,561,852.36	25,848,524.60
Inc: Dividends receivable		-	-	Tax payables	27	627,726,851.31	1,009,252,212.63
Inventories	7	3,435,335.00	3,113,331.31	Other payables	28	23,130,174,958.30	24,061,178,175.25
Inc: Raw Material		-	-	Held-for-sale liabilities		-	-
Merchandise Inventory (finished products)	7	3,435,335.00	3,113,331.31	Current portion of non-current liabilities	29	22,368,387,128.00	25,243,456,920.79
Contract assets		-	-	Other current liabilities	30	6,645,173,863.01	5,697,259,945.21
Held-for-sale assets		-	-	Total current liabilities		65,779,092,632.37	64,426,078,123.23
Current portion of non-current assets	8	39,985,718,838.56	39,013,333,443.91	Non-current liabilities:			
Other current assets	9	2,782,114,371.08	3,821,493,607.17	Long-term borrowings	31	45,121,174,818.82	39,490,031,118.70
Total current assets		53,448,430,219.16	50,940,018,410.93	Bonds payable	32	26,241,504,471.45	26,032,975,179.16
Non-Current assets:				Lease liabilities	33	3,251,465,423.52	3,099,570,687.80
Debt investments		-	-	Long-term payables	34	5,466,889,621.16	5,573,418,077.04
☆ Available-for-sale financial assets		-	-	Long-term employee benefits payable		-	-
Other debt investments		-	-	Provisions		-	-
☆ Held to maturity investment		-	-	Deferred income	54	-	-
Long-term receivables	10	95,987,136,404.50	91,158,799,371.11	Deferred tax liabilities	19	338,758,169.64	277,998,729.26
Long-term equity investments	11	744,163.34	744,163.34	Other non-current liabilities	35	2,531,546,656.77	2,413,234,176.60
Investment in other equity instruments	12	21,419,846.54	21,419,846.54	Total non-current liabilities		82,981,348,961.36	76,887,227,968.56
Other non-current financial assets	13	1,175,003,109.96	1,079,063,077.14	Total liabilities		148,760,441,593.73	141,313,307,091.79
Investment properties	14	51,856,459.77	52,825,676.77	Equity:			
Fixed assets	15	16,879,345,906.84	16,239,837,313.48	Paid-in capital	36	9,978,467,899.00	9,978,467,899.00
Construction in progress	16	1,557,530,291.02	1,478,927,965.96	National Capital			
Productive biological assets		-	-	National Legal Person Capital	36	9,978,467,899.00	9,978,467,899.00
Oil and gas assets		-	-	Collective Capital			
Right-of-use assets	17	3,274,215,939.67	3,185,230,353.11	Private Capital			
Intangible assets	18	13,954,846.78	10,588,507.73	Foreign Capital			
Development expenditure		-	-	#Less: capital returned			
Goodwill		-	-	Net Paid-in capital(or share capital)	36	9,978,467,899.00	9,978,467,899.00
Long-term deferred expenses		-	-	Other equity instruments	37	6,000,000,000.00	4,400,000,000.00
Deferred tax assets	19	1,636,212,420.74	1,496,823,999.14	Capital reserves	38	3,342,130,738.76	3,342,130,738.76
Other non-current assets	20	2,786,029,184.57	1,919,371,664.24	Less: Treasury stock		-	-
Inc: Special reserve materials		-	-	Other comprehensive income	54	-76,102,253.41	-300,780,620.18
Total non-current assets		123,383,448,273.73	116,643,642,136.58	Inc: Translation difference of foreign currency statements	54	-73,492,019.13	-268,180,385.90
				Special reserves		-	-
				Surplus reserve	39	749,135,118.35	749,135,118.35
				Retained earnings	40	5,239,286,450.47	5,162,891,375.78
				Equity attributable to parent company		25,232,917,953.17	23,331,834,511.71
				'Non-controlling interests		2,838,518,945.99	2,938,518,945.99
				Total owners' equity		28,071,436,899.16	26,270,353,457.70
Total assets		176,831,878,492.89	167,583,660,548.49	Total liabilities and owners' equity		176,831,878,492.89	167,583,660,548.49

Note: Account with the sign of * in the table is only for the use of consolidated financial statements; Account with the sign of △ in the table is only for the use of financial enterprises; Account with the sign of # in the table is only for the use of foreign investment enterprises; Account with the sign of ☆ in the table is only for the use of enterprises that has not applied new financial instruments standards.

Legal representative:

Principal in charge of Accounting:

Head of accounting department:

Consolidated Income Statement

Prepared by: AVIC International Leasing Co., Ltd

For the period ended 30 June 2022

Currency: Chinese Yuan

Item	Note VIII	Current Period	Prior Period	Item	Note VIII	Current Period	Prior Period
1. Operating revenue				5. Net profit (loss is listed as "-")			
Inc.: Operating revenue	41	4,693,838,784.23	4,678,594,935.87	I. Net profit classified by ownership		1,013,918,522.91	995,661,734.29
△ Interest revenue		-	-	Net profit attributable to parent company		1,013,918,522.91	995,661,734.29
△ Earned Premium		-	-	* Net profit attributable to non-controlling interests		-	-
△ Fee and commission revenue		-	-	II. Net profit classified by going concern			
2. Operating costs				Net profit from continuing operations		1,013,918,522.91	995,661,734.29
Inc.: Operating costs	41	3,188,208,390.54	3,191,964,746.79	Net profit from discontinuing operations			
△ Interest expense		-	-	6. Other comprehensive income after tax	54	224,688,366.77	-37,289,657.60
△ Fee and commission expense		-	-	Other comprehensive income after tax attributable to parent company	54	224,688,366.77	-37,289,657.60
△ Surrender money		-	-	I. Items of other comprehensive income that will not be reclassified to profit or loss	54	-	-
△ Net compensation expenditure		-	-	i. Changes in remeasurement of defined benefit plans			
△ Net amount of insurance liability reserve withdrawn		-	-	ii. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
△ Expenditures dividend policy		-	-	iii. Changes in fair value of investments in other equity instruments	54		
△ Reinsurance expenses		-	-	iv. Changes in fair value of the Company's own credit risk			
Taxes and surcharges		22,509,244.51	19,335,702.01	v. Others			
Selling expenses	42	52,750,323.79	47,847,641.21	II. Items of other comprehensive income that will be reclassified to profit or loss	54	224,688,366.77	-37,289,657.60
Administrative expenses	43	96,537,936.47	697,646,187.51	I. Other comprehensive income that can be transferred to profit or loss under the equity method			
Research and development expenses		-	-	ii. Changes in fair value of other debt investments			
Finance expenses	44	-43,853,028.57	-59,126,835.04	* ii. Changes in fair value of available-for-sale financial assets			
Others		-	-	iv. Amount of financial assets reclassified into other comprehensive income			
Add: Other income	45	7,843,791.20	2,664,896.74	* v. Gain or loss from held to maturity investment reclassified as available for sale financial assets			
Income from investments (loss is listed as "-")	46	46,713,667.49	28,127,653.69	vi. Provisions for credit impairment of other debt investments			
△ Exchange gains (loss is listed as "-")		-	-	vi. Cash flow hedging reserve (The effective portion of gains or losses arising from cash flow hedging)			
Gains or losses from net exposure hedging (loss is listed as "-")		-	-	vii. Translation differences arising from financial statements in foreign currencies	54	224,688,366.77	-37,289,657.60
Gains or losses from changes in fair values (loss is listed as "-")	47	-938,314.86	1,856,946.28	ix. Others			
Credit impairment losses (loss is listed as "-")	48	-307,960,014.07	-310,246,392.22	* Other comprehensive income attributable to non-controlling interests after tax			
Asset impairment losses (loss is listed as "-")	49	-2,305,435.23	-460,255.30	7. Total comprehensive income		1,238,606,889.68	958,372,076.69
Gains or losses from asset disposals (loss is listed as "-")	50	7,840,613.09	66,029,293.87	Total comprehensive income attributable to parent company		1,238,606,889.68	958,372,076.69
3. Operating profit (loss is listed as "-")				* Total comprehensive income attributable to non-controlling interests		-	-
Add: Non-operating income	51	20,812,000.00	30,006,595.38	8. Earnings per share			
Less: Non-operating expenses	52	200,000.00	29,668.30	Basic earnings per share			
4. Profit before tax (loss is listed as "-")				Diluted earnings per share			
Less: Income tax	53	263,518,208.40	308,917,524.93				

Note: Account with the sign of "+" in the table is only for the use of consolidated financial statements; Account with the sign of "-" in the table is only for the use of financial enterprises; Account with the sign of "-" in the table is only for the use of enterprises that has not applied new financial instruments standards.

Principal in charge of Accounting:

Head of accounting department:

Consolidated Cash Flows Statement

Prepared by: AVIC International Leasing Co., Ltd

For the period ended 30 June 2022

Currency: Chinese Yuan

Item	Note VIII	Current Period	Prior Period	Item	Note VIII	Current Period	Prior Period
1. Cash flows from operating activities				Cash received from withdrawal of investments		2,710,727,816.30	2,628,339,029.19
Cash received from sales and services		33,146,067,818.19	28,510,291,239.10	Cash received from investment income		101,529,832.34	-
△Net increase in customer deposits and interbank deposits		-	-	Net proceeds from disposals of fixed assets, intangible assets and other long-term assets		2,484,366,758.46	1,780,818,446.42
△Net increase in borrowings from the central bank		-	-	Net proceeds from disposal of subsidiaries and other business units		-	439,602,706.43
△Net increase in borrowings from other financial institutions		-	-	Other cash receipts related to investing activities		-	-
△Cash received from premium of original insurance contract		-	-	Total cash inflows from investing activities		5,296,624,207.10	4,848,760,182.04
△Net cash received from reinsurance business		-	-	Cash paid for fixed assets, intangible assets and other long-term assets		700,936,749.36	755,694,880.31
△Net increase in deposits and investment funds of policyholders		-	-	Cash paid for investments		2,864,535,001.00	2,519,626,018.40
△Net increase in disposal of financial assets measured at fair value through profit or loss		-	-	Net cash paid for acquiring subsidiaries and other business units		-	-
△Cash receiving interest, handling charges and commissions		-	-	Other cash payments related to investing activities		-	12,952,600.00
△Net increase in borrowing funds		-	-	Total cash outflows from investing activities		3,565,471,750.36	3,288,473,478.71
△Net increase in repurchase business funds		-	-	Net cash flows from investing activities		1,731,152,456.74	1,560,286,703.33
△Net cash received from agency trading of securities		-	-	3. Cash flows from financing activities:		-	-
Tax and surcharge refunds		55,266,174.96	-	Cash received from investments by others		1,600,000,000.00	2,100,000,000.00
Other cash receipts related to operating activities		681,992,365.11	704,547,237.01	Including: Cash received by subsidiaries from non-controlling investors		-	-
Total cash inflows from operating activities		33,883,326,358.26	29,214,838,476.11	Cash received from borrowings		21,212,425,640.70	31,309,528,944.23
Cash paid for goods and services		32,782,615,109.49	37,184,230,944.92	△Cash received from issuing bonds		12,608,560,382.71	13,200,000,000.00
△Net increase in customer loans and advances		-	-	Other cash receipts related to other financing activities		2,044,252,375.02	1,601,997,602.98
△Net increase in deposits with the central bank and other banks		-	-	Total cash inflows from financing activities		37,465,238,398.43	46,211,526,547.21
△Cash paid for compensation of original insurance contract		-	-	Cash repayments for debts		28,874,202,606.69	34,782,503,177.25
△Net increase in lending funds		-	-	Cash paid for distribution of dividends and profit and for interest expenses		3,508,024,264.30	3,046,995,081.86
△Cash paid for interest, handling charges and commissions		-	-	Including: Dividends or profit paid by subsidiaries to non-controlling investors		47,251,553.80	-
△Cash paid for policy dividends		-	-	Other cash payments related to financing activities		1,883,540,223.31	688,951,826.46
Cash paid to and for employees		132,162,555.33	87,440,497.09	Total cash outflows from financing activities	54	34,355,767,094.30	38,518,450,085.57
Taxes and surcharges paid		1,135,862,881.14	1,495,084,120.30	Net cash flows from financing activities		3,109,471,304.13	9,693,076,461.64
Other cash payments related to operating activities		1,232,469,521.88	404,254,949.78	4. Effect of changes in foreign exchange rates on cash and cash equivalents		145,261,048.54	-28,296,135.53
Total cash outflows from operating activities		35,283,110,067.84	39,171,010,512.09	5. Net increase in cash and cash equivalents		3,586,101,099.83	1,268,894,993.46
Net cash flows from operating activities		-1,399,783,709.58	-6,956,172,035.98	Add: Opening balance of cash and cash equivalents		3,860,768,989.28	4,278,128,360.14
2. Cash flows from investing activities		-	-	6. Closing balance of cash and cash equivalents		7,446,870,089.11	5,547,023,353.60

Note: Account with the sign of △ in the table is only for the use of financial enterprises.
Legal representative:

Principal in charge of Accounting:

Head of accounting department:

Consolidated Statement of Changes in Equity

Prepared by: AVIC International Leasing Co., Ltd

For the period ended 30 June 2022

Currency: Chinese Yuan

Items	Current Period													
	Equity attributable to parent company				Non-controlling interests									
	Paid-in capital	Preferred stock	Perpetual debt	Others	Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	△ General risk reserves	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity
Columns	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Closing balance of last year	9,978,457,899.00	-	4,400,000,000.00	-	3,342,130,738.76	-	-300,780,626.18	-	749,135,118.35	-	5,162,891,375.78	23,331,834,511.71	2,938,518,945.99	25,270,353,457.70
Add: Increase/decrease due to changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease due to corrections of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Opening balance of current year	9,978,457,899.00	-	4,400,000,000.00	-	3,342,130,738.76	-	-300,780,626.18	-	749,135,118.35	-	5,162,891,375.78	23,331,834,511.71	2,938,518,945.99	25,270,353,457.70
3. Increase/decrease for current year (decrease: "-")	-	-	1,600,000,000.00	-	-	-	224,688,366.77	-	-	-	75,395,074.69	1,901,083,441.43	-109,000,000.00	1,867,063,441.43
1. Total comprehensive income	-	-	-	-	-	-	224,688,366.77	-	-	-	75,395,074.69	1,901,083,441.43	-109,000,000.00	1,867,063,441.43
II. Owner's contributions to and withdrawals of capital	-	-	1,600,000,000.00	-	-	-	-	-	-	-	-	-	-	-
i. Common stock contributed/paid-in capital by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Capital contributed by other equity instruments holders	-	-	1,600,000,000.00	-	-	-	-	-	-	-	-	-	-	-
iii. Share-based payments to owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. The appropriation and distribution of special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Appropriation of special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Distribution of special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Profits distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Dividends - statutory surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii. discretionary surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv. Reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v. Interim development fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi. Return of profits to investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vii. Appropriation of general risk reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
viii. Distribution to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ix. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Transfers within owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Capital reserves transferred to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Surplus reserve transferred to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii. Use of surplus reserve to cover previous losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv. Changes in measurement of defined benefit plans transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Closing balance of current year	9,978,457,899.00	-	6,000,000,000.00	-	3,342,130,738.76	-	-76,102,259.41	-	749,135,118.35	-	5,239,286,450.47	25,232,917,953.17	2,838,518,945.99	28,071,436,899.16

Note: Account with the sign of "+" in the table is only for the use of financial enterprises; Account with the sign of "-" in the table is only for the use of foreign investment enterprises.

Legal representative:

Principal in charge of Accounting:

Head of accounting department:

Consolidated Statement of Changes in Equity

Prepared by: AVIC International Leasing Co., Ltd.

For the period ended 30 June 2022

Currency: Chinese Yuan

Prepared by: AVIC International Leasing Co., Ltd		For the period ended 30 June 2022											Currency: Chinese Yuan		
Items		Prior Period													
		Equity attributable to parent company													
		Paid-in capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	△General risk reserves	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity
Column	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1. Closing balance of last year		9,978,467,899.00	-	4,500,000,000.00	-	3,342,130,738.76	-	-205,281,966.05	-	607,859,791.20	-	3,850,006,502.41	22,073,182,964.72	2,938,518,945.99	25,011,701,910.71
Add: Increase/decrease due to changes in accounting policies													-		
Increase/decrease due to corrections of errors in prior period													-		
Others													-		
2. Opening balance of current year		9,978,467,899.00	-	4,500,000,000.00	-	3,342,130,738.76	-	-205,281,966.05	-	607,859,791.20	-	3,850,006,502.41	22,073,182,964.72	2,938,518,945.99	25,011,701,910.71
3. Increase/decrease for current year (decrease "+")		-	-	-100,000,000.00	-	-	-	-95,508,653.53	-	141,275,327.15	-	1,372,834,979.27	1,298,651,545.99	-	1,298,651,545.99
I. Total comprehensive income		-	-	-100,000,000.00	-	-	-	-95,508,653.53	-	141,275,327.15	-	1,372,834,979.27	1,298,651,545.99	-	1,298,651,545.99
II. Owner's contributions to and withdrawals of capital		-	-	-100,000,000.00	-	-	-	-	-	-	-	-100,000,000.00	-	-	-100,000,000.00
i. Common stock contributed/paid-in capital by shareholders/owners		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Capital contributed by other equity instruments holders		-	-	-100,000,000.00	-	-	-	-	-	-	-	-	-	-	-100,000,000.00
iii. Share-based payments to owners' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. The appropriation and distribution of special reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Appropriation of special reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Distribution of special reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv. Profit distribution		-	-	-	-	-	-	-	-	141,275,327.15	-	-677,701,235.05	-536,425,907.90	-	-536,425,907.90
i. Appropriation of surplus reserve		-	-	-	-	-	-	-	-	81,624,011.50	-	-81,624,011.50	-	-	-
Including: statutory surplus reserve		-	-	-	-	-	-	-	-	81,624,011.50	-	-81,624,011.50	-	-	-
discretionary surplus reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Enterprise development fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of profits to investment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
△iv. Appropriation of general risk reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Distribution to owners		-	-	-	-	-	-	-	-	-	-	-1,132,939,064.42	-1,132,939,064.42	-	-1,132,939,064.42
iv. Others		-	-	-	-	-	-	-	-	59,651,315.65	-	536,861,840.87	596,513,156.52	-	596,513,156.52
V. Transfer within owners' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Capital reserves transferred to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Surplus reserve transferred to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii. Use of surplus reserve to cover previous losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv. Changes in reimbursement of defined benefit plans transferred to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-	-	-
v. Other comprehensive income transferred to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Closing balance of current year		9,978,467,899.00	-	4,400,000,000.00	-	3,342,130,738.76	-	-300,790,620.18	-	749,135,118.35	-	5,162,841,375.78	23,371,834,511.71	2,938,518,945.99	26,270,353,457.70

Note: Account with the sign of △ in the table is only for the use of financial enterprises; Account with the sign of # in the table is only for the use of foreign investment enterprises.

Legal representative:

Principal in charge of Accounting:

Head of accounting department:

Balance Sheet

Prepared by: AVIC International Leasing Co., Ltd

30 June 2022

Currency: Chinese Yuan

Item	Note XII	Closing Balance	Opening Balance	Item	Note XII	Closing Balance	Opening Balance
Current assets:				Current liabilities:			
Cash at bank and on hand		3,854,321,799.54	2,974,624,909.37	Short-term borrowings		7,148,416,083.42	4,512,647,818.29
Financial assets held for trading		1,993,261,062.44	1,984,831,586.71	Financial liabilities held for trading		-	-
☆Financial assets classified as measured at fair value and the change of which shall be included in current profit or loss		-	-	☆Financial liabilities classified as measured at fair value and the change of which shall be included in current profit or loss		-	-
Derivative financial assets		-	-	Derivative financial liabilities		-	-
Notes receivable		4,735,176.00	19,648,622.60	Notes payable		1,361,420,000.00	508,750,000.00
Accounts receivable	1	2,160,198.29	13,422,367.53	Accounts payable		385,256,663.31	229,441,029.11
Accounts receivable financing		-	-	Payments received in advance		695,198,370.29	497,494,089.64
Prepayments		15,775,179.64	7,961,877.89	Contract liabilities		-	-
Other receivables	2	33,102,829,849.34	30,708,152,555.22	Employee benefits payable		913,317.05	21,498,053.02
Inc: Dividends receivable		-	-	Tax payables		198,890,815.21	591,545,806.71
Inventories		-	-	Other payables		24,846,749,389.43	25,617,424,586.26
Inc: Raw Material		-	-	Inc: Dividends payable		-	-
Merchandise Inventory (finished products)		-	-	Held-for-sale liabilities		-	-
Contract assets		-	-	Current portion of non-current liabilities		15,027,781,688.73	17,017,716,169.37
Held-for-sale assets		-	-	Other current liabilities		6,845,173,863.01	5,897,259,945.21
Current portion of non-current assets		28,990,731,298.80	29,419,324,383.15	Total current liabilities		56,309,769,188.45	54,693,777,291.61
Other current assets		1,955,892.85	-	Non-current liabilities:			
Total current assets		67,965,770,456.90	65,127,966,302.47	Long-term borrowings		19,019,180,765.56	12,431,037,903.43
Non-current assets:				Bonds payable		17,884,000,000.00	20,954,000,000.00
△Loans and advances		-	-	Lease liabilities		315,801,887.45	642,571,297.19
Debt investments		-	-	Long-term payables		3,395,496,178.62	3,542,001,752.69
☆Available-for-sale financial assets		-	-	Long-term employee benefits payable		-	-
Other debt investments		-	-	Provisions		-	-
☆Held to maturity investment		-	-	Deferred income		-	-
Long-term receivables		45,668,925,959.06	43,572,511,749.98	Deferred tax liabilities		-	-
Long-term equity investments	3	1,684,862,484.34	1,234,862,484.34	Other non-current liabilities		1,538,883,828.58	1,420,001,210.92
Other equity investment instruments		21,419,846.54	21,419,846.54	Total non-current liabilities		42,153,362,758.21	38,989,612,164.23
Other non-current financial assets		1,135,406,602.44	989,406,602.44	Total liabilities		98,463,161,946.66	93,683,389,455.84
Investment properties		40,597,530.59	41,361,584.69	Equity:			
Fixed assets		476,844,240.35	478,363,804.76	Paid-in capital		9,978,467,899.00	9,978,467,899.00
Construction in progress		-	-	National Capital		-	-
Productive biological assets		-	-	National Legal Person Capital		9,978,467,899.00	9,978,467,899.00
Oil and gas assets		-	-	Collective Capital		-	-
Right-of-use assets		5,108,806.70	6,896,970.75	Private Capital		-	-
Intangible assets		13,954,846.78	10,598,507.73	Foreign Capital		-	-
Development expenditure		-	-	#Less: capital returned		-	-
Goodwill		-	-	Net Paid-in capital(or share capital)		9,978,467,899.00	9,978,467,899.00
Long-term deferred expenses		-	-	Other equity instruments		6,000,000,000.00	4,400,000,000.00
Deferred tax assets		1,003,783,340.50	940,673,233.84	Inc: preferred stocks		-	-
Other non-current assets		1,400,128,247.60	1,122,208,633.17	Perpetual debts		6,000,000,000.00	4,400,000,000.00
Total non-current assets		51,451,031,904.90	48,418,303,418.24	Capital reserves		3,342,130,738.76	3,342,130,738.76
				Less: Treasury stock		-	-
				Other comprehensive income		-2,610,234.28	-2,610,234.28
				Inc: Translation difference of foreign currency statements		-	-
				Special reserves		-	-
				Surplus reserve		749,135,118.35	749,135,118.35
				Inc: statutory surplus reserve		749,135,118.35	749,135,118.35
				discretionary surplus reserve		-	-
				Retained earnings		886,516,893.31	1,395,756,743.04
				Total owners' equity		20,953,640,415.14	19,862,860,264.87
Total assets		119,416,802,361.80	113,546,269,720.71	Total liabilities and owners' equity		119,416,802,361.80	113,546,269,720.71

Note: Account with the sign of △ in the table is only for the use of financial enterprises; Account with the sign of # in the table is only for the use of foreign investment enterprises; Account with the sign of ☆ in the table is only for the use of enterprises that has not applied new financial instruments standards.

Legal representative:

Principal in charge of Accounting:

Head of accounting department:

Income Statement

Prepared by: AVIC International Leasing Co., Ltd

For the period ended 30 June 2022

Currency: Chinese Yuan

Item	Note XII	Current Period	Prior Period	Item	Note XII	Current Period	Prior Period
1. Operating revenue				4. Profit before tax (loss is listed as "-")		506,650,109.61	769,637,171.30
Inc: Operating revenue	4	2,383,404,735.85	2,770,098,252.56	Less: Income tax		126,662,527.42	193,276,583.97
△Interest revenue		-	-	5. Net profit (loss is listed as "-")		379,987,582.19	576,358,587.33
△Earned Premium		-	-	Profit from continuing operations			576,358,587.33
△Fee and commission revenue		-	-	Profit from discontinuing operations			
2. Operating costs		1,682,793,096.73	1,769,668,352.70	6. Other comprehensive income after tax		-	-
Inc: Operating costs	4	1,682,163,363.71	1,675,446,772.82	I. Items of other comprehensive income that will not be reclassified to profit or loss		-	-
△Interest expense		-	-	i. Changes in remeasurement of defined benefit plans			
△Fee and commission expense		-	-	ii. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
△Surrender money		-	-	iii. Changes in fair value of investments in other equity instruments			
△Net compensation expenditure		-	-	iv. Changes in fair value of the Company's own credit risk			
△Net amount of insurance liability reserve withdrawn		-	-	v. Others			
△Expenditures dividend policy		-	-	II. Items of other comprehensive income that will be reclassified to profit or loss			
△Reinsurance expenses		-	-	i. Other comprehensive income that can be transferred to profit or loss under the equity method			
Taxes and surcharges		10,097,030.26	8,179,324.62	i. Changes in fair value of other debt investments			
Selling expenses		50,430,277.20	43,550,943.19	☆ ii. Changes in fair value of available-for-sale financial assets			
Administrative expenses		64,204,866.05	131,295,797.64	iv. Amount of financial assets reclassified into other comprehensive income			
Research and development expenses		-	-	☆ v. Gain or loss from held to maturity investment reclassified as available for sale financial assets			
Finance expenses		-124,102,460.49	-88,804,485.57	vi. Provisions for credit impairment of other debt investments			
Others		-	-	vii. Cash flow hedging reserve (The effective portion of gains or losses arising from cash flow hedging)			
Add: Other income		432,122.81	352,384.94	viii. Translation differences arising from financial statements in foreign currencies			
Income from investments (loss is listed as "-")	5	38,801,089.19	29,754,120.03	ix. Others			
△Exchange gains (loss is listed as "-")		-	-	7. Total comprehensive income		379,987,582.19	576,358,587.33
Gains or losses from net exposure hedging (loss is listed as "-")		-	-	8. Earnings per share:	54		
Gains or losses from changes in fair values (loss is listed as "-")		-938,314.86	1,856,946.28	Basic earnings per share			
Credit Impairment losses (loss is listed as "-")		-252,440,426.65	-341,546,353.33	Diluted earnings per share			
Asset impairment losses (loss is listed as "-")		-	-				
Gains or losses from asset disposals (loss is listed as "-")		-	48,814,641.82				
3. Operating profit (loss is listed as "-")		486,466,109.61	739,661,639.60				
Add: Non-operating income		20,384,000.00	30,005,200.00				
Less: Non-operating expenses		200,000.00	29,668.30				

Note: Account with the sign of △ in the table is only for the use of financial enterprises; Account with the sign of ☆ in the table is only for the use of enterprises that has not applied new financial instruments standards.
Legal representative: Principal in charge of Accounting: Head of accounting department:

Cash Flows Statement

Prepared by: AVIC International Leasing Co., Ltd

For the period ended 30 June 2022

Currency: Chinese Yuan

Item	Note XII	Current Period	Prior Period	Item	Note XII	Current Period	Prior Period
1. Cash flows from operating activities				2. Cash flows from investing activities			
Cash received from sales and services		19,455,198,595.60	20,751,857,736.29	Cash received from withdrawal of investments		1,111,727,516.30	2,628,339,026.19
△Net increase in customer deposits and interbank deposits		-	-	Cash received from investment income		46,681,310.66	-
△Net increase in borrowings from the central bank		-	-	Net proceeds from disposals of fixed assets, intangible assets and other long-term assets		1,830,095,522.55	1,757,068,446.42
△Net increase in borrowings from other financial institutions		-	-	Net proceeds from disposal of subsidiaries and other business units		-	-
△Cash received from premium of original insurance contract		-	-	Other cash receipts related to investing activities		-	-
△Net cash received from reinsurance business		-	-	Total cash inflows from investing activities		2,989,104,449.51	4,385,407,475.61
△Net increase in deposits and investment funds of policyholders		-	-	Cash paid for fixed assets, intangible assets and other long-term assets		66,592,413.10	112,141,214.50
△Net increase in disposal of financial assets measured at fair value through profit or loss		-	-	Cash paid for investments		1,715,535,001.00	2,520,626,018.40
△Cash receiving interest, handling charges and commissions		-	-	Net cash paid for acquiring subsidiaries and other business units		-	-
△Net increase in borrowing funds		-	-	Other cash payments related to investing activities		-	-
△Net increase in repurchase business funds		-	-	Total cash outflows from investing activities		1,782,127,414.10	2,632,767,232.90
△Net cash received from agency trading of securities		-	-	Net cash flows from investing activities		1,206,977,035.41	1,752,640,242.71
Tax and surcharge refunds		-	-	3. Cash flows from financing activities:			
Other cash receipts related to operating activities		6,423,601,138.88	9,664,194,276.14	Cash received from investments by others		1,600,000,000.00	1,900,000,000.00
Total cash inflows from operating activities		25,676,799,734.48	30,416,052,012.43	Cash received from borrowings		16,632,631,514.02	21,300,823,539.99
Cash paid for goods and services		19,430,473,083.41	23,269,352,558.10	△ Cash received from issuing bonds		9,700,000,000.00	13,200,000,000.00
△Net increase in customer loans and advances		-	-	Other cash receipts related to other financing activities		1,000,000,000.00	1,399,160,000.00
△Net increase in deposits with the central bank and other banks		-	-	Total cash inflows from financing activities		30,932,631,514.02	37,799,983,539.99
△Cash paid for compensation of original insurance contract		-	-	Cash repayments for debts		22,548,512,806.53	27,780,004,496.83
△Net increase in lending funds		-	-	Cash paid for distribution of dividends and profit and for interest expenses		2,826,509,699.54	2,212,355,902.14
△Cash paid for interest, handling charges and commissions		-	-	Other cash payments related to financing activities		2,500,050,374.13	528,522,561.98
△Cash paid for policy dividends		-	-	Total cash outflows from financing activities		27,875,472,880.20	30,530,866,953.95
Cash paid to and for employees		125,339,496.92	79,230,309.49	Net cash flows from financing activities	54	3,057,158,633.82	7,269,096,576.04
Taxes and surcharges paid		655,198,045.63	757,269,827.94	4. Effect of changes in foreign exchange rates on cash and cash equivalents			
Other cash payments related to operating activities		9,961,944,409.71	14,594,831,900.77	5. Net increase in cash and cash equivalents		-29,989,570.52	797,138,198.78
Total cash outflows from operating activities		30,172,955,035.67	38,640,684,596.30	Add: Opening balance of cash and cash equivalents		2,974,624,909.37	1,965,544,359.22
Net cash flows from operating activities		-4,294,155,301.19	-8,224,632,583.87	6. Closing balance of cash and cash equivalents		2,944,635,338.85	2,762,682,549.00

Notes: Account with the sign of △ in the table is only for the use of financial enterprises.

Legal representative:

Principal in charge of Accounting:

Head of accounting department:

Statement of Changes in Equity

Prepared by: AVIC International Leasing Co., Ltd

For the period ended 30 June 2022

Currency: Chinese Yuan

Items	Paid-in capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	△General risk reserves	Retained earnings	Subtotal
		Preferred stock	Perpetual debt	Others								
Column	1	2	3	4	5	6	7	8	9	10	11	12
1. Closing balance of last year	9,978,467,899.00	-	4,400,000,000.00	-	3,342,130,738.76	-	-2,610,234.28	-	749,135,118.35	-	1,395,756,743.04	19,862,880,764.87
Add: Increase/decrease due to changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease due to corrections of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
2. Opening balance of current year	9,978,467,899.00	-	4,400,000,000.00	-	3,342,130,738.76	-	-2,610,234.28	-	749,135,118.35	-	1,395,756,743.04	19,862,880,764.87
3. Increase/decrease for current year (decrease "-")	-	-	1,600,000,000.00	-	-	-	-	-	-	-	-509,239,849.73	1,090,760,150.27
I. Total comprehensive income	-	-	-	-	-	-	-	-	-	-	379,987,582.19	379,987,582.19
II. Owner's contributions to and withdrawals of capital	-	-	1,600,000,000.00	-	-	-	-	-	-	-	-	1,600,000,000.00
I. Common stock contributed/paid-in capital by shareholders/owners	-	-	-	-	-	-	-	-	-	-	-	-
ii. Capital contributed by other equity instruments holders	-	-	1,600,000,000.00	-	-	-	-	-	-	-	-	1,600,000,000.00
iii. Share-based payments to owners' equity	-	-	-	-	-	-	-	-	-	-	-	-
iv. Others	-	-	-	-	-	-	-	-	-	-	-	-
III. The appropriation and distribution of special reserves	-	-	-	-	-	-	-	-	-	-	-	-
i. Appropriation of special reserves	-	-	-	-	-	-	-	-	-	-	-	-
ii. Distribution of special reserves	-	-	-	-	-	-	-	-	-	-	-	-
IV. Profits distribution	-	-	-	-	-	-	-	-	-	-	-889,227,431.92	-889,227,431.92
I. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
Including: statutory surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
discretionary surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
#reserve fund	-	-	-	-	-	-	-	-	-	-	-	-
#enterprise development fund	-	-	-	-	-	-	-	-	-	-	-	-
#return of profits to investment	-	-	-	-	-	-	-	-	-	-	-	-
△ii. Appropriation of general risk reserves	-	-	-	-	-	-	-	-	-	-	-	-
ii. Distribution to owners	-	-	-	-	-	-	-	-	-	-	-889,227,431.92	-889,227,431.92
iv. Others	-	-	-	-	-	-	-	-	-	-	-	-
V. Transfers within owners' equity	-	-	-	-	-	-	-	-	-	-	-	-
i. Capital reserves transferred to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
ii. Surplus reserve transferred to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
iii. Use of surplus reserve to cover previous losses	-	-	-	-	-	-	-	-	-	-	-	-
iv. Changes in remeasurement of defined benefit plans transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
v. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
vi. Others	-	-	-	-	-	-	-	-	-	-	-	-
4. Closing balance of current year	9,978,467,899.00	-	6,000,000,000.00	-	3,342,130,738.76	-	-2,610,234.28	-	749,135,118.35	-	886,516,893.31	20,953,640,415.14

Note: Account with the sign of △ in the table is only for the use of financial enterprises. Account with the sign of # in the table is only for the use of foreign investment enterprises.

Legal representative:

Company's legal representative:

Head of accounting department:

Statement of Changes in Equity

Prepared by: AVIC International Leasing Co., Ltd

For the period ended 30 June 2022

Currency: Chinese Yuan

Items	Paid-in capital	Other equity instruments			Capital reserves	Less: Treasury stock	Prior Period					△General risk reserves	Retained earnings	Subtotal
		Preferred stock	Perpetual debt	Others			Other comprehensive income	Special reserves	Surplus reserve					
Column	1	2	3	4	5	6	7	8	9	10	11	12		
1. Closing balance of last year	9 978 467 899.00		4 500 000 000.00	-	3 342 130 738.76	-	-	-	607 859 791.20	-	1 153 556 230.57	19 582 014 659.53		
Add: Increase/decrease due to changes in accounting policies														-
Increase/decrease due to corrections of errors in prior period														-
Others														-
2. Opening balance of current year	9 978 467 899.00	-	4 500 000 000.00	-	3 342 130 738.76	-	-	-	607 859 791.20	-	1 153 556 230.57	19 582 014 659.53		
3. Increase/decrease for current year (decrease "-")	-	-	-100 000 000.00	-	-	-	-2 610 234.28	-	141 275 327.15	-	242 200 512.47	280 865 605.34		
I. Total comprehensive income							-2 610 234.28				816 240 115.02	813 629 880.74		
II. Owner's contributions to and withdrawals of capital	-	-	-100 000 000.00	-	-	-	-	-	-	-	-	-100 000 000.00		
i. Common stock contributed/paid-in capital by shareholders/owners														-
ii. Capital contributed by other equity instruments holders			-100 000 000.00									-100 000 000.00		
iii. Share-based payments to owners' equity														-
iv. Others														-
III. The appropriation and distribution of special reserves								-	-					-
i. Appropriation of special reserves														-
ii. Distribution of special reserves														-
IV. Profits distribution	-	-			-	-	-	-	141 275 327.15	-	-574 039 602.55	-432 764 275.40		
i. Appropriation of surplus reserve	-	-			-	-	-	-	81 624 011.50	-	-81 624 011.50	-		
Including: statutory surplus reserve									81 624 011.50		-81 624 011.50	-		
discretionary surplus reserve												-		
#reserve fund												-		
#enterprise development fund												-		
#return of profits to investment												-		
△ii. Appropriation of general risk reserves												-		
iii. Distribution to owners											-1 029 277 431.92	-1 029 277 431.92		
iv. Others									59 651 315.65		536 861 840.87	596 513 156.52		
V. Transfers within owners' equity	-	-			-	-	-	-	-	-	-	-		
i. Capital reserves transferred to paid-in capital														-
ii. Surplus reserve transferred to paid-in capital														-
iii. Use of surplus reserve to cover previous losses														-
iv. Changes in remeasurement of defined benefit plans transferred to retained earnings														-
v. Other comprehensive income transferred to retained earnings														-
vi. Others														-
4. Closing balance of current year	9 978 467 899.00	-	4 400 000 000.00	-	3 342 130 738.76	-	-2 610 234.28	-	749 135 118.35	-	1 395 756 743.04	19 862 880 264.87		

Note: Account with the sign of △ in the table is only for the use of financial enterprises; Account with the sign of # in the table is only for the use of foreign investment enterprises.

Legal representative:

Company's legal representative:

Head of accounting department:

AVIC International Leasing Co., Ltd

Notes to Financial Statements from January to June in Year 2022

I Company Information

AVIC International Leasing Co., Ltd (hereinafter "the Company"), formerly known as Shanghai AVIC International Leasing Co., Ltd., is a limited liability company established jointly by AVIC International Holding Corporation ("AVIC International") (formerly known as "China National Aero-Technology Import & Export Corporation") and Agricultural Bank of China Jiangxi Trust & Investment Co., Ltd, and obtained business license number 150262700 from Shanghai Administration for Industry & Commerce on 5 November 1993. The registered address is Pudong Waigaoqiao Free Trade Zone, and the registered capital amounted to USD 5,000,000.

On 5 January 1998, the registered capital of the Company was changed to RMB 40,000,000.

On 7 August 2003, the registered capital of the Company was changed to RMB 70,000,000.

On 29 December 2006, led by AVIC I (on 6 November 2008, Aviation Industry Corporation of China was established by reorganization of AVIC II and AVIC I), thirteen companies contributed capital to the Company, the registered capital was changed to RMB 430,000,000.

On 13 February 2009, according to the resolution of the Board of Directors, the Company changed its name as AVIC International Leasing Co., Ltd. According to the "Approval on The Transfer of Sharers" (Hang Kong Zi (2009) No.377) issued by Aviation Industry Corporation of China on 28 April 2009, the 23.36% equity interests of the Company held by Aviation Industry Corporation of China was transferred for free to AVIC Investment Holding Co., Ltd. On 31th December 2009, the Company's capital was increased by the contribution of AVIC Investment Holding Co., Ltd., AVIC Chengdu CAIC Electronics Co., Ltd., AVIC Jincheng Group Co. Ltd., and AVIC Shanxi Aero Electronics Co., Ltd. The registered capital was changed to RMB 850,000,000.

On 28th February 2011, the registered capital of the Company was increased by RMB 650,000,000 and the registered capital of the Company was changed to RMB 1,500,000,000.

On 17 March 2012, in accordance with the shareholders' meeting resolution, the Company decided to increase capital of RMB 500,000,000 in two phases, and the registered capital would be changed to RMB 2,000,000,000 after the capital increase. On 27 July 2012, the Company completed the first phase of capital increase of RMB 490,000,000 and the paid-in capital after the capital increase amounted to RMB 1,990,000,000 after the capital

increase. On 25 February 2013, the Company completed the second phase of capital increase of RMB 10,000,000 and the paid-in capital after capital increase amounted to RMB 2,000,000,000.

On 9 June 2013, in accordance with the shareholders' meeting resolution, the Company decided to increase capital of RMB 725,581,400, to be paid in full within two years by installments from the date of the change of the business license, and the registered capital would be changed to RMB 2,725,581,400 after the capital increase. On 30 December 2013, the Company completed the first phase of capital increase of RMB 139,534,900 and the paid-in capital changed to RMB 2,139,534,900 after the capital increase. On 25 March 2014, the Company completed the second phase of capital increase of RMB 586,046,500 and the paid-in capital increase amounted to RMB 2,725,581,400 after the capital increase.

On 8 May 2014, in accordance with shareholders' meeting resolution, the Company's capital reserve of RMB 1,064,418,600 was transferred to registered capital, the Company's registered capital after the capital increase amounted to RMB 3,790,000,000, the original proportion of shareholding of each shareholder remained unchanged. In June 2014, the business license was changed accordingly with license number 310115000142049.

On 15 August 2014, in accordance with the shareholders' meeting resolution, the Company's equity interest of 0.866% held by Shenyang Aircraft Industry (Group) Co., Ltd. was transferred to Shenyang Shenfei Enterprise Management Limited, The Company completed the procedures of change of registration in Industrial & Commercial Bureau.

According to 'the Response for Approving AVIC Capital Co., Ltd issued shares to AVIC International and Other Companies to Buy Assets and Raise Relevant Funds' issued by China Securities Regulatory Commission (ZhengjianXuke [2015]No.2394), AVIC Capital Co., Ltd. (hereinafter "AVIC Capital") issued its shares to acquire total 30.95% of the Company's equity interests held by AVIC International, Shaanxi Aero Electronics Co., Ltd., Xi'an Flight Automatic Control Research Institute, Chengdu CAIC Electronics Co., Ltd., Jincheng Group Co., Ltd., Luoyang Institute of Electro-optical Devices, Shenyang Liming Aero-Engine (Group) Co., Ltd., Aeronautical Radio Electronics Research Institute, Shenyang Shenfei Enterprise Management Limited, Xi'an Aero-Engine (Group) Co., Ltd., China Airborne Missile Academy, and Xi'an Institute of Aeronautics and Technology. The above equity transfer and registration of changes in the Administration of Industry and Commerce had been completed on 16 November 2015.

On 11 December 2015, according to the resolution of the shareholders' meeting, the Company increased the capital by RMB 1,145,680,985. The paid-in capital was changed to RMB 4,935,680,985 after capital increase.

On 29 December 2016, according to the resolution of the shareholders' meeting, the Company increased the capital by RMB 2,530,224,100. The paid-in capital was changed to RMB 7,465,905,085 after capital increase.

On 31 May 2018, the shareholders' meeting passed the Bill of Capital Increase, which allowed the investment

of RMB 2,500,000,000 and RMB 2,500,000,000 by AVIC Capital and AVIC Investment Holding Co., Ltd. respectively RUIHUA Certified Public Accountants, Shanghai Branch was employed to exam the paid-in capital of the first phase of the registered capital as of October 30, 2018. The Company increased the capital by RMB 1,256,281,400. The paid-in capital was changed to RMB 8,722,186,500 after capital increase. And Capital surplus was increased by RMB 1,243,718,600 and changed to RMB 2,098,412,100.

On January 2019 the Company received the second investment with RMB 2,500,000,000 from AVIC Capital and AVIC Investment Holding Co., Ltd, which was verified and issued a capital verification report Ruihua SH YanZi (2019) No. 31160001 by RUIHUA Certified Public Accountants, Shanghai Branch. The paid-in capital was increased to RMB 9,978,467,899 and the Capital surplus was increased to RMB 3,342,130,738.76.

On 6 December 2019, the Company held the shareholders' meeting and with the approval of the shareholders' meeting, Shanghai Aviation Industry (Group) Co., Ltd. transferred all its shares in AVIC International Leasing Co., Ltd. to COMAC Capital Co., Ltd. The proportion of the Company's equity held by other shareholders remains unchanged

On 25 June 2021, the name of the company's shareholder AVIC Capital Holding Co., Ltd. was changed to AVIC Industry-Finance Holdings Co., Ltd. (herein after referred to as "AVIC Industry Finance").

As of 30 June 2022, the shareholding structure of the Company is as follows:

Name of Investors	Capital Contributed (in ten thousand RMB)	Capital Contributed Proportion (%)
AVIC Investment Holding Co., Ltd.	489,591.01	49.065%
AVIC Industry-Finance Holdings Co., Ltd.	489,665.67	49.072%
AVIC Xi'an Aircraft Industry (Group) Company Ltd.	13,662.61	1.369%
COMAC Capital Co., Ltd.	4,927.50	0.494%
Total	997,846.79	100.00%

Headquarters Address: No. 1481, Guozhan Road, Pudong New Area, Shanghai.

Legal Representative: Zhou Yong.

The Company implements general manager responsibility system led by the Board of Directors, according to the regulations from 'the Company Law of the People's Republic of China' and 'the Company's articles of association', the shareholders meeting is the highest authority of the Company, the shareholders shall exercise their voting rights according to proportion to their respective shares of capital contribution. The Board of Directors is composed of 7 directors with 1 chairman, and Committee of Strategic Development, Risk Management, Audit, HR and Remuneration Management, etc. The Board of Supervisors consists of 5 supervisors, with 3 shareholder supervisors, and 2 staff supervisors.

The Company shall have 1 general manager and 5 deputy general managers, and departments are as follows:

Leasing Department, Risk Management Department, Assets Management Department, Finance Department, Treasury Department, General Management Department, Legal Compliance Department, Discipline Inspection and Audit Department and Information Technology Department.

The Company has 133 secondary subsidiaries as shown in below:

No.	Company Name	Abbreviation
1	Shanghai Yuanhang Machinery & Electronic Co., Ltd.	Shanghai Yuanhang Electrical
2	Shanghai Hangrong Real Estate Co., Ltd.	Hangrong Real Estate
3	AVIC Lanbo Leasing (Tianjin) Co., Ltd.	Lanbo Leasing
4	AVIC Lanzhou Leasing (Tianjin) Co., Ltd.	Lanzhou Leasing
5	AVIC Lanliang Leasing (Tianjin) Co., Ltd.	Lanliang Leasing
6	AVIC Lanhai Leasing (Tianjin) Co., Ltd.	Lanhai Leasing
7	AVIC Lanxu Leasing (Tianjin) Co., Ltd.	Lanxu Leasing
8	AVIC Lanhao Leasing (Tianjin) Co., Ltd.	Lanhao Leasing
9	AVIC Lanjing Leasing (Tianjin) Co., Ltd.	Lanjing Leasing
10	AVIC Lanwan Leasing (Tianjin) Co., Ltd.	Lanwan Leasing
11	AVIC Lanjun Leasing (Shanghai) Co., Ltd.	Lanjun Leasing
12	AVIC Lan'ao Leasing (Tianjin) Co., Ltd.	Lan'ao Leasing
13	AVIC Lanfeng Leasing (Shanghai) Co., Ltd.	Lanfeng Leasing
14	AVIC Lanhui Leasing (Shanghai) Co., Ltd.	Lanhui Leasing
15	Lantai Leasing (Shanghai) Co., Ltd.	Lantai Leasing
16	AVIC Lan'an Leasing (Tianjin) Co., Ltd.	Lan'an Leasing
17	AVIC Lanyun Leasing (Tianjin) Co., Ltd.	Lanyun Leasing
18	AVIC Lanlin Leasing (Tianjin) Co., Ltd.	Lanlin Leasing
19	AVIC Lanwen Leasing (Tianjin) Co., Ltd.	Lanwen Leasing
20	AVIC Lanzhong Leasing (Tianjin) Co., Ltd.	Lanzhong Leasing
21	Lanchuan Leasing (Tianjin) Co., Ltd.	Lanchuan Leasing
22	AVIC Lanyuan Leasing (Tianjin) Co., Ltd.	Lanyuan Leasing
23	Lanshuo Leasing (Tianjin) Co., Ltd.	Lanshuo Leasing
24	AVIC Lanxia Leasing (Tianjin) Co., Ltd.	Lanxia Leasing
25	AVIC Lanjiang Leasing (Tianjin) Co., Ltd.	Lanjiang Leasing
26	AVIC Langang Leasing (Shanghai) Co., Ltd.	Langang Leasing
27	AVIC Lanqi Leasing (Tianjin) Co., Ltd.	Lanqi Leasing

No.	Company Name	Abbreviation
28	AVIC Lanzhu Leasing (Tianjin) Co., Ltd.	Lanzhu Leasing
29	AVIC Lanhong Leasing (Tianjin) Co., Ltd.	Lanhong Leasing
30	Lansai Leasing (Tianjin) Co., Ltd.	Lansai Leasing
31	AVIC Lanheng Leasing (Tianjin) Co., Ltd.	Lanheng Leasing
32	AVIC Lanfei Leasing (Tianjin) Co., Ltd.	Lanfei Leasing
33	AVIC Lanzhao Leasing (Tianjin) Co., Ltd.	Lanzhao Leasing
34	AVIC Lanfu Leasing (Tianjin) Co., Ltd.	Lanfu Leasing
35	AVIC Lantu Leasing (Tianjin) Co., Ltd.	Lantu Leasing
36	AVIC Lanqiu Leasing (Shanghai) Co., Ltd.	Lanqiu Leasing
37	AVIC Lankai Leasing (Tianjin) Co., Ltd.	Lankai Leasing
38	AVIC Lanrui Leasing (Tianjin) Co., Ltd.	Lanrui Leasing
39	AVIC Lantuo Leasing (Tianjin) Co., Ltd.	Lantuo Leasing
40	AVIC Lanhua Leasing (Tianjin) Co., Ltd.	Lanhua Leasing
41	AVIC Lanqin Leasing (Tianjin) Co., Ltd.	Lanqin Leasing
42	AVIC Lanbei Leasing (Tianjin) Co., Ltd.	Lanbei Leasing
43	Lanyu No.1 Leasing (Tianjin) Co., Ltd.	Lanyu No.1
44	Landian No.1 Leasing (Tianjin) Co., Ltd.	Landian No.1
45	Landian No.2 Leasing (Tianjin) Co., Ltd.	Landian No.2
46	Lanpeng No.1 Leasing (Tianjin) Co., Ltd.	Lanpeng No.1
47	Lanshu No.1 Leasing (Tianjin) Co., Ltd.	Lanshu No.1
48	Lancai Leasing (Tianjin) Co., Ltd.	Lancai Leasing
49	Lancong Leasing (Tianjin) Co., Ltd.	Lancong Leasing
50	Landa Leasing (Tianjin) Co., Ltd.	Landa Leasing
51	Lanyong Leasing (Tianjin) Co., Ltd.	Lanyong Leasing
52	Lanchu Leasing (Tianjin) Co., Ltd.	Lanchu Leasing
53	Lanxin Leasing (Tianjin) Co., Ltd.	Lanxin Leasing
54	Lanrui Leasing (Tianjin) Co., Ltd.	Lanrui Leasing
55	Lansheng Leasing (Tianjin) Co., Ltd.	Lansheng Leasing
56	Lanjun Leasing (Tianjin) Co., Ltd.	Lanjun Leasing
57	Lanrong Leasing (Tianjin) Co., Ltd.	Lanrong Leasing
58	Lan'ao Leasing (Tianjin) Co., Ltd.	Lan'ao Leasing
59	Lancheng Leasing (Tianjin) Co., Ltd.	Lancheng Leasing

No.	Company Name	Abbreviation
60	Lanjia Leasing (Tianjin) Co., Ltd.	Lanjia Leasing
61	Lanxiang Leasing (Tianjin) Co., Ltd.	Lanxiang Leasing
62	Lanzhe Leasing (Tianjin) Co., Ltd.	Lanzhe Leasing
63	Lanyang Aircraft Leasing (Shanghai) Co., Ltd.	Lanyang Aircraft Leasing
64	Lanjie Aircraft Leasing (Shanghai) Co., Ltd.	Lanjie Aircraft Leasing
65	Lanjia Ship Leasing (Shanghai) Co., Ltd.	Lanjia Ship Leasing
66	Lanchen Equipment Leasing (Shanghai) Co., Ltd.	Lanchen Equipment Leasing
67	Landao Equipment Leasing (Shanghai) Co., Ltd.	Landao Equipment Leasing
68	Niulan Leasing (Tianjin) Co., Ltd.	Niulan Leasing
69	Lanyan Leasing (Guangzhou) Co., Ltd.	Lanyan Leasing
70	Lanfa Ship Leasing (Shanghai) Co., Ltd.	Lanfa Ship Leasing
71	Lanxiao Ship Leasing (Shanghai) Co., Ltd.	Lanxiao Ship Leasing
72	CAVIC AVIATION LEASING (IRELAND) CO., DESIGNATED ACTIVITY COMPANY	CAVIC AVIATION LEASING (IRELAND)
73	China Aviation International Holding Co., Ltd.	China Aviation International Holding
74	Lanxiu Leasing (Tianjin) Co., Ltd.	Lanxiu Leasing
75	Lanmin Leasing (Tianjin) Co., Ltd.	Lanmin Leasing
76	LanLu Leasing (Tianjin) Co., Ltd.	LanLu Leasing
77	Lanyi Leasing (Tianjin) Co., Ltd.	Lanyi Leasing
78	Lanbin Leasing (Tianjin) Co., Ltd.	Lanbin Leasing
79	Langui Leasing (Tianjin) Co., Ltd.	Langui Leasing
80	Landuo Leasing (Tianjin) Co., Ltd.	Landuo Leasing
81	Lanping Leasing (Tianjin) Co., Ltd.	Lanping Leasing
82	Lande Leasing (Tianjin) Co., Ltd.	Lande Leasing
83	Lanai Leasing (Tianjin) Co., Ltd.	Lanai Leasing
84	Lanqian Leasing (Tianjin) Co., Ltd.	Lanqian Leasing
85	Lanshuai Leasing (Tianjin) Co., Ltd.	Lanshuai Leasing
86	Lantang Leasing (Tianjin) Co., Ltd.	Lantang Leasing
87	Lanyou Leasing (Tianjin) Co., Ltd.	Lanyou Leasing
88	Landan Leasing (Tianjin) Co., Ltd.	Landan Leasing
89	Laner Leasing (Tianjin) Co., Ltd.	Laner Leasing
90	Lantao Leasing (Tianjin) Co., Ltd.	Lantao Leasing
91	Lanwei Leasing (Tianjin) Co., Ltd.	Lanwei Leasing

No.	Company Name	Abbreviation
92	Lanya Leasing (Tianjin) Co., Ltd.	Lanya Leasing
93	Lanren Leasing (Tianjin) Co., Ltd.	Lanren Leasing
94	Lanqiong Leasing (Haikou) Co., Ltd.	Lanqiong Leasing
95	Lanke Leasing (Haikou) Co., Ltd.	Lanke Leasing
96	Landong Leasing (Haikou) Co., Ltd.	Landong Leasing
97	Lanye Leasing (Haikou) Co., Ltd.	Lanye Leasing
98	Lanming Leasing (Haikou) Co., Ltd.	Lanming Leasing
99	Lanmeng Leasing (Haikou) Co., Ltd.	Lanmeng Leasing
100	Lanbai Leasing (Haikou) Co., Ltd.	Lanbai Leasing
101	Lanle Leasing (Haikou) Co., Ltd.	Lanle Leasing
102	Lanlei Leasing (Haikou) Co., Ltd.	Lanlei Leasing
103	Landu Aircraft Leasing (Chengdu) Co., Ltd.	Landu Leasing
104	Lanzi Aircraft Leasing (Chengdu) Co., Ltd.	Lanzi Leasing
105	Lanman Leasing(shanghai) Co.,Ltd	Lanman Leasing
106	Lancan Leasing(shanghai) Co.,Ltd	Lancan Leasing
107	Lanchang Leasing(shanghai) Co.,Ltd	Lanchang Leasing
108	Lanmiao Leasing(shanghai) Co.,Ltd	Lanmiao Leasing
109	Lanze Leasing(shanghai) Co.,Ltd	Lanze Leasing
110	Lanchao Leasing(shanghai) Co.,Ltd	Lanchao Leasing
111	Lante Leasing(shanghai) Co.,Ltd	Lante Leasing
112	Lantong Leasing(shanghai) Co.,Ltd	Lantong Leasing
113	Lanchun Leasing(shanghai) Co.,Ltd	Lanchun Leasing
114	Lanping Leasing(shanghai) Co.,Ltd	Lanping Leasing
115	Lanzhuo Leasing(Tianjin) Co.,Ltd	Lanzhuo Leasing
116	Lanxuan Leasing(Tianjin) Co.,Ltd	Lanxuan Leasing
117	Lanhuang Leasing(Tianjin) Co.,Ltd	Lanhuang Leasing
118	Lanri Leasing(Tianjin) Co.,Ltd	Lanri Leasing
119	Lanlie Leasing(Tianjin) Co.,Ltd	Lanlie Leasing
120	Lanlai Leasing(Tianjin) Co.,Ltd	Lanlai Leasing
121	Lanhan Leasing(Tianjin) Co.,Ltd	Lanhan Leasing
122	Lanjie Leasing(Tianjin) Co.,Ltd	Lanjie Leasing
123	Languang Leasing(Tianjin) Co.,Ltd	Languang Leasing

No.	Company Name	Abbreviation
124	Lanhe Leasing(Tianjin) Co.,Ltd	Lanhe Leasing
125	Lanju Leasing(Tianjin) Co.,Ltd	Lanju Leasing
126	Lanshui Leasing(Tianjin) Co.,Ltd	Lanshui Leasing
127	Lanxue Leasing(shanghai) Co.,Ltd	Lanxue Leasing
128	Lanyao Leasing(Tianjin) Co.,Ltd	Lanyao Leasing
129	Lanshi Leasing(Tianjin) Co.,Ltd	Lanshi Leasing
130	Lankang Leasing(Tianjin) Co.,Ltd	Lankang Leasing
131	Lange Leasing(Tianjin) Co.,Ltd	Lange Leasing
132	Lannuo Leasing(Tianjin) Co.,Ltd	Lannuo Leasing
133	Niuhan Leasing(Haikou) Co.,Ltd	Niuhan Leasing

The Company is in the leasing industry, and the nature of business includes: financing lease and operating lease and the main business activities include financing lease and operating lease of aircraft, ships and equipment. The business scope prescribed in the business license includes: financing lease and operating lease of aircraft, engines, airborne equipment and ground equipment, electrical and mechanical equipment and transportation assets, residual processing and repair of lease assets, contract energy management, import and export of goods and technology, systems integration, domestic trade (except the special provisions), exhibition, industrial investment and related business advisory services. (Should projects subject to government approval, approved by the relevant departments to carry out business activities).

The parent company and the ultimate parent company of the Company are AVIC Industry-Finance Holdings Co., Ltd. ("AVIC Industrial Finance") and Aviation Industry Corporation of China ("AVIC") respectively.

These financial statements have been approved for issuance by the Board of Directors of the Company on Aug. 24, 2022.

II Basis of preparation of the financial statements

Based on the assumption of continuity and actual transactions and events, excluding the following subsidiaries, the Company's financial statements have been recognized and measured in accordance with the fundamental Accounting Standards for Business Enterprises, specific accounting standards, enterprise accounting standards application guidelines, enterprise accounting standards interpretation and other related regulations (hereinafter collectively referred to as "enterprise accounting standards") promulgated by Ministry of Finance.

III Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in accordance with requirements of Basis of preparation of the financial statements as stated in note II. The financial statements have truly and completely reflected the Company's consolidated financial position, the Company's consolidated financial performance and the

Company's cash flows during the reporting period.

IV Statement of significant Accounting Policies and Accounting Estimates

1. Accounting period

The accounting period of the company is divided into annual period and interim period. Interim period refers to a reporting period shorter than a complete accounting year. A fiscal year runs from 1 January to 31 December of the Gregorian calendar.

2. Recording currency

RMB is the currency of the primary economic environment in which the Company's domestic institutions operate, and the Company's domestic institutions use RMB as their recording currency. The Company's foreign institutions determine their own accounting currency based on the currency of the primary economic environment in which they operate. The currency used in the preparation of these financial statements is RMB.

3. Basis of accounting and valuation principles

The Company's accounting is maintained on the accrual basis of accounting. The financial statements are measured at historical cost, except for certain circumstances, which are measured at replacement cost, net realizable value, present value or fair value in accordance with the standards. The company will give special instructions on such circumstances.

4. Accounting for business combinations under common control and those not under common control

i. The terms, conditions and economic impacts of various transactions in the process of enterprise combination step by step meet one or more of the following situations, and multiple transactions are treated as a package of transactions for accounting.

- (1) The transactions are entered into at the same time or after taking into account their mutual effects.
- (2) These transactions can achieve a complete business result as a whole.
- (3) The occurrence of a transaction is dependent on the occurrence of at least one other transaction.
- (4) A transaction alone is not economical. However, it is economic when it is considered together with other transactions.

ii. Business combinations under common control

The Company's assets and liabilities acquired in a business combination are measured at the carrying amount of the assets and liabilities of the consolidated party (including goodwill arising from the acquisition of the consolidated party by the ultimate controlling party) in the consolidated financial statements of the ultimate controlling party at the date of the combination. The difference between the carrying value of the net assets acquired in the combination and the carrying value of the consideration paid for the combination (or the aggregate nominal value of the shares issued) is adjusted against the equity premium in capital surplus, or against retained earnings if the equity premium in capital surplus is insufficient to cover the reduction.

If contingent consideration exists and requires recognition of a projected liability or asset, the difference between the amount of such projected liability or asset and the amount of subsequent settlement of the

contingent consideration is adjusted against capital surplus (capital premium or equity premium) and, if capital surplus is insufficient, against retained earnings.

For a business combination that is ultimately achieved through multiple transactions, if it is a package transaction, each transaction is accounted for as one transaction to obtain control; if it is not a package transaction, the difference between the initial investment cost of the long-term equity investment, and the sum of the carrying value of the long-term equity investment prior to reaching consolidation plus the carrying value of the new consideration paid for further acquisition of shares at the date of consolidation is adjusted to Capital surplus; if capital surplus is not sufficient to cover the reduction, the adjustment is made to retained earnings. For equity investments held prior to the date of consolidation, other comprehensive income recognized as a result of the adoption of the equity method of accounting or accounting under the Standard on Recognition and Measurement of Financial Instruments is not accounted for until the disposal of the investment is accounted for on the same basis as the direct disposal of the relevant assets or liabilities by the investee; Changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution recognized in the net assets of the investee as a result of the adoption of the equity method are not accounted for until the investment is disposed of and transferred to profit or loss for the current period.

iii. Business combinations not under common control

The date of purchase is the date on which the Company actually obtains control of the purchased party, i.e. the date on which control of the net assets or production and operating decisions of the purchased party is transferred to the Company. The Company generally considers that a transfer of control is achieved when the following conditions are also met.

- ① The contract or agreement for the business combination has been adopted by the internal authority of the Company.
- ② The matter of business combination requiring the approval of the relevant state authorities has been approved.
- ③ The necessary formalities for the transfer of property rights have been carried out.
- ④ The Company has paid the majority of the combination price and has the ability and plans to pay the remaining amount.
- ⑤ The Company effectively controls the financial and operating policies of the purchased party and enjoys the corresponding benefits and bears the corresponding risks.

Assets paid for, liabilities incurred or assumed as consideration for a business combination are measured at fair value at the date of purchase, and the difference between the fair value and its carrying amount is recognized in profit or loss for the current period.

The Company recognizes goodwill for the difference between the cost of the combination and the share of the fair value of the purchasee's identifiable net assets acquired in the combination; the difference between the cost of the combination and the share of the fair value of the purchasee's identifiable net assets acquired in the combination is, after review, recognized in profit or loss for the period.

If a business combination not under common control is achieved in Phases through multiple exchange transactions, each transaction is accounted for as a transaction to obtain control if it is a package transaction; if it is not a package transaction, equity investments held prior to the date of consolidation that are accounted for under the equity method are accounted for as the sum of the carrying value of the equity investment in the acquiree held prior to the date of purchase and the cost of the new investment at the date of purchase, as the initial cost of that investment. Other comprehensive income recognized as a result of the adoption of the equity method of accounting for equity investments held prior to the date of purchase is accounted for on the same basis as the disposal of the relevant assets or liabilities by the investee. If an equity investment held prior to the date of consolidation is accounted for using the standard on recognition and measurement of financial instruments, the sum of the fair value of the equity investment at the date of consolidation plus the cost of the additional investment is used as the initial cost of investment at the date of consolidation. The difference between the fair value and the carrying amount of the equity interest originally held and the cumulative change in fair value previously included in other comprehensive income should be transferred in full to investment income for the period at the date of consolidation.

iv. Costs incurred in connection with the combination

Intermediary fees such as audit, legal services, valuation and consulting fees and other directly related costs incurred for business combinations are charged to current profit or loss as incurred; transaction costs for the issuance of equity securities for business combinations that are directly attributable to equity transactions are deducted from equity.

5. Presentation of consolidated financial statements

i. Scope of consolidation

The scope of consolidation of the Company's consolidated financial statements is determined on a control basis and all subsidiaries (including separate entities controlled by the Company) are included in the consolidated financial statements.

ii. Consolidation procedures

The Company prepares consolidated financial statements on the basis of its own financial statements and those of its subsidiaries, and on the basis of other relevant information. The Company prepares consolidated financial statements by considering the entire enterprise group as one accounting entity, reflecting the financial position, results of operations and cash flows of the enterprise group as a whole in accordance with the recognition, measurement and presentation requirements of the relevant accounting standards and in accordance with uniform accounting policies.

The accounting policies and accounting periods adopted by all subsidiaries included in the scope of consolidation of the consolidated financial statements are consistent with those of the Company. If the accounting policies and accounting periods adopted by a subsidiary are not consistent with those of the Company, the necessary adjustments are made in accordance with the Company's accounting policies and accounting periods when preparing the consolidated financial statements.

The consolidation of financial statements offsets the effect of internal transactions between the Company

and its subsidiaries and between subsidiaries on Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flow, Cash Flow and Consolidated Statement of Changes in Equity. If the consolidated financial statements of an enterprise group differ from the recognition of the same transaction as an accounting entity of the Company or a subsidiary, the transaction is adjusted from the perspective of the enterprise group.

The consolidation of financial statements offsets the effect of internal transactions between the Company and its subsidiaries and between subsidiaries on Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flow, Cash Flow and Consolidated Statement of Changes in Equity. If the consolidated financial statements of an enterprise group differ from the recognition of the same transaction as an accounting entity of the Company or a subsidiary, the transaction is adjusted from the perspective of the enterprise group.

For a subsidiary acquired through a business combination under common control, the financial statements of the subsidiary are adjusted on the basis of the carrying value of its assets and liabilities (including goodwill arising from the acquisition of the subsidiary by the ultimate controlling party) in the financial statements of the ultimate controlling party.

For subsidiaries acquired in a business combination not under common control, the financial statements are adjusted on the basis of the fair value of the identifiable net assets at the date of purchase

(1) Adding a subsidiary or business

During the reporting period, if a subsidiary or business is added as a result of a business combination under the same control, the opening amount of the Consolidated Balance Sheet is adjusted; the revenue, expenses and profit for the period from the beginning to the end of the reporting period of the subsidiary or business combination are included in the Consolidated Statement of Income; the cash flow for the period from the beginning to the end of the reporting period of the subsidiary or business combination is included in the Consolidated Statement of Cash Flow, while the relevant items in the comparative statement are adjusted as if the reporting entity after the combination had been in existence since the point when the ultimate controlling party started to control it.

Where it is possible to exercise control over an investee under the same control as a result of additional investments, etc., the parties involved in the consolidation are treated as if they had existed in their present state at the time when the ultimate controlling party commenced control for the purpose of adjustment. Equity investments held prior to the acquisition of control of the party being consolidated are eliminated from opening retained earnings or current profit or loss in the comparative statement period, respectively, for relevant gains and losses, other comprehensive income and other changes in net assets recognized between the later of the date of acquisition of the original equity interest and the date on which the consolidating party and the party being consolidated are under common control and the date of consolidation.

During the reporting period, if a subsidiary or business is added as a result of a business combination not under common control, the opening balance of the Consolidated Balance Sheet is not adjusted; the revenue, expenses and profit of the subsidiary or business from the date of purchase to the end of the reporting

period are included in the Consolidated Statement of Income; the cash flows of the subsidiary or business from the date of purchase to the end of the reporting period are included in the Consolidated Statement of Cash Flow.

If the Company is able to exercise control over an investee not under common control due to additional investment, etc., the Company remeasures the equity interest in the investee held prior to the date of purchase at the fair value of the equity interest at the date of purchase, and the difference between the fair value and its carrying amount is recognized as investment income for the current period. If the equity interest in the investee held prior to the date of purchase involves other comprehensive income under the equity method of accounting and other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution, the other comprehensive income and other changes in owners' equity related to the equity interest are transferred to investment income for the period to which they belong at the date of purchase, except for other comprehensive income arising from the remeasurement of the investee's net liabilities or changes in net assets of the defined benefit plan.

(2) Disposal of a subsidiary or business

1) General handling methods

When the Company disposes of a subsidiary or business during the reporting period, the revenue, expenses and profit of the subsidiary or business from the beginning of the period to the date of disposal are included in Consolidated Statement of Income; the cash flows of the subsidiary or business from the beginning of the period to the date of disposal are included in Consolidated Statement of Cash Flow.

When control over an investee is lost as a result of the disposal of a portion of an equity investment or otherwise, the Company remeasures the remaining equity investment after disposal at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the net assets of the original subsidiary calculated on a continuing basis from the date of purchase or consolidation in proportion to the original shareholding and the sum of goodwill, is included in investment income in the period in which control is lost. Other comprehensive income or changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution relating to the equity investment in the original subsidiary is transferred to investment income in the period when control is lost, except for other comprehensive income arising from the remeasurement of the investee's net liabilities or changes in net assets of the defined benefit plan.

2) Step-by-step disposal of subsidiaries

Where an equity investment in a subsidiary is disposed of in Phases through multiple transactions until control is lost, the terms, conditions and economic effects of each transaction for the disposal of the equity investment in the subsidiary are such that one or more of the following circumstances normally indicate that the multiple transactions should be accounted for as a package transaction.

- A. the transactions were entered into at the same time or after taking into account their mutual effects.
- B. these transactions as a whole to achieve a complete commercial result.

C. the occurrence of one transaction is dependent on the occurrence of at least one other transaction.

D. A transaction is uneconomic on its own, but is economic when considered together with other transactions.

If the transactions for the disposal of an equity investment in a subsidiary until the loss of control are a package transaction, the Company accounts for each transaction as a disposal of a subsidiary and loss of control; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment for each disposal prior to the loss of control is recognized in consolidated financial statements as other comprehensive income, which is transferred to profit or loss in the period in which control is lost.

Where the various transactions for the disposal of equity investments in subsidiaries until the loss of control are not a package transaction, they are accounted for before the loss of control in accordance with the policies relating to partial disposal of equity investments in subsidiaries where control is not lost; upon loss of control, they are accounted for in accordance with the general treatment for disposal of subsidiaries.

(3) Purchase of minority interests in subsidiaries

The difference between the Company's newly acquired long-term equity investment as a result of the purchase of minority interests and its share of the net assets of the subsidiary calculated on a continuing basis from the date of purchase (or the date of consolidation) in accordance with its newly acquired shareholding is adjusted against the equity premium in capital surplus in the Consolidated Balance Sheet, and if the equity premium in capital surplus is not sufficient for elimination, retained earnings are adjusted.

(4) Partial disposal of equity investments in subsidiaries without loss of control

The difference between the disposal price of a long-term equity investment in a subsidiary that is partially disposed of without loss of control and the share of the net assets of the subsidiary calculated on a continuing basis from the date of purchase or the date of consolidation corresponding to the disposal of the long-term equity investment is adjusted against the equity premium in the capital surplus in the Consolidated Balance Sheet, and if the equity premium in the capital surplus is not sufficient to If the equity premium in capital surplus is not sufficient for elimination, an adjustment is made to retained earnings.

6. Classification of joint venture arrangements and accounting for joint operations

i. Classification of joint venture arrangements

The Company classifies joint venture arrangements as joint ventures and joint ventures based on the structure of the joint venture arrangement, its legal form and the terms agreed in the joint venture arrangement, other relevant facts and circumstances, and other factors.

Joint arrangements not entered into through separate entities are classified as joint ventures; joint arrangements entered into through separate entities are normally classified as joint ventures; however, joint arrangements are classified as joint ventures where there is conclusive evidence that any of the following conditions are met and the relevant laws and regulations are complied with.

(1) The legal form of a joint venture arrangement indicates that the joint venturers have separate rights and obligations in respect of the relevant assets and liabilities of the arrangement.

(2) The contractual terms of a joint venture arrangement provide that the joint venturers have separate rights and obligations in respect of the relevant assets and liabilities of the arrangement.

(3) Other relevant facts and circumstances indicate that the joint venturers have separate rights and obligations in respect of the relevant assets and liabilities in the arrangement, such as the joint venturers' enjoyment of substantially all of the outputs associated with the joint venture arrangement and the ongoing dependence on the joint venturers for the satisfaction of the liabilities in the arrangement.

ii. Accounting for Joint Ventures

The Company recognizes the following items in its share of interest in a joint operation that relate to the Company and accounts for them in accordance with the provisions of the relevant ASBE.

- (1) Recognition of assets held separately and, in proportion to their share, of assets held jointly.
- (2) Recognition of liabilities assumed individually and, in proportion to their share, jointly.
- (3) Recognize revenue arising from the sale of its share of the output of a joint operation.
- (4) Recognize revenue from joint operations arising from the sale of output on the basis of their share.
- (5) Recognition of expenses incurred separately and, in proportion to their share, of expenses incurred in a joint operation.

When the Company contributes or sells assets, etc. to a joint operation (except when such assets constitute a business), only the portion of the gain or loss attributable to the other participants in the joint operation arising from the transaction is recognized until such assets, etc. are sold by the joint operation to a third party. If an impairment loss is incurred on the assets contributed or sold in accordance with the provisions of ASBE No. 8 - Impairment of Assets, etc., the Company recognizes such loss in full.

When the Company purchases assets, etc. from a joint operation (except where such assets constitute a business), it recognizes only the portion of the gain or loss attributable to the other participants in the joint operation arising from the transaction until such assets, etc. are sold to a third party. If an impairment loss on an asset purchased in accordance with the provisions of ASBE No. 8 - Impairment of Assets, etc. is incurred, the Company recognizes that portion of the loss in accordance with its share of the loss.

The Company does not have joint control over a common operation. If the Company is entitled to the assets and bears the liabilities relating to such common operation, it shall still be accounted for in accordance with the above principles; otherwise, it shall be accounted for in accordance with the provisions of the relevant ASBE.

7. Determination standard of cash and cash equivalents

In preparing the cash flow statement, the Company recognizes cash on hand and deposits that are readily available for disbursement as cash. Investments that have all four conditions of being short term (generally maturing within three months from the date of purchase), liquid, easily convertible to known amounts of cash and subject to an insignificant risk of change in value are identified as cash equivalents.

8. Foreign currency operations and translation of foreign currency statements

i. Foreign currency operations

On initial recognition, foreign currency transactions are recorded in RMB using the spot exchange rate at the date of the transaction as the translation rate, however, the foreign currency exchange business or transactions involving foreign currency exchange of the company shall be recorded into the amount of functional currency according to the actually adopted exchange rate.

ii. Translation method for foreign currency monetary items and foreign currency non-monetary items

At the balance sheet date, monetary items denominated in foreign currencies are translated at the spot exchange rate at the balance sheet date, and the resulting exchange differences are recognized in profit or loss for the current period, except for those arising from special borrowings in foreign currencies relating to the acquisition of assets eligible for capitalization, which are treated in accordance with the principle of capitalizing borrowing costs. Non-monetary items measured in terms of historical cost in foreign currencies are still translated using the spot exchange rate at the date of the transaction without any change in the amount of the local currency in which they are recorded.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated using the spot exchange rate at the date when the fair value was determined. The difference between the translated amount in the carrying amount and the amount in the original carrying amount is treated as a change in fair value (including exchange rate changes) and is included in current profit or loss or recognized in other comprehensive income.

iii. Conversion of foreign currency financial statements

Balance sheet assets and liabilities are translated using the spot rate of exchange at the balance sheet date; owners' equity items, except for "undistributed profit", are translated using the spot rate of exchange at the time of occurrence. Income and expense items in the income statement are translated using the spot rate of exchange at the date of the transaction or an approximation of the spot rate. The undistributed profit at the beginning of the year is the undistributed profit at the end of the year after conversion of the previous year; The undistributed profit at the end of the year shall be calculated and listed according to the converted profit distribution items; The difference between the total amount of asset items, liability items and owner's equity items after conversion is recognized as other comprehensive income as the translation difference of foreign currency statements. On disposal of a foreign operation, the translation difference on foreign currency financial statements relating to the foreign operation as shown in other comprehensive income in the balance sheet is transferred from other comprehensive income to profit or loss in the period of disposal.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated at the current average exchange rate on the date of cash flow. The impact of exchange rate changes on cash is presented separately in the cash flow statement as a reconciliation item.

The amount at the beginning of the year and the actual amount of the previous year shall be presented according to the amount converted in the financial statements of the previous year.

When disposing all the owner's equity of the company's foreign operation or losing the control over the overseas operation due to the disposal of part of the equity investment or other reasons, all the translation

differences of the foreign currency statements listed under the owner's equity item in the balance sheet and related to the foreign operation and belonging to the owner's equity of the parent company shall be transferred to the current profit and loss of disposal.

When the proportion of foreign business interests held is reduced due to the disposal of some equity investments or other reasons, but the control over foreign business is not lost, the translation difference of foreign currency statements related to the disposal of foreign business will belong to minority shareholders' interests and will not be transferred to the current profit and loss. When disposing part of the equity of an foreign operation as an associate or joint venture, the translation difference of foreign currency statements related to the foreign operation shall be transferred to the current profit and loss according to the proportion of disposing the foreign operation.

If there are foreign currency monetary items that substantially constitute the net investment in foreign operations, in the consolidated financial statements, the exchange difference arising from the change of exchange rate shall be recognized as "translation difference of foreign currency statements" as other comprehensive income; The disposal of foreign operations shall be included in the current profits and losses.

9. Financial Instruments

Financial instruments include financial assets, financial liabilities and equity instruments.

The Company recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the accounting periods.

The effective interest rate is the rate used to discount the estimated future cash flows of a financial asset or financial liability through its expected life to the carrying amount of that financial asset or the amortized cost of that financial liability. In determining the effective interest rate, the expected cash flows are estimated taking into account all contractual terms of the financial asset or financial liability (e.g. early repayment, rollover, call option or other similar option, etc.), but excluding expected credit losses.

The amortized cost of a financial asset or financial liability is the cumulative amortization resulting from the initial recognition of that financial asset or financial liability, less principal repaid, plus or minus the amortization of the difference between that initial recognition amount and the maturity amount using the effective interest method, less accumulated provision for losses (applicable to financial assets only).

i. Classification, recognition and measurement of financial asset

The Company classifies its financial assets into the following three categories based on the business model of the financial assets under management and the contractual cash flow characteristics of the financial assets.

- (1) Financial assets measured at amortized cost.
- (2) Financial assets measured at fair value through other comprehensive income.
- (3) Financial assets at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition, except that receivables or notes

receivable arising from the sale of goods or provision of services, etc. that do not contain a significant financing component or do not take into account a financing component of less than one year are initially measured at transaction price.

For financial assets at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss, while for other categories of financial assets, the related transaction costs are recognized in their initial recognition amounts.

The subsequent measurement of financial assets depends on their classification and all relevant financial assets affected are reclassified when, and only when, the Company changes its business model for managing financial assets.

(1) Financial assets classified as measured at amortized cost

A financial asset is classified by the Company as a financial asset carried at amortized cost if the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding and the business model for managing the financial asset is to collect the contractual cash flows. The Company's financial assets classified as financial assets carried at amortized cost include monetary funds, notes receivable, accounts receivable, other receivables, other debt investments and long-term receivables.

The Company uses the effective interest rate method to recognize interest income on such financial assets and subsequently measures them at amortized cost. Gains or losses arising from their impairment or derecognition or modification are recognized in profit or loss for the current period. The Company determines interest income based on the carrying amount of the financial asset multiplied by the effective interest rate, except for the following.

1) For financial assets acquired or originated that are credit impaired, the Company determines interest income from the initial recognition on the basis of the amortized cost of the financial assets and the effective interest rate adjusted for credit.

2) For financial assets acquired or originated that are not credit impaired but become credit impaired in a subsequent period, the Company determines interest income in the subsequent period based on the amortized cost of the financial asset and the effective interest rate. If the financial instrument is no longer credit impaired in a subsequent period because of an improvement in its credit risk, the Company transfers to the effective interest rate multiplied by the carrying amount of the financial asset to determine interest income.

(2) Financial assets classified as at fair value through other comprehensive income

A financial asset is classified by the Company as a financial asset at fair value through other comprehensive income if the contractual terms of the financial asset provide that the only cash flows arising on a particular date are payments of principal and interest based on the principal amount outstanding and the business model for managing the financial asset is to both collect the contractual cash flows and to sell the financial asset.

The Company uses the effective interest method to recognize interest income on such financial assets. Changes in fair value are recognized in other comprehensive income, except for interest income, impairment

losses and exchange differences, which are recognized in profit or loss for the period. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss for the period.

Notes receivable and accounts receivable that are measured at fair value through other comprehensive income are presented as financing receivables and other such financial assets are presented as other debt investments, of which: other debt investments maturing within one year from the balance sheet date are presented as non-current assets maturing within one year and other debt investments with original maturity of less than one year are presented as other current assets.

(3) Financial assets designated as at fair value through other comprehensive income

On initial recognition, the Company may irrevocably designate investments in non-trading equity instruments as financial assets at fair value through other comprehensive income on the basis of a single financial asset.

Changes in the fair value of such financial assets are included in other comprehensive income and no provision for impairment is made. Upon derecognition of this financial asset, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and included in retained earnings. Dividend income is recognized in profit or loss over the period in which the Company holds the investment in the equity instrument, when the Company's right to receive the dividend has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. The Company reports such financial assets under the heading of investments in other equity instruments.

(4) Financial assets classified as at fair value through profit or loss

An investment in an equity instrument is a financial asset at fair value through profit or loss if it meets one of the following conditions: it is acquired principally for the purpose of selling in the near term; it is part of a portfolio of centrally managed identifiable financial asset instruments at initial recognition and there is objective evidence of a recent actual pattern of short-term profit-taking; it is a derivative (meeting the definition of a financial guarantee contract and derivatives that are designated as effective hedging instruments).

Financial assets that do not qualify for classification as financial assets at amortized cost or at fair value through other comprehensive income and that are not designated as at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

The Company uses fair value for subsequent measurement of such financial assets and recognizes gains or losses arising from changes in fair value, as well as dividend and interest income relating to such financial assets, in profit or loss for the current period.

The Company presents such financial assets under the heading of financial assets held for trading and other non-current financial assets according to their liquidity.

(5) Financial assets designated as at fair value through profit or loss

On initial recognition, the Company may irrevocably designate financial assets as financial assets at fair value through profit or loss on an individual basis in order to eliminate or significantly reduce accounting

mismatches.

If a hybrid contract contains one or more embedded derivatives and its host contract is not one of the above financial assets, the Company may designate the whole as a financial instrument at fair value through profit or loss. Exceptions to this are the following.

1) Embedding derivatives will not materially change the cash flows of hybrid contracts.

2) When first determining whether a similar hybrid contract requires unbundling, little analysis is required to clarify that the embedded derivatives it contains should not be unbundled. If an early repayment right is embedded in a loan that allows the holder to repay the loan early at an amount close to amortized cost, the early repayment right does not need to be split.

The Company uses fair value for subsequent measurement of such financial assets and recognizes gains or losses arising from changes in fair value, as well as dividend and interest income relating to such financial assets, in profit or loss for the current period.

The Company presents such financial assets under the heading of financial assets held for trading and other non-current financial assets according to their liquidity.

ii. Classification, recognition and measurement of financial liability

The Company classifies a financial instrument or a component thereof as a financial liability or an equity instrument on initial recognition based on the contractual terms of the financial instrument issued and the economic substance reflected therein, rather than solely on its legal form, taking into account the definitions of a financial liability and an equity instrument. Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, other financial liabilities, and derivatives designated as effective hedging instruments.

Financial liabilities are measured at fair value on initial recognition. For financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss; for other categories of financial liabilities, the related transaction costs are recognized in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification.

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

Such financial liabilities comprise financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated at fair value through profit or loss on initial recognition.

A financial liability is classified as a financial liability held for trading if one of the following conditions is met: it is incurred principally for the purpose of selling or repurchasing in the near future; it is part of a portfolio of identifiable financial instruments that are managed on a central basis and for which there is objective evidence of a recent pattern of short-term profit-taking by the enterprise; it is a derivative, except for derivatives that are designated and are effective hedging instruments, derivatives that qualify as financial guarantee contracts. Exceptions. Trading financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value, with all changes in fair value recognized in profit or loss, except when they relate to hedge accounting.

On initial recognition, for the purpose of providing more relevant accounting information, the Company

irrevocably designates financial liabilities as financial liabilities at fair value through profit or loss that meet one of the following conditions.

1) The ability to eliminate or significantly reduce accounting mismatches.

2) A portfolio of financial liabilities or a portfolio of financial assets and financial liabilities is managed and performance evaluated on a fair value basis in accordance with the enterprise's risk management or investment strategy as set out in formal written documentation and is reported to key management personnel on this basis within the enterprise.

The Company subsequently measures such financial liabilities at fair value, with changes in fair value recognized in other comprehensive income, except for changes in fair value arising from changes in the Company's own credit risk, which are recognized in profit or loss. The Company records all changes in fair value, including the amount of the effect of changes in its own credit risk, in profit or loss, unless the inclusion of changes in fair value arising from changes in the Company's own credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

(2) Other financial liabilities

The Company classifies financial liabilities as financial liabilities measured at amortized cost, except for the following, which are subsequently measured at amortized cost using the effective interest method, with gains or losses arising from derecognition or amortization charged to current profit or loss.

1) Financial liabilities at fair value through profit or loss.

2) Transfers of financial assets do not qualify for derecognition or continue to be involved in the financial liabilities arising from the transferred financial assets.

3) Financial guarantee contracts that do not fall within the first two categories of this article, and loan commitments to lend at below-market interest rates that do not fall within category 1) of this article.

A financial guarantee contract is a contract that requires the issuer to pay a specified amount to the contract holder who has suffered a loss when a specified debtor is unable to pay its debt when due in accordance with the terms of the original or modified debt instrument. Financial guarantee contracts that are not financial liabilities designated as at fair value through profit or loss are measured subsequent to initial recognition at the higher of the amount of the allowance for loss and the amount initially recognized, less accumulated amortization over the guarantee period.

iii. Derecognition of financial assets and financial liabilities

(1) A financial asset is derecognized, i.e., transferred from its accounts and balance sheet, if one of the following conditions is met.

1) The contractual rights to receive cash flows from the financial asset cease.

2) The financial asset has been transferred and the transfer satisfies the requirements for derecognition of a financial asset.

(2) Conditions for derecognition of financial liabilities

A financial liability (or part of a financial liability) is derecognized when the present obligation is discharged.

If an agreement is entered into between the Company and the lender to replace an original financial liability by the assumption of a new financial liability and the contractual terms of the new financial liability are materially different from those of the original financial liability, or if the contractual terms of the original financial liability (or part thereof) are materially modified, the original financial liability is derecognized and a new financial liability is recognized at the same time, and the difference between the carrying amount and the consideration paid (including the non-cash asset transferred or The difference between the carrying amount and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss for the period.

If the Company repurchases a portion of a financial liability, the carrying amount of the financial liability as a whole is allocated to the respective fair values of the continuing recognized portion and the derecognized portion at the date of repurchase in proportion to the fair value of the whole. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including non-cash assets transferred or liabilities assumed) should be recognized in profit or loss for the current period.

iv. Basis of recognition and measurement of transfers of financial assets

The Company assesses the extent to which it retains the risks and rewards of ownership of a financial asset when a transfer of financial assets occurs and treats each situation separately as follows.

(1) Where substantially all the risks and rewards of ownership of a financial asset are transferred, the financial asset is derecognized and the rights and obligations arising or retained from the transfer are separately recognized as assets or liabilities.

(2) A financial asset continues to be recognized if substantially all the risks and rewards of ownership of the financial asset are retained.

(3) Where substantially all the risks and rewards of ownership of a financial asset are neither transferred nor retained (i.e. in circumstances other than those in (1) and (2) of this article), they are treated separately, depending on whether they retain control over the financial asset, as follows.

1) If control is not retained over the financial asset, the financial asset is derecognized and the rights and obligations arising from or retained in the transfer are recognized separately as assets or liabilities.

2) If control over the financial asset is retained, the financial asset continues to be recognized to the extent of its continuing involvement in the transferred financial asset and the related liability is recognized accordingly. The extent of continuing involvement in the transferred financial asset is the extent to which the Company bears the risk or reward of changes in value of the transferred financial asset.

In determining whether a transfer of financial assets meets the conditions for derecognition of financial assets as described above, the principle of substance over form is applied. The Company distinguishes between transfers of financial assets as a whole and partial transfers of financial assets.

(1) When a transfer of a financial asset as a whole satisfies the conditions for derecognition, the difference between the following two amounts is recognized in profit or loss.

1) The carrying amount of the transferred financial asset at the date of derecognition.

2) The sum of the consideration received for the transfer of a financial asset and the amount

corresponding to the derecognized portion of the cumulative amount of changes in fair value that would otherwise be taken directly to other comprehensive income (financial assets involved in the transfer are those measured at fair value through other comprehensive income).

(2) If part of a financial asset is transferred and the transferred part as a whole meets the conditions for derecognition, the carrying amount of the financial asset as a whole before the transfer is apportioned between the derecognized part and the continuing recognized part (in which case the retained service asset should be treated as part of the continuing recognized financial asset), based on their respective relative fair values at the date of transfer, and the difference between the following amounts is recognized in profit or loss.

1) The carrying value of the derecognition component at the date of derecognition.

2) The sum of the consideration received for the derecognition component and the amount corresponding to the derecognition component of the cumulative amount of changes in fair value originally recognized in other comprehensive income (financial assets involved in the transfer are financial assets at fair value through other comprehensive income).

If the transfer of a financial asset does not meet the conditions for derecognition, the financial asset continues to be recognized and the consideration received is recognized as a financial liability.

v. Methodology for determining the fair value of financial assets and financial liabilities

The fair value of a financial asset or financial liability for which there is an active market is determined using quoted prices in an active market, unless there is a restricted period for the asset itself. For financial assets with an inherently restricted life, the quoted market price is determined by deducting the amount of compensation required by market participants for assuming the risk that the financial asset will not be available for sale on the open market within a specified period. Quoted prices in active markets include quoted prices for the relevant asset or liability that are readily and regularly available from, for example, exchanges, dealers, brokers, industry groups, pricing agencies or regulators, and are representative of actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets initially acquired or derived or financial liabilities assumed is determined on the basis of their market transaction prices.

Financial assets or financial liabilities for which there is no active market are valued using valuation techniques to determine their fair value. In making valuations, the Company uses valuation techniques that are appropriate in the circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the asset or liability as considered by market participants in transactions for the relevant asset or liability, and gives preference to relevant observable inputs wherever possible. Where relevant observable inputs are not available or not practicable to obtain, unobservable inputs are used.

vi. Impairment of financial instruments

The Company accounts for impairment of financial assets measured at amortized cost, financial assets classified as at fair value through other comprehensive income, lease receivables and on the basis of expected credit losses and recognizes a provision for losses.

Expected credit losses, being the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses are the difference between all contractual cash flows receivable by the Company under the contract and all cash flows expected to be collected, discounted at the original effective interest rate, being the present value of the entire cash shortfall. Of this amount, for financial assets purchased or originated by the Company that are credit impaired, they should be discounted at the credit-adjusted effective interest rate of the financial assets.

For receivables, contract assets and lease receivables resulting from transactions governed by the income guidelines, the Company applies a simplified measurement approach and measures the allowance for losses at an amount equal to the expected credit loss over the entire life of the receivable.

For financial assets acquired or originated that are credit impaired, a provision for losses is recognized at the balance sheet date only for cumulative changes in expected credit losses throughout their lives since initial recognition. At each balance sheet date, the amount of the change in expected credit losses over the entire life of the asset is included in profit or loss for the period as an impairment loss or gain. A favourable change in expected credit losses is recognized as an impairment gain even if the expected credit losses determined at that balance sheet date for the entire duration of the period are less than the amount of expected credit losses reflected in the estimated cash flows at initial recognition.

For financial assets other than those for which simplified measurement methods and purchased or originated credit impairment have been applied as described above, the Company assesses at each balance sheet date whether the credit risk of the relevant financial instrument has increased significantly since initial recognition and measures its allowance for losses and recognizes expected credit losses and changes therein separately according to the following.

(1) If the credit risk of the financial instrument has not increased significantly since initial recognition and is in the first Phase, the allowance for losses is measured at an amount equal to the expected credit losses on the financial instrument over the next 12 months, and interest income is calculated on the basis of the carrying amount and the effective interest rate.

(2) If the credit risk of the financial instrument has increased significantly since initial recognition but no credit impairment has occurred, it is in Phase 2 and the allowance for losses is measured at an amount equal to the expected credit loss over the entire life of the financial instrument and interest income is calculated on the basis of the carrying amount and the effective interest rate.

(3) If the financial instrument has been credit impaired since initial recognition, it is at Phase 3 and the Company measures its loss allowance at an amount equal to the expected credit loss over the entire life of the financial instrument and calculates interest income at amortized cost and effective interest rate.

The amount of increase or reversal of the allowance for credit losses on financial instruments is recognized in profit or loss as an impairment loss or gain. The allowance for credit losses is set off against the carrying amount of the financial asset, except for financial assets classified as at fair value through other comprehensive income. For financial assets classified as at fair value through other comprehensive income, the Company recognizes a provision for credit losses in other comprehensive income without reducing the

carrying amount of the financial asset as shown in the balance sheet.

Where the Company has measured a loss allowance in a previous accounting period at an amount equal to the expected credit loss over the entire life of the financial instrument, but at the current balance sheet date the financial instrument no longer represents a significant increase in credit risk since initial recognition, the Company measures the loss allowance for the financial instrument at the current balance sheet date at an amount equal to the expected credit loss over the next 12 months. The resulting reversal of the provision for losses is recorded as an impairment gain in profit or loss for the period.

(1) Significant increase in credit risk

The Company uses reasonably available and substantiated forward-looking information to determine whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition. For financial guarantee contracts, the Company uses the date on which the Company becomes a party to the irrevocable commitment as the date of initial recognition when applying the impairment provisions for financial instruments.

The Company will consider the following factors when assessing whether there is a significant increase in credit risk.

1) Whether there has been a significant change in the actual or expected results of the debtor's operations.

2) Whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor is operating.

3) whether there have been significant changes in the value of the collateral securing the debt or in the quality of the guarantees or credit enhancements provided by third parties that are expected to reduce the debtor's economic incentive to repay the debt by the contractual deadline or to affect the probability of default.

4) Whether there has been a significant change in the debtor's expected performance and repayment behaviour.

5) Whether there has been a change in the Company's approach to the credit management of financial instruments, etc.

At the balance sheet date, if the Company determines that a financial instrument has only low credit risk, the Company assumes that the credit risk of the financial instrument has not increased significantly since initial recognition. A financial instrument is considered to have low credit risk if the risk of default is low, the borrower's ability to meet its contractual cash flow obligations in the short term is strong and does not necessarily reduce the borrower's ability to meet its contractual cash flow obligations even if there are adverse changes in economic conditions and operating environment in the longer term.

(2) Financial assets subject to credit impairment

A financial asset becomes credit impaired when one or more events occur that have an adverse effect on the expected future cash flows of the financial asset. Evidence that a financial asset is credit impaired includes observable information such as.

- 1) Significant financial difficulties on the part of the issuer or debtor.
- 2) Breach of contract by the debtor, such as default or late payment of interest or principal.
- 3) A concession granted by the creditor to the debtor that would not otherwise be made by the debtor because of economic or contractual considerations relating to the debtor's financial difficulties.
- 4) The debtor is likely to go into bankruptcy or other financial restructuring.
- 5) The disappearance of an active market for the financial asset as a result of the issuer's or debtor's financial difficulties.
- 6) The purchase or origin of a financial asset at a significant discount that reflects the fact that a credit loss has been incurred.

Credit impairment of financial assets may be the result of a combination of events and may not necessarily be the result of separately identifiable events.

(3) Determination of expected credit losses

The Company assesses expected credit losses on financial instruments on an individual and portfolio basis, taking into account reasonable and substantiated information about past events, current conditions and projections of future economic conditions when assessing expected credit losses.

The Company classifies financial instruments into different portfolios based on common credit risk characteristics. The common credit risk characteristics used by the Company include: type of financial instrument, credit risk rating, age portfolio, past due age portfolio, contract settlement cycle and debtor's industry etc. The individual assessment criteria and the portfolio credit risk characteristics of the relevant financial instruments are detailed in the accounting policies of the relevant financial instruments.

The Company determines the expected credit losses on the relevant financial instruments in accordance with the following methodology.

- 1) For financial assets, credit losses are the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be collected.
- 2) For lease receivables, credit losses are the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be collected.
- 3) In the case of a financial guarantee contract, the credit loss is the present value of the difference between the expected payment to be made by the Company to the holder of such contract in respect of credit losses incurred by it, less the amount expected to be received by the Company from the holder of such contract, the debtor or any other party.
- 4) For financial assets that are credit impaired at the balance sheet date but not purchased or originated with credit impairment, the credit loss is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the original effective interest rate.

The Company's approach to measuring expected credit losses on financial instruments reflects factors such as: the weighted average amount of unbiased probabilities determined by evaluating a range of possible outcomes; the time value of money; and reasonable and substantiated information about past events, current

conditions and projections of future economic conditions that is available at the balance sheet date without undue additional cost or effort.

(4) Write-downs of financial assets

When the Company no longer has a reasonable expectation that the contractual cash flows from a financial asset will be fully or partially recovered, the carrying amount of the financial asset is written down directly. Such a write-down constitutes derecognition of the related financial asset.

vii. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are shown separately in the balance sheet and are not offset against each other. However, they are presented in the balance sheet as a net amount after offsetting each other if the following conditions are also met.

(1) The Company has a legal right to set off the recognized amounts and such legal right is currently enforceable.

(2) The Company plans to settle the financial asset on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

10. Hedging Instruments

According to the hedging relationship, the company divides hedging into fair value hedging, cash flow hedging and net foreign investment hedging.

i. Hedging instruments that meet the following conditions at the same time shall be treated by hedging accounting method

(1) The hedging relationship is only composed of qualified hedging instruments and hedged items.

(2) At the beginning of hedging, the company formally designated hedging instruments and hedged items, and prepared written documents on hedging relationship, risk management strategy and risk management objectives for hedging.

(3) The hedging relationship meets the requirements of hedging effectiveness.

If the hedging meets the following conditions at the same time, the hedging relationship shall be deemed to meet the requirements of hedging effectiveness:

1) There is an economic relationship between the hedged item and the hedging instrument. This economic relationship makes the value of the hedging instrument and the hedged item change in the opposite direction due to the same hedged risk.

2) The impact of credit risk is not dominant in the value changes caused by the economic relationship between the hedged item and the hedging instrument.

3) The hedging ratio of the hedging relationship is equal to the ratio of the actual number of hedged items hedged by the company to the actual number of hedging instruments hedged, but does not reflect the imbalance of the relative weight of the hedged items and hedging instruments. This imbalance will lead to ineffective hedging and may result in inconsistent accounting results against the hedging accounting objectives.

ii. Accounting treatment of fair value hedging

(1) Gains or losses arising from hedging instruments are included in current profits and losses. If the hedging instrument hedges the non tradable equity instrument investment (or its components) that is measured at fair value and whose changes are included in other comprehensive income, the gains or losses arising from the hedging instrument are included in other comprehensive income.

(2) The gain or loss of the hedged item due to the hedged risk exposure shall be included in the current profit and loss, and the book value of the hedged item not measured at fair value shall be adjusted. If the hedged item is a financial asset (or its component) measured at fair value and its changes are included in other comprehensive income, the gains or losses arising from the hedged risk exposure are included in the current profits and losses, and its book value has been measured at fair value and does not need to be adjusted; If the hedged item is a non tradable equity instrument investment (or its components) that the company chooses to measure at fair value and whose changes are included in other comprehensive income, the gains or losses arising from the hedged risk exposure are included in other comprehensive income, and its book value has been measured at fair value and does not need to be adjusted.

If the hedged item is an unrecognized firm commitment (or its component), the cumulative change in fair value caused by the hedged risk after the designation of the hedging relationship is recognized as an asset or liability, and the relevant gains or losses are included in the profits and losses of each relevant period. When an asset is acquired or a liability is assumed as a result of fulfilling a certain commitment, the initial recognition amount of the asset or liability is adjusted to include the cumulative change in the fair value of the hedged item that has been recognized.

(3) If the hedged item is a financial instrument (or its components) measured at amortized cost, the adjustment to the book value of the hedged item shall be amortized according to the effective interest rate recalculated on the amortization date and included in the current profit and loss. The amortization can start from the adjustment date, but not later than the time point when the hedging gains and losses are adjusted for the termination of the hedged item. If the hedged item is a financial asset (or its component) measured at fair value and its changes are included in other comprehensive income, the accumulated recognized hedging gains or losses are amortized in the same way and included in the current profit and loss, but the book value of the financial asset (or its component) is not adjusted.

iii. Accounting treatment of cash flow hedging

(1) The gains or losses arising from hedging instruments that belong to the effective part of hedging shall be regarded as cash flow hedging reserves and included in other comprehensive income. The amount of cash flow hedging reserve shall be determined according to the lower of the absolute amount of the following two items.

1) Accumulated profit or loss from hedging instrument.

2) The cumulative change in the present value of the estimated future cash flow of the hedged item since the beginning of hedging. The amount of cash flow hedging reserve included in other comprehensive

income in each period is the change of cash flow hedging reserve in the current period.

(2) The part of the gains or losses arising from the hedging instrument that belongs to the ineffectiveness of hedging (i.e. other gains or losses after deducting them into other comprehensive income) shall be included in the current profit and loss.

(3) The amount of cash flow hedging reserves shall be handled in accordance with the following provisions.

1) When the hedged item is an expected transaction and the expected transaction causes the company to subsequently recognize a non-financial asset or non-financial liability, or the expected transaction of non-financial asset or non-financial liability forms a firm commitment applicable to fair value hedging accounting, the amount of cash flow hedging reserve originally recognized in other comprehensive income shall be transferred out and included in the initial recognition amount of the asset or liability.

2) For the cash flow hedging not involved in the previous article, during the same period when the hedged expected cash flow affects the profit and loss, the amount of cash flow hedging reserve originally recognized in other comprehensive income shall be transferred out and included in the current profit and loss.

3) If the amount of cash flow hedging reserve recognized in other comprehensive income is a loss and all or part of the loss is expected to be irreparable in the future accounting period, when it is expected to be irreparable, the part that is expected to be irreparable shall be transferred out of other comprehensive income and included in the current profit and loss.

iv. Net foreign investment hedging

The hedging of net investment in foreign operations, including the hedging of monetary items that are accounted for as part of the net investment, shall be handled by the company in accordance with the provisions similar to cash flow hedging accounting.

(1) The profits or losses arising from hedging instruments that belong to the effective part of hedging shall be included in other comprehensive income.

In disposal of all or part of foreign operations, the gains or losses of the above hedging instruments included in other comprehensive income shall be transferred out accordingly and included in the current profits and losses.

(2) The profits or losses arising from hedging instruments that belong to the ineffective part of hedging shall be included in the current profits and losses.

v. Termination of hedge accounting

In case of any of the following circumstances, the hedging accounting shall be terminated.

(1) Due to the change of risk management objectives, the hedging relationship no longer meets the risk management objectives.

(2) The hedging instrument has expired, been sold, the contract has been terminated or has been exercised.

(3) There is no longer an economic relationship between the hedged item and the hedging instrument, or the impact of credit risk begins to dominate in the value changes caused by the economic relationship between the hedged item and the hedging instrument.

(4) The hedging relationship no longer meets other conditions for the application of hedging accounting methods stipulated in these standards. Where the rebalancing of hedging relationship is applicable, the enterprise shall first consider the rebalancing of hedging relationship, and then evaluate whether the hedging relationship meets the conditions for the application of hedging accounting methods specified in these standards.

Termination of hedge accounting may affect the whole or part of the hedging relationship. When only part of the hedging relationship is affected, the remaining unaffected part is still applicable to hedge accounting.

vi. Fair value selection of credit risk exposure

When credit derivatives measured at fair value with changes included in current profits and losses are used to manage the credit risk exposure of financial instruments (or their components), they can be designated as financial instruments measured at fair value with changes included in current profits and losses when the financial instruments (or their components) are initially recognized, in subsequent measurement or not yet recognized, and written records shall be made at the same time, but the following conditions shall be met at the same time.

(1) The subject of credit risk exposure of financial instruments (such as the borrower or loan commitment holder) is consistent with the subject involved in credit derivatives;

(2) The repayment level of financial instruments is consistent with that of instruments to be delivered according to the terms of credit derivatives.

11. Accounts receivable

Accounts receivable include notes receivable, accounts receivable, other accounts receivable, etc.

i. Accrual method of determining bad debt reserves

Based on the expected credit loss, the company accrues the impairment provision and recognizes the credit impairment loss for the receivables according to the applicable expected credit loss measurement method (general method or simplified method).

On each balance sheet date, the company assesses whether the credit risk of receivables has increased significantly since initial recognition. If the credit risk has increased significantly since initial recognition, the loss provision shall be measured according to the amount equivalent to the expected credit loss in the whole duration; If the credit risk has not increased significantly since initial recognition, the loss provision shall be measured according to the amount equivalent to the expected credit loss in the next 12 months. When assessing expected credit losses, consider all reasonable and based information, including forward-looking information.

In addition to the financial assets that individually assess the credit risk, the group divides the receivables into different groups based on the common risk characteristics, and assesses the credit risk on the basis of

combination.

The basis for determining the portfolios

Item	Basis for determining the portfolios	Accrual methods of provision for bad debts
Combination of related parties	Classified by relevant standards disclosed by related parties	No provision for bad debts
Aging Combination	Classified by the years of existence	Accrue by aging

ii. Reversal of provision for bad debts

If the expected credit loss of a receivable on the balance sheet date is less than the current carrying amount of the impairment provision of the receivable, the difference shall be recognized as impairment gain.

If the company's transfer of receivables to a third party meets the conditions for derecognition, the difference between the transaction amount and the book value of the written off receivables and relevant taxes shall be included in the current profit and loss.

12. Inventory

i. Classification of inventories

Inventories refer to finished products or commodities held by the company for sale in daily activities, products in process of production, materials and materials consumed in the process of production or provision of labor services, etc. It mainly includes inventory goods.

ii. Inventory valuation methods

Inventories are initially measured at cost at the time of acquisition, including purchase cost, processing cost and other costs. Inventories are valued at the end of the month on a one-time weighted average basis when issued.

iii. Inventory system of inventories

Use of perpetual inventory system.

iv. Basis for determining the net realizable value of inventories and the method of providing for a decline in value of inventories

After a full inventory check at the end of the period, provision for decline in value of inventories is made or adjusted at the lower of cost or net realizable value of the inventories. The net realizable value of inventories of finished goods, goods in stock and materials for sale, which are used directly for sale, is determined in the normal course of production and operation by using the estimated selling price of the inventories less estimated selling expenses and related taxes; the net realizable value of inventories of materials subject to processing is determined in the normal course of production and operation by using the estimated selling price of the finished goods produced less the estimated costs to be incurred to completion, estimated selling expenses and related taxes. The net realizable value of inventories held for the purpose of executing sales contracts or labour contracts is calculated on the basis of the contract price. If the quantity of inventories held exceeds the quantity ordered in the sales contract, the net realizable value of the excess inventories is calculated on the basis of the normal sales price.

Provision for a decrease in the value of inventories is made at the end of the period on the basis of individual inventory items; however, for inventories with a large number of items and a low unit price, provision for a decrease in the value of inventories is made according to the category of inventories; inventories that are related to a product line manufactured and sold in the same region, have the same or similar end use or purpose and are difficult to measure separately from other items are combined and provision for a decrease in the value of inventories is made.

Where the factors affecting the value of inventories previously written down have disappeared, the amount written down is restored and reversed within the amount of the original provision for diminution in value of inventories, with the amount reversed charged to current profit or loss.

13. Long-term receivables

Long term receivables refer to the receivables arising from the enterprise's financial leasing and the receivables arising from the business activities such as the sale of goods and the provision of labor services with the nature of financing, which are collected in installments by deferred method. The long-term equity that essentially constitutes the net investment in the invested entity is also accounted for through this account. Detailed accounting shall be carried out according to the debtor. The ending debit balance reflects the long-term receivables that have not been recovered by the enterprise.

On the beginning date of the lease term, the lease receivables arising from the lessor's financial lease shall be debited to the title of "long-term receivables" according to the sum of the minimum lease receipts and the initial direct expenses on the beginning date of the lease, debited to the title of "unguaranteed residual value" according to the unguaranteed residual value, and credited to the title of "financial lease assets" according to the fair value of the financial lease assets (the sum of the minimum lease receipts and the present value of the unguaranteed residual value), debit the title of "non operating expenditure" or credit the title of "non operating income" according to the difference between the fair value and book value of the financial leasing assets, and credit the title of "bank deposit" according to the initial direct expenses incurred, credit "long-term receivables arising from business activities such as sales of goods or provision of labor services by deferred instalments. If the conditions for revenue recognition are met, debit the title of" long-term receivables "according to the receivable contract or agreement price, credit the title of" main business income "according to the fair value (discounted value) of the receivable contract or agreement price, and credit the title of" unrealized financing income "according to the difference. If VAT is involved, it shall also be handled accordingly.

The unrealized financing income of an enterprise included in lease income or interest income by stages shall be accounted through the title of "unrealized financing income". The undergraduate items can be accounted in detail according to the unrealized financing income items. The ending credit balance of this account reflects the unrealized financing income of the enterprise that has not been transferred into the current income.

Following relevant policies on impairment of financial instruments The Company's method of determining and accounting for expected credit losses on long-term receivables is detailed in note IV/(9) vi. Impairment of financial instruments in this note.

14. Long-term equity investments

i. Determination of initial investment cost

(1) For long-term equity investments formed in business combinations, please refer to Note IV/4 of this note for details of the accounting treatment for business combinations under common control and those not under common control.

(2) Long-term equity investments acquired by other means

Long-term equity investments acquired by way of cash payment are stated at initial investment cost based on the actual purchase price paid. The initial cost of investment includes fees, taxes and other necessary expenses directly attributable to the acquisition of the long-term equity investment.

Long-term equity investments acquired by issuing equity securities are stated at the fair value of the equity securities issued as the initial investment cost; transaction costs incurred in issuing or acquiring its own equity instruments that are directly attributable to the equity transaction are deducted from equity.

Provided that the exchange of non-monetary assets has commercial substance and the fair value of the asset being exchanged or the asset being exchanged can be measured reliably, the initial investment cost of long-term equity investments acquired in exchange for non-monetary assets is determined on the basis of the fair value of the asset being exchanged, unless there is conclusive evidence that the fair value of the asset being exchanged is more reliable; for non-monetary asset exchanges that do not meet the above prerequisites, the carrying amount of the asset being exchanged and the related tax payable are used as the initial investment cost.

The initial investment cost of long-term equity investments acquired through debt restructuring is determined on the basis of fair value.

ii. Subsequent measurement and profit or loss recognition

(1) Cost method

Long-term equity investments in which the Company is able to exercise control over the investee are accounted for using the cost method and are carried at initial investment cost, with additional or recovered investments adjusting the cost of long-term equity investments.

Except for cash dividends or profits declared but not yet paid included in the price or consideration actually paid for the investment at the time of acquisition, the Company recognizes investment income for the current period on the basis of its entitlement to cash dividends or profits declared by the investee.

(2) Equity method

The Company accounts for its long-term equity investments in associates and joint ventures using the equity method of accounting; for a portion of these equity investments in associates held indirectly through venture capital institutions, mutual funds, trusts or similar entities including investment-linked funds, fair value measurement is used and changes in fair value are recognized in profit or loss.

The difference between the initial investment cost of a long-term equity investment and its share of the fair value of the identifiable net assets of the investee at the time of investment is not adjusted to the initial

investment cost of the long-term equity investment; the difference between the initial investment cost and its share of the fair value of the identifiable net assets of the investee at the time of investment is recognized in profit or loss for the current period.

Upon acquisition of a long-term equity investment, the Company recognizes investment income and other comprehensive income in accordance with its share of the net profit or loss and other comprehensive income realized by the investee, respectively, and adjusts the carrying value of the long-term equity investment; and reduces the carrying value of the long-term equity investment accordingly in accordance with the portion of the profit or cash dividends declared by the investee to which it is entitled; for changes in the equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the carrying value of the long-term equity investment is adjusted and recognized in owners' equity.

The Company recognizes its share of the net profit or loss of an investee on the basis of the fair value of each identifiable asset, etc. of the investee at the time of acquisition of the investment, after adjusting the net profit of the investee. Unrealized gains and losses on internal transactions between the Company and its associates and joint ventures are offset against the portion attributable to the Company calculated on the basis of the proportionate share, on the basis of which investment gains and losses are recognized.

When the Company recognizes its share of losses incurred by an investee, it follows the following order of treatment: First, the carrying value of long-term equity investments is eliminated. Secondly, if the carrying value of the long-term equity investment is not sufficient for elimination, the Company continues to recognize investment losses to the extent of the carrying value of other long-term equity interests that substantially constitute the net investment in the investee, by eliminating the carrying value of long-term receivables, etc. Finally, after the above treatment, if, in accordance with the investment contract or agreement, the enterprise still has an additional obligation, it recognizes a projected liability for the expected obligation to be incurred, which is included in the current investment loss.

If the investee achieves profitability in subsequent periods, the Company resumes recognition of investment income after deducting the unrecognized share of losses and treating them in the reverse order to write down the carrying amount of the recognized estimated liabilities, restore the carrying amount of other long-term interests and long-term equity investments that in substance constitute a net investment in the investee.

iii. Criteria for determining control, common control and significant influence

If the company has the power to the investee, enjoys variable returns through participating in relevant activities of the investee, and is able to use the power to the investee to affect its return amount, it is deemed that the company controls the investee.

An arrangement is considered to be a joint venture arrangement if the Company collectively controls the arrangement with the other participants in accordance with the relevant agreement and decisions on activities that significantly affect the return on the arrangement require the unanimous consent of the participants sharing control for the arrangement to exist.

If a joint venture arrangement is entered into through a separate entity, when the Company is judged to

have rights to the net assets of that separate entity based on the relevant agreement, the separate entity is accounted for as a joint venture using the equity method. If it is determined that the Company does not have rights to the net assets of the separate entity based on the relevant agreement, the separate entity is accounted for as a joint operation and the Company recognizes items related to the share of interest in the joint operation and accounts for them in accordance with the relevant ASBE.

Significant influence means that the investor has the power to participate in decision-making over the financial and operating policies of the investee, but does not control, or jointly control with other parties, the formulation of those policies. The Company determines that it has significant influence over an investee through one or more of the following circumstances, taking into account all facts and circumstances: (1) representation on the board of directors or similar authority of the investee; (2) participation in the process of formulating financial and operating policies of the investee; (3) significant transactions with the investee; (4) dispatch of management personnel to the investee; (5) provision of the investee company with key technical information.

iv. Conversion of long-term equity investment accounting methods

(1) Transfer of fair value measurement to equity method of accounting

If the Company's equity investments originally held by the Company that do not have control, joint control or significant influence over the investee and are accounted for under the recognition and measurement of financial instruments standard are able to exercise significant influence or joint control over the investee but do not constitute control due to additional investment, etc., the sum of the fair value of the originally held equity investments plus the cost of the additional investment determined in accordance with AS 22 - Recognition and Measurement of Financial Instruments", the sum of the fair value of the equity investment originally held plus the cost of the additional investment is taken as the initial cost of the investment to be accounted for under the equity method.

Under the current accounting standards for business enterprises: if the equity investment originally held is classified as available for sale financial assets, the difference between its fair value and book value, as well as the cumulative changes in fair value originally included in other comprehensive income, shall be transferred to the current profit and loss accounted by the equity method.

Under the implementation of the new accounting standards for business enterprises: if the originally held equity investment is designated as a financial asset measured at fair value and its changes are included in other comprehensive income, the difference between its fair value and book value, as well as the cumulative changes in fair value originally included in other comprehensive income, are transferred to the retained earnings calculated by equity method.

The difference between the initial cost of investment accounted for under the equity method and the share of the fair value of the investee's identifiable net assets at the date of the additional investment, determined in accordance with the new percentage of shareholding after the additional investment, is adjusted to the carrying amount of the long-term equity investment and is included in non-operating income for the period.

(2) Transfer from fair value measurement or equity method of accounting to cost method of accounting

If the Company originally holds equity investments that are not controlled, jointly controlled or significantly influenced by the investee and are accounted for under the Financial Instruments Recognition and Measurement Guideline, or if the Company originally holds long-term equity investments in associates or joint ventures and is able to exercise control over investees not under common control due to additional investments, etc., in preparing individual financial statements The initial cost of the investment shall be the sum of the book value of the equity investment previously held and the cost of the additional investment.

Other comprehensive income recognized on equity investments held prior to the date of purchase as a result of accounting under the equity method is accounted for on the disposal of that investment on the same basis as if the relevant asset or liability had been disposed of directly by the investee.

Where equity investments held prior to the date of purchase are accounted for in accordance with the relevant provisions of AS 22 - Recognition and Measurement of Financial Instruments, the cumulative fair value changes previously recorded in other comprehensive income are transferred to current profit or loss when the accounting is changed to the cost method.

(3) Transfer of equity method accounting to fair value measurement

If the Company loses joint control or significant influence over an investee for reasons such as disposal of part of its equity investment, the remaining equity interest after disposal is accounted for in accordance with AS 22 - Recognition and Measurement of Financial Instruments, and the difference between its fair value and its carrying amount at the date of loss of joint control or significant influence is recognized in the current period profit or loss.

Other comprehensive income recognized as a result of the equity method of accounting for the original equity investment is accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee upon the termination of the equity method of accounting.

(4) Cost method to equity method

If the Company loses control over an investee for reasons such as the disposal of a portion of its equity investment, in preparing individual financial statements, if the remaining equity interest after disposal is capable of exercising joint control or significant influence over the investee, it is accounted for under the equity method instead, and the remaining equity interest is adjusted as if it had been accounted for under the equity method from the time of acquisition.

(5) Cost method to fair value measurement

If the Company loses control over an investee for reasons such as the disposal of a portion of its equity investment, the remaining equity interest after disposal, which does not give rise to joint control or significant influence over the investee, is instead accounted for in accordance with the relevant provisions of AS 22 - "Financial Instruments" when preparing individual financial statements. The difference between the fair value and the carrying amount at the date of loss of control is recognized in profit or loss for the current period.

v. Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between its carrying amount and the actual

acquisition price shall be recognized in profit or loss for the current period. When a long-term equity investment accounted for using the equity method is disposed of, the same basis as that used for the direct disposal of the relevant assets or liabilities by the investee is used to account for the portion of the investment that would otherwise be included in other comprehensive income at a corresponding rate.

The terms, conditions and economic effects of each transaction for the disposal of an equity investment in a subsidiary are accounted for as a package transaction for multiple transactions when one or more of the following circumstances apply.

- (1) The transactions were entered into simultaneously or with consideration of their mutual effects.
- (2) These transactions as a whole to achieve a complete commercial result.
- (3) The occurrence of a transaction is dependent on the occurrence of at least one other transaction.
- (4) A transaction is not economical on its own, but is economical when considered together with other transactions.

Where control over a former subsidiary is lost through the disposal of part of the equity investment or otherwise, and is not a package transaction, a distinction is made between individual financial statements and consolidated financial statements for the relevant accounting treatment.

(1) In individual financial statements, the difference between the carrying amount of the equity interest disposed of and the actual acquisition price is recognized in profit or loss for the current period. If the remaining equity interest after disposal is capable of exercising joint control or significant influence over the investee, it is accounted for under the equity method instead, and the remaining equity interest is adjusted as if it had been accounted for under the equity method since its acquisition; if the remaining equity interest after disposal is not capable of exercising joint control or significant influence over the investee, it is accounted for in accordance with the relevant provisions of AS 22 - -The difference between the fair value and the carrying amount at the date of loss of control is recognized in profit or loss for the current period.

(2) In the consolidated financial statements, for each transaction prior to the loss of control over the subsidiary, the difference between the disposal price and the corresponding share of the net assets of the subsidiary calculated on a continuing basis from the date of purchase or the date of consolidation on the disposal of the long-term equity investment is adjusted against capital surplus (equity premium), and if capital surplus is not sufficient to cover the reduction, retained earnings are adjusted; on the loss of control over the subsidiary, the remaining equity interest is remeasured at its fair value at the date of loss of control. Upon loss of control of a subsidiary, the remaining equity interest is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the net assets of the original subsidiary calculated on a continuing basis from the date of purchase in proportion to the original shareholding, is included in investment income in the period in which control is lost and goodwill is eliminated. Other comprehensive income, etc. relating to the equity investment in the original subsidiary is transferred to current investment income when control is lost.

Where the transactions for the disposal of an equity investment in a subsidiary until the loss of control

are part of a package, the transactions are accounted for as one disposal of an equity investment in a subsidiary and loss of control, distinguishing between individual financial statements and consolidated financial statements for the relevant accounting treatment.

(1) In individual financial statements, the difference between the disposal price and the carrying amount of the long-term equity investment corresponding to the equity interest disposed of prior to the loss of control is recognized as other comprehensive income and is transferred to profit or loss in the period in which control is lost.

(2) In consolidated financial statements, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment for each disposal prior to the loss of control is recognized as other comprehensive income and is transferred to profit or loss in the period in which control is lost.

vi. Impairment test method and impairment provision method

On the balance sheet date, if the book value of the long-term equity investment is greater than the share of the book value of the owner's equity of the invested entity, the long-term equity investment shall be tested for impairment in accordance with the accounting standards for Business Enterprises No. 8 - asset impairment. If the recoverable amount is lower than the book value of the long-term equity investment, the impairment provision shall be withdrawn. The recoverable amount of the long-term equity investment is determined according to the higher one between the net amount of the fair value of the single long-term equity investment minus the disposal expenses and the present value of the estimated future cash flow of the long-term equity investment. When the recoverable amount of long-term equity investment is lower than the book value, the book value of the asset shall be written down to the recoverable amount, and the written down amount shall be recognized as asset impairment loss and included in the current profit and loss, and the corresponding asset impairment provision shall be withdrawn at the same time.

Once the impairment loss of long-term equity investment is recognized, it will not be reversed.

15. Investment properties

The Company's investment properties are recorded at their cost.

Investment properties are real estate held to earn rentals or for capital appreciation, or both, and include land use rights that have been leased out, land use rights that are held and intended to be transferred upon appreciation, and buildings that have been leased out. In addition, vacant buildings held by the Company for operating leases are also reported as investment properties if the Board of Directors has made a written resolution that they will be used for operating leases and the intention to hold them will not change in the near future.

The Company's investment properties are recorded at their cost. The cost of acquired investment properties comprises the purchase price, related taxes and other expenses directly attributable to the asset; the cost of self-constructed investment properties consists of the necessary expenditure incurred in the construction of the asset until it reaches its intended useable state.

The Company uses the cost model for subsequent measurement of investment properties and depreciates or amortizes buildings and land use rights over their estimated useful lives and net residual values. Estimated useful lives, net residual value rate and annual depreciation (amortization) rate of investment real estate are listed as follows:

Categories	Estimated useful lives (years)	Estimated net residual value rate (%)	Annual depreciation (amortization) rate (%)
Buildings	30	5	3.17

When the use of an investment property is changed to self-use, the Company converts the investment property to a fixed asset or intangible asset from the date of the change. When the use of a self-use property is changed to earn rent or capital appreciation, the Company converts the fixed assets or intangible assets to investment properties from the date of the change. When conversion occurs, the book value before conversion is used as the recorded value after conversion.

On the balance sheet date, the company estimates the recoverable amount of investment real estate with signs of impairment. If the recoverable amount is lower than its book value, the corresponding impairment loss shall be recognized. Once the impairment loss of investment real estate is recognized, it will not be reversed.

Investment properties are derecognized when they are disposed of, or permanently withdrawn from use and no economic benefits are expected from their disposal. Proceeds from the disposal of investment properties that are sold, transferred, scrapped or destroyed, net of their carrying amounts and related taxes, are credited or charged to current profit or loss.

16. Fixed assets

i. Conditions for recognition of fixed assets

Fixed assets are tangible assets that are held for the production of goods, the provision of services, rental or management and have a useful life of more than one accounting year. Fixed assets are recognized when the following conditions are also met.

- (1) It is probable that the economic benefits associated with the fixed asset will flow to the business.
- (3) The cost of the fixed asset can be measured reliably.

ii. Initial measurement of fixed assets

The Company's fixed assets are initially measured at cost, including

- (1) The cost of an externally acquired fixed asset comprises the purchase price, related taxes and duties such as import duties, and other expenditure directly attributable to the fixed asset incurred in bringing it to its intended useable condition.
- (2) The cost of self-constructed fixed assets consists of the necessary expenditure incurred in the construction of the asset until it reaches its intended useable condition.
- (3) Fixed assets invested by investors are recorded at the value agreed in the investment contract or agreement, except where the agreed value in the contract or agreement is not fair, in which case it is recorded

at fair value.

(4) Where the purchase price of a fixed asset is deferred beyond normal credit terms and is substantially of a financing nature, the cost of the fixed asset is determined on the basis of the present value of the purchase price. The difference between the actual price paid and the present value of the purchase price is charged to current profit or loss over the period of the credit, except where capitalization is required.

iii. Subsequent measurement and disposal of fixed assets

(1) Depreciation of fixed assets

Depreciation on fixed assets is provided over their estimated useful lives and depreciation rate is determined based on categories of fixed assets, expected service life and expected net residual value rate, except for the fixed assets that have been fully depreciated and are still in use and the land separately priced and recorded.

For the fixed assets formed by special reserve expenditure, the special reserve shall be offset according to the cost of forming fixed assets, and the accumulated depreciation of the same amount shall be recognized. The fixed assets will not be depreciated in future periods.

The Company determines the useful lives and estimated net residual values of fixed assets based on the nature and use of the fixed assets. The useful lives, estimated net residual values and depreciation methods of fixed assets are also reviewed at the end of the year and adjusted accordingly if there are differences from the original estimates.

The depreciation methods, depreciable lives and annual depreciation rates for each class of fixed assets are as follows.

Category	Useful life (years)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	30 years	5	3.17
Machinery and equipment	5-15 years	5	6.33-19
Transport equipment	4-25 years	5	3.8-23.75
Office equipment	5 years	5	19

(2) Subsequent expenditure on fixed assets

Subsequent expenditure relating to fixed assets is charged to the cost of fixed assets if the conditions for recognition of fixed assets are met; if the conditions for recognition of fixed assets are not met, it is charged to current profit or loss as incurred.

(3) Fixed asset disposal

Fixed assets are derecognized when they are disposed of, or when no economic benefits are expected to arise from their use or disposal. Proceeds from the disposal of fixed assets on sale, transfer, retirement or destruction, net of their carrying amount and related taxes, are included in profit or loss for the current period.

iv. Impairment test method and impairment provision method of fixed assets

The company judges whether there is any sign of possible impairment of fixed assets at the end of each period.

If there are signs of impairment of fixed assets, the recoverable amount shall be estimated. The recoverable amount is determined according to the higher one between the net amount of the fair value of the fixed assets minus the disposal expenses and the present value of the estimated future cash flow of the fixed assets.

When the recoverable amount of fixed assets is lower than its book value, the book value of fixed assets shall be written down to the recoverable amount, and the written down amount shall be recognized as the impairment loss of fixed assets and included in the current profits and losses, and the corresponding provision for impairment of fixed assets shall be withdrawn at the same time.

After the impairment loss of fixed assets is recognized, the depreciation of impaired fixed assets shall be adjusted accordingly in the future period, so that the adjusted book value of fixed assets (deducting the estimated net residual value) can be systematically apportioned within the remaining service life of the fixed assets.

Once the impairment loss of fixed assets is recognized, it will not be reversed in subsequent accounting periods.

If there is any indication that a fixed asset may be impaired, the enterprise estimates its recoverable amount based on a single fixed asset. If it is difficult for an enterprise to estimate the recoverable amount of a single fixed asset, the recoverable amount of the asset group shall be determined based on the asset group to which the fixed asset belongs.

v. Recognition basis, valuation method and depreciation method of fixed assets under financing lease

When the fixed assets leased by the company meet one or more of the following standards, they are recognized as fixed assets under financing lease:

(1) At the expiration of the lease term, the ownership of the leased assets shall be transferred to the company.

(2) The company has the option to purchase the leased assets, and the purchase price is expected to be much lower than the fair value of the leased assets when the option is exercised. Therefore, it can be reasonably determined that the company will exercise this option on the lease commencement date.

(3) Even if the ownership of the asset is not transferred, the lease term accounts for most of the service life of the leased asset.

(4) The present value of the company's minimum lease payments on the lease commencement date is almost equal to the fair value of the leased assets on the lease commencement date.

(5) The leased assets are special in nature and can only be used by the company without major transformation.

For the fixed assets leased under finance lease, the lower of the fair value of the leased assets and the present value of the minimum lease payment on the lease start date shall be taken as the book value. The minimum lease payment shall be regarded as the book value of long-term accounts payable, and the difference

shall be regarded as unrecognized financing expenses. The initial direct expenses incurred in the process of lease negotiation and signing the lease contract, such as handling fees, lawyer fees, travel expenses and stamp duty, which can be attributed to the lease project, are included in the value of the leased assets. Unrecognized financing expenses shall be amortized using the effective interest rate method during each period of the lease term.

The company adopts the depreciation policy consistent with its own fixed assets to withdraw the depreciation of fixed assets under financing lease. If it can be reasonably determined that the ownership of the leased asset is obtained at the expiration of the lease term, depreciation shall be accrued within the service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the service life of the leased asset.

17. Construction in progress

i. Classification of construction in progress

The Company's self-constructed construction in progress is carried out at actual cost, which comprises the necessary expenditure incurred in the construction of the asset until it reaches its intended useable state, including the cost of materials used in the construction, labour costs, relevant taxes paid, borrowing costs to be capitalized and share of Administrative expense. The construction in progress of the company is accounted by project classification.

ii. Criteria and timing for the transfer of construction in progress to fixed assets

Construction-in-progress projects are recorded as fixed assets at the value of all expenditure incurred in the construction of the asset before it reaches its intended useable state. If the construction in progress has reached its intended useable state but has not yet been completed, it is transferred to fixed assets at its estimated value from the date it reaches its intended useable state, based on the budget, cost or actual cost of the project, and depreciated in accordance with the Company's policy on depreciation of fixed assets, and the original provisional estimated value is adjusted to the actual cost after the completion of the final account, but not the original depreciation already provided. The depreciation is not adjusted to the original depreciated amount.

iii. Impairment test method and impairment provision method of construction in progress

The company judges whether there is any sign of possible impairment of construction in progress at the end of each period.

If there is any indication that a construction in progress may be impaired, the company estimates its recoverable amount on the basis of a single construction in progress. If it is difficult for an enterprise to estimate the recoverable amount of a single project under construction, the recoverable amount of the asset group shall be determined based on the asset group to which the project under construction belongs. The recoverable amount is determined according to the higher one between the net amount of the fair value of the construction in progress minus the disposal expenses and the present value of the estimated future cash flow of the construction in progress.

When the recoverable amount of the construction in progress is lower than its book value, the book value of the construction in progress shall be written down to the recoverable amount, and the written down amount shall be recognized as the impairment loss of the construction in progress and included in the current profit and loss, and the corresponding impairment provision of the construction in progress shall be withdrawn at the same time. Once the impairment loss of construction in progress is recognized, it will not be reversed in subsequent accounting periods.

18. Borrowing costs

i. Principles for recognition of capitalized borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition or production of assets eligible for capitalization are capitalized and charged to the cost of the relevant assets; other borrowing costs are recognized as expenses when incurred and charged to current profit or loss in accordance with the amounts incurred.

Assets eligible for capitalization are assets such as fixed assets, investment properties and inventories that require a substantial period of time for their acquisition or production activities to reach their intended use or saleable condition.

Capitalization of borrowing costs commences when both of the following conditions are met.

(1) Expenditure on assets has been incurred, which includes expenditure incurred in the form of cash payments, transfers of non-cash assets or the assumption of interest-bearing debt for the acquisition or production of assets eligible for capitalization.

(2) Borrowing costs have been incurred.

(3) The acquisition or production activities necessary to bring the asset to its intended use or saleable condition have commenced.

ii. Period of capitalization of borrowing costs

The capitalization period is the period from the point at which capitalization of borrowing costs commences to the point at which capitalization ceases, excluding the period during which capitalization of borrowing costs is suspended.

Borrowing costs cease to be capitalized when the acquisition or production of an asset eligible for capitalization reaches its intended use or saleable condition.

When part of the acquisition or production of an asset eligible for capitalization is completed separately and can be used separately, the borrowing costs for that part of the asset cease to be capitalized.

Capitalization of borrowing costs ceases on completion of the asset as a whole if the parts of the asset that are acquired or produced are completed separately but must wait until the asset is completed as a whole before it can be used or sold to the public.

iii. Period of suspended capitalization

Borrowing costs are suspended when there is an unusual interruption in the process of acquisition or production of an asset eligible for capitalization that lasts for more than three consecutive months; if the

interruption is necessary to bring the asset eligible for capitalization to its intended useable or saleable condition, the borrowing costs continue to be capitalized. Borrowing costs Amount accounted for the current period of interruption are recognized in profit or loss until the acquisition or production of the asset recommences and the borrowing costs continue to be capitalized.

iv. Calculation of the amount of borrowing costs capitalized

Interest expenses on specialized borrowings (net of interest income earned on unused borrowed funds deposited in banks or investment income earned on temporary investments) and their ancillary costs are capitalized until the assets eligible for capitalization acquired or produced reach their intended use or saleable condition

The amount of interest to be capitalized on general borrowings is calculated by multiplying the weighted average amount of asset expenditure in excess of the cumulative asset expenditure over the special borrowings by the capitalization rate of the general borrowings taken up. The capitalization rate is determined based on the weighted average interest rate on general borrowings.

Where there is a discount or premium on borrowings, the amount of discount or premium to be amortized in each accounting period is determined by the effective interest method, adjusting the amount of interest for each period.

During the capitalization period, all the exchange differences of foreign currency specialized borrowings shall be capitalized; the exchange differences of foreign currency general borrowings are included in the current profits and losses.

19. Right-of-use assets

The Company initially measures right-of-use assets at cost, which comprises:

- 1) The initial measurement amount of the lease liability.
- 2) The amount of lease payments made on or before the commencement date of the lease term for which a lease incentive exists, less the amount relating to the lease incentive already taken.
- 3) The initial direct costs incurred by the Company.
- 4) Costs expected to be incurred by the Company to dismantle and remove the leased asset, restore the site on which the leased asset is located or restore the leased asset to its agreed condition under the terms of the lease (excluding costs incurred to produce the inventory).

Subsequent to the commencement date of the lease term, the Company uses the cost model for the subsequent measurement of right-of-use assets.

Where it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the Company provides depreciation over the remaining useful life of the leased asset. Where it is not reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the Company depreciates the asset over the shorter of the lease term or the remaining useful life of the leased asset. Right-of-use assets for which provision for impairment has been made are depreciated in future periods at their carrying amount net of provision for impairment, with reference to the above principles.

20. Intangible assets

Intangible assets are identifiable non-monetary assets without physical form owned or controlled by the Company, including software usage rights.

i. Initial measurement of intangible assets

The cost of an externally acquired intangible asset comprises the purchase price, related taxes and other expenditure directly attributable to bringing the asset to its intended use. Where the purchase price of an intangible asset is deferred beyond normal credit terms and is substantially of a financing nature, the cost of the intangible asset is determined on the basis of the present value of the purchase price.

When a debt restructuring acquires an intangible asset used by the debtor to offset its debt, the fair value of the intangible asset is used to determine its recorded value, and the difference between the carrying amount of the restructured debt and the fair value of the intangible asset used to offset the debt is recognized in profit or loss for the period.

Provided that the exchange of non-monetary assets has commercial substance and the fair value of the asset being exchanged or the asset being exchanged can be measured reliably, intangible assets acquired in exchange for non-monetary assets are recorded at the fair value of the asset being exchanged, unless there is conclusive evidence that the fair value of the asset being exchanged is more reliable; for non-monetary asset exchanges that do not meet the above prerequisites, the carrying amount of the asset being exchanged and the related tax payable are used as the cost of the intangible asset being exchanged and no gain or loss is recognized.

Intangible assets acquired by way of absorption of enterprises under common control are recorded at the carrying amount of the party being consolidated; intangible assets acquired by way of absorption of enterprises not under common control are recorded at fair value.

The cost of an intangible asset developed in-house includes materials used in the development of the intangible asset, labour costs, registration fees, amortization of other patents and licences used in the development process and interest costs that meet the conditions for capitalization, and other direct costs incurred in bringing the intangible asset to its intended use.

ii. Subsequent measurement of intangible assets

The Company analyses and determines the useful life of intangible assets at the time of acquisition and classifies them as intangible assets with finite or indefinite useful lives.

The intangible assets of the company are intangible assets with finite useful lives.

Intangible assets with finite useful lives are amortized on a straight-line basis over the period that they provide economic benefits to the business. The estimated lives of intangible assets with finite useful lives and the basis for these are as follows.

Category	Useful lives (years)	Remarks
Software usage rights	5 years	straight-line basis

At the end of each period, the useful lives and amortization methods of intangible assets with finite useful

lives are reviewed and adjusted accordingly if they differ from the original estimates.

Upon review, the useful lives and amortization methods of intangible assets at the end of the period are not different from previous estimates.

iii. Accrual of provision for impairment of intangible assets

For intangible assets with definite useful lives, if there are obvious signs of impairment, they are tested for impairment at the end of period.

For intangible assets with indefinite useful lives, they are tested for impairment at each accounting period.

Impairment test on intangible assets is conducted and their recoverable amount is estimated. The recoverable amount of an asset is estimated based on the higher of its fair value less costs of disposal and the present value of the asset's expected future cash flows.

If the recoverable amount measurement indicates that the recoverable amount of a long-lived asset is less than its carrying amount, the carrying amount of the long-lived asset is written down to its recoverable amount and the amount written down is recognized as an asset impairment loss and charged to current profit or loss, with a corresponding provision for asset impairment.

After an impairment loss on an asset is recognized, the depreciation or amortization charge on the impaired asset is adjusted accordingly in future periods so that the adjusted carrying amount of the asset (net of estimated net residual value) is apportioned systematically over the remaining useful life of the asset.

Once an asset impairment loss is recognized, it is not reversed in subsequent accounting periods.

If an indication of impairment exists for a long-lived asset, the recoverable amount is estimated on an individual asset basis; if it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined on the basis of the asset group to which the asset belongs.

21. Long-term deferred expenses

Long-term deferred expenses is defined as each expense that has been incurred by the Company but should be borne by the current and future periods and is spread over a period of more than one year. Long-term deferred expenses is amortized on a straight-line basis over the period of benefit. The long-term deferred expenses incurred by the company are valued at actual cost and amortized evenly according to the expected benefit period. For the long-term deferred expenses that cannot benefit the future accounting period, the amortized value of the item shall be included in the current profit and loss when it is determined.

22. Contract liabilities

The Company recognizes the portion of the obligation to transfer goods to customers for consideration received or receivable from customers as a contractual liability.

23. Impairment of non current non-financial assets

For fixed assets, construction in progress, intangible assets with finite useful lives, investment properties measured in cost model, long-term equity investment in subsidiaries, joint ventures and associates, goodwill and other non current and non-financial assets, the company determines whether there is any sign of impairment on the balance sheet date. If there are signs of impairment, the recoverable amount shall be

estimated and impairment test shall be conducted. Goodwill, intangible assets with indefinite useful lives and intangible assets that have not yet reached the usable state shall be subject to impairment test every year regardless of whether there are signs of impairment.

If the impairment test results show that the recoverable amount of the asset is lower than its carrying amount, the impairment provision shall be withdrawn according to the difference and included in the impairment loss. The recoverable amount is the higher of the net amount of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flow of the asset. The fair value of assets is determined according to the price of sales agreement in fair transaction; If there is no sales agreement but there is an active asset market, the fair value shall be determined according to the buyer's bid of the asset; If there is no sales agreement and an active asset market, the fair value of the asset is estimated based on the best available information. Disposal expenses include legal expenses related to the disposal of assets, relevant taxes, handling expenses and direct expenses incurred to make the assets marketable. The present value of the estimated future cash flow of an asset is determined by selecting an appropriate discount rate according to the estimated future cash flow generated during the continuous use and final disposal of the asset. The provision for asset impairment is calculated and recognized on the basis of individual assets. If it is difficult to estimate the recoverable amount of individual assets, the recoverable amount of the asset group is determined by the asset group to which the asset belongs. Asset group is the smallest asset portfolio that can generate cash inflow independently.

For the goodwill separately listed in the financial statements, the carrying amount of the goodwill shall be apportioned to the asset group or combination of asset groups expected to benefit from the synergy of business combination during the impairment test. If the test results show that the recoverable amount of the asset group or combination of asset groups containing the amortized goodwill is lower than its carrying amount, the corresponding impairment loss shall be recognized. The amount of impairment loss shall first offset the carrying amount of the goodwill allocated to the asset group or asset group combination, and then offset the carrying amount of other assets in proportion according to the proportion of the carrying amount of other assets other than goodwill in the asset group or asset group combination.

Once an asset impairment loss is recognized, it is not reversed in subsequent accounting periods.

24. Employee benefits

Employee benefits refers to all forms of remuneration or compensation given by the Company for services rendered by employees or for the termination of employment relationships. Employee benefits includes short-

term remuneration, post-employment benefits, termination benefits and other long-term employee benefits.

i. Short-term remuneration

Short-term compensation is defined as compensation payable in full to employees, other than post-employment and termination benefits, within twelve months after the end of the annual reporting period in which the employees render the related services. The Company recognizes short-term compensation payable as a liability in the accounting period in which the employee performs the services and includes it in the cost of the related assets and expenses, depending on the beneficiary of the services provided by the employee.

ii. Post-employment benefits

Post-employment benefits are all forms of remuneration and benefits, other than short-term remuneration and termination benefits, provided by the Company to obtain services rendered by an employee after retirement or termination of employment with the Company.

The Company's post-employment benefit plans are classified as defined contribution plans and defined benefit plans.

The defined contribution plans for post-employment benefits are mainly for participation in the basic social pension insurance and unemployment insurance administered by local labour and social security institutions; the amounts to be contributed under the defined contribution plans are recognized as liabilities in the accounting period in which the employees render services to the Company and are charged to current profit or loss or to the cost of related assets.

No further payment obligations will arise after the Company has made regular payments of the above amounts in accordance with the rates set by the State.

iii. Termination benefits

Termination benefits are compensation given by the Company to employees for the termination of their employment relationship prior to the expiry of their employment contracts or to encourage voluntary redundancy, and a liability is recognized for compensation given for the termination of employment relationship with employees at the earlier of the time when the Company is unable to unilaterally withdraw the termination plan or the proposed redundancy and the time when costs associated with the restructuring involving the payment of termination benefits are recognized..The Company recognizes a liability arising from the termination of the employment relationship with the employee, which is also charged to current profit or loss.

The Company provides internal retirement benefits to employees who accept internal retirement arrangements. Internal retirement benefits refer to the salaries and social insurance contributions paid to employees who have not reached the retirement age set by the State and who have voluntarily retired from their jobs with the approval of the Company's management. The Company pays internal retirement benefits to internally retired employees from the date of commencement of internal retirement arrangements until the employees reach normal retirement age. For internal retirement benefits, the Company accounts for them in the same manner as termination benefits, and recognizes as a liability the salaries to be paid and social insurance contributions to be paid on behalf of internally retired employees from the date the employees cease to render service until the normal retirement date, etc., as a one-time charge to current profit or loss when the

relevant recognition criteria for termination benefits are met. Differences arising from changes in actuarial assumptions and adjustments to benefit standards for internally retired benefits are charged to current profit or loss as incurred.

iv. Other long-term employee benefits

Other long-term employee benefits are all employee benefits other than short-term remuneration, post-employment benefits and termination benefits.

For other long-term employee benefits that qualify as defined contribution plans, the amount to be contributed is recognized as a liability in the accounting period in which the employee performs services for the Company and is charged to current profit or loss or the cost of the related asset. For other long-term employee benefits other than the above circumstances, the net liabilities or net assets of other long-term employee benefits shall be recognized and measured in accordance with the above accounting policies for defined benefit plans.

25. Lease liabilities

The Company initially measures the lease liability at the present value of the lease payments outstanding at the commencement date of the lease term. In calculating the present value of the lease payments, the Company uses the interest rate embedded in the lease as the discount rate; if the interest rate embedded in the lease cannot be determined, the Company's incremental borrowing rate is used as the discount rate. Lease payments consist of:

- 1) Fixed payments, net of amounts related to lease incentives, and substantive fixed payments.
- 2) Variable lease payments that depend on an index or rate.
- 3) The lease payment amount includes the exercise price of the purchase option where the Company is reasonably certain that the option will be exercised.
- 4) Where the lease term reflects that the Company will exercise the option to terminate the lease, the lease payments include the amount required to be paid to exercise the option to terminate the lease.
- 5) The amount expected to be paid based on the residual value of the guarantee provided by the Company.

The Company calculates the interest expense on the lease liability over the lease term at a fixed discount rate and includes it in current profit or loss or the cost of the related asset.

Variable lease payments that are not included in the measurement of the lease liability should be charged to current profit or loss or to the cost of the related asset when they are actually incurred.

26. Projected liabilities

i. Criteria for recognition of projected liabilities

The Company recognizes a projected liability when the obligation associated with the contingency meets both of the following conditions.

- (1) The obligation is a present obligation assumed by the Company.

(2) It is probable that the discharge of the obligation will result in an outflow of economic benefits to the Company.

(3) The amount of the obligation can be measured reliably.

ii. Measurement of projected liabilities

The Company's projected liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation.

In determining the best estimate, the Company considers the risks associated with the contingencies, uncertainties and the time value of money. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

The best estimates are dealt with separately as follows.

(1) Where there is a continuous range (or interval) of required expenditure and the likelihood of various outcomes within that range is equal, the best estimate is determined as the average of the middle of the range, i.e. the upper and lower amounts.

(2) Where there is no continuous range (or interval) of expenditure required, or where there is a continuous range but the probabilities of various outcomes within that range are not the same, the best estimate is determined as the most probable amount if the contingency relates to a single item; where the contingency relates to more than one item, the best estimate is determined on the basis of various probable outcomes and associated probabilities.

(3) Where the Company expects to be reimbursed by a third party for all or part of the expenditure required to settle a projected liability, the amount of reimbursement is recognized separately as an asset when it is virtually certain that it will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the projected liability.

27. Bonds Payable

i. General corporate bonds

For bonds payable measured at fair value and whose changes are included in the current profits and losses, the fair value shall be taken as the initial recognition amount, and the relevant transaction expenses shall be directly included in the current profits and losses, and the subsequent measurement shall be carried out according to the fair value.

For other types of bonds payable, the sum of their fair value and relevant transaction expenses shall be taken as the initial recognition amount, and the amortized cost shall be used for subsequent measurement. Premium or discount refers to the adjustment of interest expenses during the duration of bonds payable, which shall be amortized using the effective interest rate method during the duration of bonds.

ii. Convertible corporate bonds

The convertible corporate bonds issued by the company are divided into liabilities and equity component at initial recognition and processed separately. The liabilities component is recognized as bonds payable and

equity component is recognized as capital reserves. In the division, the future cash flow of the liability component is discounted to determine the initial recognition amount of the liability component, and then the initial recognition amount of the equity component is determined according to the amount after deducting the initial recognition amount of the liability component from the total issue price. The transaction costs incurred in issuing convertible corporate bonds shall be apportioned between the liability component and the equity component according to their relative fair values respectively.

28. Other financial instruments such as preferred stocks and perpetual bonds

For financial instruments classified as equity instruments, the interest expense or dividend distribution shall be regarded as the profit distribution of the issuing enterprise, the repurchase and cancellation shall be treated as changes in equity, and the transaction expenses such as handling fees and commissions shall be deducted from equity.

For the financial instruments classified as financial liabilities, the interest expenditure or dividend distribution shall be treated according to the borrowing costs in principle, the gains or losses arising from the repurchase or redemption shall be included in the current profits and losses, and the transaction costs such as handling fees and commissions shall be included in the initial measurement amount of the issued instruments.

29. Revenue

The revenue shall be recognized when the client obtains control of the relevant product if the contract meets the following conditions at the same time: the parties to the contract have approved the contract and promised to fulfill their obligations; the contract clarifies the rights and obligations of the parties to the contract in relation to the transferred goods or the provision of labor services; The contract has clear payment terms related to the transferred goods; the contract has a commercial substance, that is, the performance of the contract will change the company's future cash flow risk, time distribution or amount; the consideration that the company is entitled to obtain due to the transfer of goods to client is likely to be recovered.

On the starting date of the contract, the Company identifies each individual performance obligation in the contract, and allocates the transaction price to each individual performance obligation in accordance with the relative proportion of the stand-alone selling price of the goods promised by each individual performance obligation. When determining the transaction price, the influence of factors such as variable consideration, major financing components in the contract, non-cash consideration, and consideration payable to client are considered.

For each individual performance obligation in the contract, if one of the following conditions is met, the company will recognize the transaction price allocated to the individual performance obligation as revenue according to the performance progress during the relevant performance period: the client obtains and

consumes the economic benefits brought by the company's performance at the same time as the company's performance; client can control the products under construction during the company's performance; the products produced by the Company during the performance have irreplaceable uses, and the company has the right to collect payment for the accumulated performance part of the contract during the entire contract period. The progress of performance is determined by the input method or output method according to the nature of the transferred goods. When the performance progress cannot be reasonably determined, if the cost incurred by the Company is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

If the above conditions are not met, the Company will recognize the transaction price allocated to the individual performance obligation as revenue when the client obtains control of the relevant product. When judging whether the client has obtained control of the product, the Company considers the following signs: the Company enjoys the current right of collection for the product, that is, the client has the current payment obligation for the product; the Company has transferred the legal ownership of the product to the client, that is, the client has the legal ownership of the product; the Company has transferred the product to the client, that is, the customer has taken possession of the product; The Company has transferred the main risks and rewards of the ownership of the product to the client, that is, the client has obtained the major risks and rewards of the ownership of the product; the customer has accepted the product; other signs that the customer has obtained control of the product.

According to the contract, the company recognizes the revenue on the date when the rent should be collected. For financial leasing, the company recognizes the revenue according to the amount of non tax rental revenue, and for operating leasing, the company recognizes the revenue according to the amount of non tax rental revenue.

30. Government grants

i. Type

Government grants, which are monetary and non-monetary assets, are obtained by the Company from the government without consideration, excluding the capital invested by the government as the owner of the enterprise. Government grants are classified as asset-related government grants and revenue-related government grants based on the recipients of the grants as specified in the relevant government documents.

For government grants that are not specified in government documents, the Company classifies them as asset-related government grants or revenue-related government grants based on the actual grant recipients. See notes to other current liabilities / other non current liabilities / non operating income items in note VIII to

the financial statements for details of relevant judgment basis.

Government grants related to assets are government grants acquired by the Company for the acquisition or other formation of long-term assets. Government grants related to revenue are government grants other than those related to assets.

ii. Recognition of government grants

Government grants are recognized at the amount receivable if there is evidence that the company can meet the relevant conditions set out in the financial support policy at the end of the period and the financial support funds are expected to be received. Otherwise, government grants are recognized when they are actually received.

Government grants are measured at the amount received or receivable if they are monetary assets. Government grants that are non-monetary assets are measured at fair value; if the fair value cannot be reliably obtained, they are measured at a nominal amount (RMB1yuan). Government grants measured at nominal amounts are recognized directly in profit or loss for the period.

iii. Accounting treatment

According to the essence of economic business, the company determines whether a certain type of government subsidy business should be accounted with the total amount method or the net amount method. Generally, the company only selects one method for similar or similar government subsidy business, and consistently applies this method to this business. The government subsidies of the company are calculated by the total amount method.

Government grants related to assets should be written down to the carrying amount of the related assets or recognized as deferred income. Government grants related to assets that are recognized as deferred income are recognized in profit or loss over the useful lives of the assets constructed or purchased in accordance with a reasonable and systematic method.

Government grants related to revenue, which are used to compensate the enterprise for relevant expenses or losses in subsequent periods, are recognized as deferred income and charged to current profit or loss or reduced to relevant costs in the period in which the relevant expenses or losses are recognized; if they are used to compensate the enterprise for relevant expenses or losses already incurred, they are charged directly to current profit or loss or reduced to relevant costs when acquired.

Government grants that are related to the ordinary activities of the enterprise are included in other income or offset against related costs and expenses; government grants that are not related to the ordinary activities of the enterprise are included in non-operating income and expenses.

iv. For the policy preferential subsidized interest the Company shall make accounting treatment according to the following two ways obtained.

A. If the government allocates the interest subsidy funds to the loan bank, the loan bank provides loans to the company at a policy preferential interest rate. The fair value of the loan will be used as the book value of the loan and the borrowing costs will be calculated according to the effective interest rate method. The

difference between the actual amount received and the fair values of the loan shall be recognized as deferred income. Deferred income shall be amortized over the period of the borrowing using the effective interest method to offset the related borrowing costs.

B. If the government directly allocates the subsidized interest to the company, the subsidized interest will be offset against the relevant borrowing costs.

v. If the confirmed government subsidy needs to be returned, it shall be handled as follows:

A. If there is any related deferred income, the book balance of the deferred income shall be written off, and the excess shall be included in the current profit and loss.

B. In other cases, it will be directly included in the current profit and loss.

31. Deferred income tax assets and deferred income tax liabilities

i. Basis for recognition of deferred income tax assets

The Company recognizes deferred income tax assets arising from deductible temporary differences to the extent that it is probable that taxable income will be available against which deductible temporary differences.

ii. Basis for recognition of deferred income tax liabilities

The Company recognizes deferred income tax liabilities for unpaid taxable temporary differences between the current and prior periods. However, it does not include the temporary difference arising from goodwill and transactions not arising from business combination, which will not affect the accounting profit or taxable income (or deductible loss) when the transaction occurs.

iii. Deferred income tax assets and deferred income tax liabilities are stated at net of offset when the following conditions are also met

(1) An enterprise has a legal right to settle current income tax assets and current income tax liabilities on a net basis.

(2) Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities, but in each future period in which the deferred income tax assets and deferred income tax liabilities are reversed in a material way, the taxable entities involved intend to settle current income tax assets and current income tax liabilities on a net basis or to acquire assets and settle liabilities simultaneously.

Generally, in individual financial statements, current income tax assets and liabilities, deferred income tax assets and deferred income tax liabilities are presented at the net amount after offset. In the consolidated financial statements, for the enterprises included in the consolidation scope, the current income tax assets or deferred income tax assets of one party and the current income tax liabilities or deferred income tax liabilities of the other party are generally not offset, unless the enterprises involved have the legal right to settle on a net basis and intend to settle on a net basis.

32. Leasing

At the inception date of a contract, the Company assesses whether the contract is a lease or contains a

lease. A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

i. Splitting of lease contracts

If the contract includes multiple separate leases at the same time, the company will split the contract and conduct accounting treatment for each separate lease.

When a contract contains both lease and non-lease components, the Company splits the lease and non-lease components, with the lease component being accounted for in accordance with the lease standard and the non-lease component being accounted for in accordance with other applicable corporate accounting standards.

ii. Consolidation of lease contracts

Two or more contracts containing leases entered into by the Company and the same counter-party or its related parties at the same or similar times are combined into one contract for accounting purposes when one of the following conditions is met.

(1) The two or more contracts are entered into for a general commercial purpose and constitute a package deal, the general commercial purpose of which cannot be understood unless considered as a whole.

(2) The amount of consideration for one of the two or more contracts is dependent on the pricing or performance of the other contract.

(3) The rights to use the assets ceded by the two or more contracts taken together constitute a single lease.

iii. Accounting for the Company as a lessee

At the inception date of the lease, the Company recognizes right-of-use assets and lease liabilities for leases, except for short-term leases and leases of low-value assets for which simplified treatment is applied.

iv. Accounting for the Company as a lessor

(1) Classification of leases

The Company classifies leases as finance leases and operating leases at the inception date of the lease. A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of the leased asset, and title to which may or may not ultimately pass. Operating leases are leases other than finance leases.

A lease is normally classified by the Company as a finance lease if one or more of the following circumstances exist.

1) At the end of the lease term, ownership of the leased asset is transferred to the lessee.

2) The lessee has an option to purchase the leased asset and the purchase price entered into is sufficiently low compared to the fair value of the leased asset at the time the option is expected to be exercised so that it is reasonably certain that the lessee will exercise the option at the inception date of the lease.

3) Although ownership of the asset does not pass, the lease term represents the majority of the useful life of the leased asset.

4) At the inception date of the lease, the present value of the lease receipt amount is almost equal to the fair value of the leased asset.

5) Leased assets are special in nature and can only be used by the lessee if no major alterations are made.

A lease may also be classified by the Company as a finance lease if one or more of the following indications exist.

1) If the lessee revokes the lease, any damage caused to the lessor by the revocation shall be borne by the lessee.

2) Gains or losses arising from fluctuations in the fair value of the residual value of the asset are attributable to the lessee.

3) The lessee has the ability to continue the lease into the next period at a rent well below market level.

(2) Accounting for finance leases

On the commencement date of the lease term, the Company recognizes finance lease receivables for finance leases and derecognizes the finance lease assets.

Finance lease receivables are initially measured at the sum of the unguaranteed residual value and the present value of the lease receipts outstanding at the commencement date of the lease, discounted at the interest rate embedded in the lease, as the recorded value of the finance lease receivables. The amount of lease receipts comprises.

1) The amount of fixed payments, net of amounts related to lease incentives, and the amount of substantive fixed payments.

2) Variable lease payments that depend on an index or rate.

3) Where it is reasonably certain that the lessee will exercise the option to purchase, the amount of the lease receipt includes the exercise price of the option to purchase.

4) The lease term reflects the amount of lease receipts including payments required to be made by the lessee to exercise the option to terminate the lease if the lessee will exercise the option to terminate the lease.

5) The residual value of the guarantee provided to the lessor by the lessee, a party related to the lessee and an independent third party financially capable of meeting the guarantee obligation.

The Company calculates and recognizes interest income for each period of the lease term based on a fixed lease embedded interest rate, and variable lease payments acquired that are not included in the net lease investment measurement are recognized in profit or loss as they are actually incurred.

(3) Accounting for operating leases

The Company recognizes lease receipts from operating leases as rental income using the straight-line method or other systematic and reasonable method in each period of the lease term; capitalized initial direct costs incurred in connection with operating leases are amortized over the lease term on the same basis as rental income is recognized and are recognized in profit or loss in the current period; variable lease payments

acquired in connection with operating leases that are not included in the lease receipts are charged to current profit or loss when they are actually incurred.

33. Category held for sale

i. Basis for recognition of category held for sale

The company recognizes non current assets or disposal groups that meet the following conditions as held for sale components:

(1) According to the practice of selling such assets or disposal groups in similar transactions, it can be sold immediately under current conditions

(2) The sale is most likely to happen, ie. the Company has already resolved a sale plan and obtained a certain purchase commitment, which is expected to be completed within one year.

The certain purchase commitment refers to the legally binding purchase agreement signed between the company and other parties, which contains important terms such as transaction price, time and sufficiently severe penalty for breach of contract, so that there is little possibility of major adjustment or cancellation of the agreement.

ii. Accounting method for category held for sale

Non-current assets held for sale or non-current assets in the disposal group are not depreciated or amortized. If the net amount of the fair value less the disposal expenses is lower than the original book value, the difference is recognized as the asset impairment loss included in the current profit and loss, and the provision for impairment of assets held for sale shall be made.

For the non current assets or disposal groups classified as held for sale on the acquisition date, the book value shall be measured initially as the lower of the initial measurement amount under the assumption that they are not classified as held for sale and the net amount of fair value less selling expenses.

The above principles are applicable to all non current assets, but do not include investment properties subsequently measured by fair value model, biological assets measured by net amount of fair value minus selling expenses, assets formed by employee compensation, deferred income tax assets, financial assets regulated by accounting standards related to financial instruments, and rights arising from insurance contracts regulated by accounting standards related to insurance contracts

34. Measurement of fair value

i. Financial instruments not measured by fair value

Financial assets and liabilities not measured at fair value mainly include: accounts receivable, short-term borrowings, accounts payable, non current liabilities and long-term borrowings due within one year, and equity instrument investments that are not quoted in the active market and whose fair value cannot be reliably measured.

The difference between the book value and the fair value of the above financial assets and liabilities not measured at fair value is very small, or according to the standards for recognition and measurement of financial instruments, the equity instrument investment that has no quotation in the active market and whose fair value

cannot be measured reliably is measured at cost.

ii. Financial instruments measured by fair value

Financial instruments measured by fair value includes trust units, fund products, subordinated bonds and liabilities not measured by fair value.

The Company uses valuation techniques that are applicable in the current circumstances and that can be supported by sufficient data and other information. The valuation techniques used mainly include market approach, income approach and cost approach. The Company uses one or more of the valuation techniques consistent to measure the fair value, fully considers the reasonableness of each valuation result, and selects the amount that best represents the fair value in the current situation as the fair value.

The fair value measurement is divided into three levels based on the observability of the input value and the importance of the input value to the fair value measurement as a whole.

The input value of the first level is the unadjusted quotation of the same asset or liability that can be obtained on the measurement date in an active market. An active market refers to a market in which the transaction volume and transaction frequency of related assets or liabilities are sufficient to continuously provide pricing information. The second level input value is the input value of the related assets or liabilities that is directly or indirectly observable except the first level input value, which includes: ①Quotes for similar assets or liabilities in active markets. ②Quotes of the same or similar assets or liabilities in inactive markets. ③Other observable input values except quotation, including observable interest rate, yield curve, implied volatility, credit spread, etc. during the normal quotation interval. ④The input value of market verification. The third level input value is the unobservable input value. The Company uses the third level of input only when there is no market activity in the relevant assets or liabilities or when market activities rarely result in the observable input value being unavailable or impractical.

When the company measures assets and liabilities at fair value, it uses the first level input value first, the second level input value second, and the third level input value last.

iii. Accounting treatment methods

For the accounting treatment problems like measuring the relevant assets or liabilities at fair value, and the changes in fair value being included in the current period 's profit or loss or other comprehensive income, they are regulated by other relevant accounting standards that require or allow the Company to use fair value for measurement or disclosure. And it can refer to other parts in Note IV.

35. Asset securitization business

In applying the accounting policy for securitized financial assets, the Company has considered the degree of risk and reward of assets transferred to other entities, and the extent to which the Company exercises control over the entity:

When the Company has transferred almost all the risks and rewards of ownership of the financial asset, the Company will terminate the recognition of the financial asset. When the Company retains almost all the risks and rewards of ownership of the financial asset, the Company continues to confirm the financial asset. If

the Company does not transfer or retain almost all the risks and rewards of ownership of the financial asset, the Company considers whether there is control over the financial asset. If the Company does not retain control, the Company terminates the recognition of the financial asset and recognizes the rights and obligations generated or retained during the transfer as assets or liabilities respectively. If the company retains control, the financial assets are recognized based on the continued involvement of the financial assets.

V Significant changes in accounting policies, accounting estimates and correction of errors in prior periods

During the reporting period, the Company did not have any significant changes in accounting policies, accounting estimates and any significant correction of errors in prior periods.

VI TAXATION

1. Main Taxes and Tax Rate

Category of taxes	Tax basis	Tax rate
Enterprise income tax	Taxable income	0%、12.5%、15%、16.5%、20%、25%
VAT	Taxable value added	3%、6%、9%、13%
Urban maintenance and construction tax	Subject to turnover tax	1%、7%
Educational surcharge	Subject to turnover tax	3%

2. Notes of the taxpaying bodies with different enterprises income tax rate:

Company Name	Income tax rate
China Aviation International Holding Co., Ltd	16.50%
Golden Honest Shipping Limited	16.50%
Sun Faith Shipping Limited	16.50%
Fanni Shipping Limited	16.50%
Braving Wind Shipping Co., Limited	16.50%
Flourish Shipping Co. Limited	16.50%
Sino Shine Shipping Co., Limited	16.50%
Crown Ample Limited	16.50%
Pan Pacific Shipping Limited	16.50%
Honest Pleasure Limited	16.50%
Million Star Corporation Limited	16.50%
Goldway Shipping Limited	16.50%
Good Ocean Shipping Limited	16.50%
Good Trend Shipping Limited	16.50%
Great Shipping Limited	16.50%
Soar Vast Limited	16.50%
Soar Rise Limited	16.50%
Multi-Creative Limited	16.50%
Changyihai Limited	16.50%

Company Name	Income tax rate
Able Fantasy Limited	16.50%
Big Ocean Shipping Limited	16.50%
Fine Ocean Shipping Ltd	16.50%
Fast King Shipping Limited	16.50%
Easy Express Shipping Limited	16.50%
Brilliant Cherish Limited	16.50%
HongKong Koresyn Limited	16.50%
Ruihao Industry Limited	16.50%
Yishengda International Co., Limited	16.50%
Soar Great Limited	16.50%
One Star Shipping Limited	16.50%
Golden West Shipping Limited	16.50%
Golden North Shipping Limited	16.50%
Oriental Express Shipping Limited	16.50%
Soar Harmony Shipping Limited	16.50%
Hope Well Shipping Limited	16.50%
Soar Bright Shipping Limited	16.50%
Soar Park Shipping Limited	16.50%
Soar Rich Shipping Limited	16.50%
Glorious Luck Shipping Limited	16.50%
Merit Solar Limited	16.50%
Soar North Shipping Limited	16.50%
Soar Gain Shipping Limited	16.50%
Soar East Shipping Limited	16.50%
Soar Cheer Shipping Limited	16.50%
Soar Wealth Limited	16.50%
Lanqiong Leasing (Haikou) Co., Ltd.	15.00%
Landing Leasing (Haikou) Co., Ltd.	15.00%
Lanke Leasing (Haikou) Co., Ltd.	15.00%
Landong Leasing (Haikou) Co., Ltd.	15.00%
Lanye Leasing (Haikou) Co., Ltd.	15.00%
Lanming Leasing (Haikou) Co., Ltd.	15.00%
Lanmeng Leasing (Haikou) Co., Ltd.	15.00%
Lanbai Leasing (Haikou) Co., Ltd.	15.00%
Lanle Leasing (Haikou) Co., Ltd.	15.00%
Lanlei Leasing (Haikou) Co., Ltd.	15.00%

Company Name	Income tax rate
CAVIC AVIATION LEASING (IRELAND) CO., DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 16 AVIATION LEASING(IRELAND) CO., LIMITED	12.50%
CAVIC 17 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC AVIATION LEASING (IRELAND) 18 CO., LIMITED	12.50%
CAVIC 19 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 20 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC AVIATION LEASING (IRELAND) 21 CO., LIMITED	12.50%
CAVIC AVIATION LEASING FRANCE 21 SARL	12.50%
CAVIC AVIATION LEASING (IRELAND) 22 CO., DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC AVIATION LEASING (IRELAND) 23 CO., LIMITED	12.50%
CAVIC 24 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 25 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC AVIATION LEASING (IRELAND) 26 CO., DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 27 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 28 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 29 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 30 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 31 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 32 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 33 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 34 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 35 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 36 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 37 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 38 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 39 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 40 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 41 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 42 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 43 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 44 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 45 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 46 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 47 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 48 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 49 DESIGNATED ACTIVITY COMPANY	12.50%

Company Name	Income tax rate
CAVIC 50 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 51 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 52 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 53 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 54 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 55 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 56 DESIGNATED ACTIVITY COMPANY	12.50%
CAVIC 57 DESIGNATED ACTIVITY COMPANY	12.50%
SOAR POWER LIMITED	12.50%
AVIC Lanbo Leasing (Shanghai) Co.,Ltd.	5.00%
AVIC Lanzhou Leasing (Shanghai) Co.,Ltd.	5.00%
AVIC Lanhai Leasing (Shanghai) Co.,Ltd.	15.00%
AVIC Lanhao Leasing (Shanghai) Co.,Ltd.	5.00%
Lanjing Leasing (Tianjin) Co., Ltd.	5.00%
Lanwan Leasing (Tianjin) Co., Ltd.	5.00%
Lanzhao Leasing (Tianjin) Co., Ltd.	5.00%
AVIC Lanqiu Leasing (Tianjin) Co.,Ltd.	5.00%、10.00%
AVIC Lantuo Leasing (Tianjin) Co., Ltd.	5.00%、10.00%
AVIC Lanshuyihao Leasing (Tianjin) Co., Ltd.	5.00%、10.00%
AVIC Lanying Leasing (Tianjin) Co., Ltd.	5.00%、10.00%
Hanyue Limited	0%
Hanxing Limited	0%
Hanri Limited	0%
Soar Triumph Limited	0%
Soar Trophy Limited	0%
HANCHEN LIMITED	0%
GREAT NAVIGATION LIMITED	0%
GREAT SPIRIT LIMITED	0%
GREAT ENERGY LIMITED	0%
GREAT APOLLO LIMITED	0%
Great Cheer Limited	0%
Great East Limited	0%
AVICIL Aquarius Limited	0%
AVICIL Capricorn Limited	0%
AVICIL Libra Limited	0%
AVICIL Scorpio Limited	0%
GREAT HONOR LIMITED	0%

Company Name	Income tax rate
GREAT HOPE LIMITED	0%
GREAT EPSILON LIMITED	0%
GREAT KAPPA LIMITED	0%
GREAT LAMDA LIMITED	0%
GREAT THITA LIMITED	0%
Great Chemical Tankers 5 Limited	0%
Great Chemical Tankers 6 Limited	0%
Great Kavala Limited	0%
Great Paros Limited	0%
Great Syros Limited	0%
Great Skiathos Limited	0%
Great Sifnos Limited	0%
Great Folegandros Limited	0%
Great Serifos Limited	0%
Glory Mercury Limited	0%
Glory Polaris Limited	0%
Glory Altair Limited	0%
Glory Sirius Limited	0%
HanJiang Limited	0%
Hanhe Limited	0%
Hanhu Limited	0%
Hanhai Limited	0%
GOOD HONOR SHIPPING LIMITED	0%
Glory Snow Limited	0%
Glory Arya Limited	0%
Great Intuition Limited	0%
Great Invention Limited	0%
Great Catalina Limited	0%
Great Monica Limited	0%
Great Beryl Limited	0%
Great Mercury Limited	0%
Great Velocity Limited	0%
Great Orbit Limited	0%
Great Equinox Limited	0%
Great Antipsara Limited	0%
Great Kithira Limited	0%
Great Thasos Limited	0%

Company Name	Income tax rate
Hanyu 1 Limited	0%
Hanyu 2 Limited	0%
Hanyu 3 Limited	0%
Hanyu 4 Limited	0%
Hanyu 5 Limited	0%
Hanyu 6 Limited	0%
Soar Nice Limited	0%
Noble Celsius Shipping Limited	0%
Hanzhou 1 Limited	0%
Hanzhou 2 Limited	0%
GEM 2020 Limited	0%
JADE 2020 Limited	0%
Cool Bear Shipping Limited	0%
Cool Lan Shipping Limited	0%
GREAT RHEA LIMITED	0%
Glory Singapore Limited	0%
Glory Hongkong Limited	0%
Glory Hua Shan Limited	0%
Glory Tai Shan Limited	0%
Glory Heng Shan Limited	0%
Glory Song Shan Limited	0%
BIG LILY SHIPPING LIMITED	0%
BIG PEONY SHIPPING LIMITED	0%
Glory Brisbane Limited	0%
Glory Sydney Limited	0%
Psychic Award Shipping Limited	0%
Psychic Trophy Shipping Limited	0%
Psychic Triumph Shipping Limited	0%
Star Soho Shipping Limited	0%
Star Osceola Shipping Limited	0%
Star Memphis Shipping Limited	0%
Star Lombard Shipping Limited	0%
Han Ci Global Limited	0%
Han Bei Global Limited	0%
Han Xi Global Limited	0%
Han She Global Limited	0%
Honor Coral Limited	0%

Company Name	Income tax rate
Honor Crystal Limited	0%
Honor Pearl Limited	0%
Honor Ruby Limited	0%
Big G One Shipping Limited	0%
Big G Two Shipping Limited	0%
PSYCHIC BRIGHT SHIPPING LTD	0%
PSYCHIC WISE SHIPPING LTD	0%
PSYCHIC INTELLIGENT SHIPPING LTD	0%
PSYCHIC GRACE SHIPPING LTD	0%
PSYCHIC ELEGANT SHIPPING LTD	0%
Bright Rizhao Shipping Limited	0%
Han Zhi Limited	0%
Han Hui Limited	0%
BIG D SHIPPING LIMITED	0%
Bright Palais Shipping Limited	0%
Honor Iris Limited	0%
Honor Dahlia Limited	0%
Honor Ixora Limited	0%
Honor Jasmine Limited	0%
Bright Rose Shipping Limited	0%
Bright Flax Shipping Limited	0%
Bright Lotus Shipping Limited	0%
Bright Lilac Shipping Limited	0%
Great Veloce Limited	0%
Great Superior Limited	0%
Han Jue Limited	0%
Han Zheng Limited	0%
Han Jing Limited	0%
Great Purus One Limited	0%
Great Purus Two Limited	0%
Great Purus Three Limited	0%
Bright Cathy Shipping Limited	0%
Bright Dictador Shipping Limited	0%
Honor Mater Shipping Limited	0%
Honor Francesco Shipping Limited	0%
Honor Dochudson Shipping Limited	0%
Honor Sally Shipping Limited	0%

Company Name	Income tax rate
Glory Van General Ltd	0%
GREAT LHOTSE LIMITED	0%
GREAT MAKALU LIMITED	0%
GREAT MANASIU LIMITED	0%
GREAT NUPTSE LIMITED	0%
Bright Flora Shipping Limited	0%
Bright Arran Shipping Limited	0%
Bright Aberlour Shipping Limited	0%
Bright Ardmore Shipping Limited	0%
Great Oceano Limited	0%
Da Queens Shipping Limited	0%
Da Gramercy Shipping Limited	0%
Da Oxford Shipping Limited	0%
Da Selatar Shipping Limited	0%
Bright Lilstella Shipping Ltd	0%
Bright Orcstella Shipping Ltd	0%
Great Marconi Limited	0%
Great Clover Limited	0%
Great Maggiore Limited	0%
Great Lugano Limited	0%
Eternal Nyborg Limited	0%
Eternal Nibe Limited	0%

VII BUSINESS COMBINATION AND FINANCIAL STATEMENT CONSOLIDATION

1. Basic information of subsidiaries in the consolidation for this period

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
1	Shanghai Yuanhang Machinery & Electronic Co., Ltd.	Shanghai	Shanghai	Electromechanical products trade	100	--	100	Investment Establishment
2	AVIC Lanjing Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
3	AVIC Lanjun Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
4	AVIC Lanwan Leasing	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
	(Tianjin) Co.,Ltd.							
5	AVIC Lanao Leasing (Tianjin) Co. Ltd	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
6	AVIC Lanfeng Leasing (Tianjin) Co.,Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
7	AVIC Lanhui Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
8	China Aviation International Holding Co.,Ltd	British Virgin Islands	Shanghai	Leasing	100	--	100	Investment Establishment
9	CAVIC AVIATION LEASING (IRELAND) CO., DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
10	Lantai Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
11	AVIC Lanan Leasing (Tianjin) Co.,Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
12	AVIC Langang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
13	AVIC Lanqi Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
14	AVIC Lanzhu Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
15	AVIC Lanhong Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
16	Lansai Leasing	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
	(Tianjin) Co., Ltd.							
17	AVIC Lanzhou Leasing (Shanghai) Co., Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
18	AVIC Lanbo Leasing (Shanghai) Co., Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
19	AVIC Lanxu Leasing (Shanghai) Co., Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
20	AVIC Lanhai Leasing (Shanghai) Co., Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
21	AVIC Lanhao Leasing (Shanghai) Co., Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
22	AVIC Lanliang Leasing (Shanghai) Co., Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
23	Lanchuan Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
24	AVIC Lanyun Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
25	AVIC Lanlin Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
26	AVIC Lanwen Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
27	AVIC Lanzhong Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
28	AVIC Lanyuan Leasing(Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
29	Lanshuo Leasing	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
	(Tianjin) Co., Ltd.							
30	AVIC Lanxia Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
31	AVIC Lanjiang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
32	AVIC Lanheng Leasing(Tianjin) Co.,Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
33	AVIC Lanzhao Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
34	AVIC Lanfei Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
35	AVIC Lanfu Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
36	AVIC Lantu Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
37	AVIC Lankai Leasing (Tianjin) Company Limited.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
38	AVIC Lanrui Leasing(Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
39	AVIC Lantuo Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
40	AVIC Langin Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
41	AVIC Lanbei Leasing(Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
42	AVIC Lanhua Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
43	AVIC Lanqiu Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
44	Shanghai Hangrong Real Estate Co., Ltd.	Shanghai	Shanghai	Real estate development	100	--	100	Investment Establishment
45	Soar Vast Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
46	CAVIC 16 AVIATION LEASING(IRELAND) CO., LIMITED	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
47	Soar Rise Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
48	CAVIC AVIATION LEASING (IRELAND) 18 CO., LIMITED	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
49	CAVIC AVIATION LEASING (IRELAND) 21 CO., LIMITED	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
50	Soar Great Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
51	Brilliant Cherish Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
52	CAVIC AVIATION LEASING (IRELAND) 22 CO., DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
53	CAVIC AVIATION LEASING (IRELAND) 23 CO., LIMITED	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
54	CAVIC AVIATION LEASING (IRELAND) 26 CO., DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
55	CAVIC 31 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
56	CAVIC 39 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
57	Golden Honest Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
58	Sun Faith Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
59	Flourish Shipping Co. Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
60	Sino Shine Shipping Co., Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
61	Fanni Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
62	Braving Wind Shipping Co., Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
63	Crown Ample Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
64	Million Star Corporation Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
65	Honest Pleasure Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
66	Pan Pacific Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
67	Multi-Creative Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
68	Fast King Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
69	Easy Express Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
70	AVIC New Victor (Tianjin) Leasing Co., Ltd	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
71	CAVIC AVIATION LEASING	France	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
	FRANCE 21 SARL							
72	Able Fantasy Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
73	HongKong Koresyn Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
74	Ruihao Industry Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
75	Good Trend Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
76	Great Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
77	Goldway Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
78	Good Ocean Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
79	Yishengda International Co., Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
80	Fine Ocean Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
81	Changyihai Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
82	Golden West Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
83	Golden North Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
84	One Star Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
85	AVIC New Horizon Leasing (Shanghai) Co., Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
86	Oriental Express Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
87	Big Ocean Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
88	CAVIC 24 DESIGNATE	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
	D ACTIVITY COMPANY							
89	CAVIC 25 DESIGNATE D ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
90	CAVIC 27 DESIGNATE D ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
91	Lanpeng No.1 Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
92	Landian No.1 Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
93	Lanshu No.1 Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
94	Lanyu No.1 Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
95	Lanyong Leasing (Tianjin) Co., Ltd	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
96	Hanyue Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
97	Soar Harmony Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
98	Hanxing Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
99	Soar Bright Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
100	Soar Park Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
101	Soar RICH SHIPPING LIMITED	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
102	Hope Well Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
103	Hanri Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
104	CAVIC 28 DESIGNATE	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
	D ACTIVITY COMPANY							
105	CAVIC 29 DESIGNATE D ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
106	CAVIC 30 DESIGNATE D ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
107	CAVIC 33 DESIGNATE D ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
108	CAVIC 35 DESIGNATE D ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
109	CAVIC 36 DESIGNATE D ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
110	CAVIC 37 DESIGNATE D ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
111	CAVIC 38 DESIGNATE D ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
112	SOAR WISE LIMITED	Cayman	Shanghai	Leasing	100	--	100	Investment Establishment
113	Soar Triumph Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
114	Soar Trophy Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
115	Great Navigation Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
116	Great Spirit Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
117	Great Energy Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
118	Great Apollo Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
119	HanChen Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
120	Soar East Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
121	Soar Gain Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
122	Soar North Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
123	Soar Cheer Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
124	Great Cheer Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
125	Great East Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
126	GREAT HONOR LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
127	GREAT HOPE LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
128	AVICIL Aquarius Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
129	AVICIL Capricorn Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
130	AVICIL Libra Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
131	AVICIL Scorpio Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
132	GREAT EPSILON LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
133	GREAT KAPPA LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
134	GREAT LAMDA LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
135	GREAT THITA LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
136	Great Chemical Tankers 5 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
137	Great Chemical Tankers 6 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
138	Great Kavala Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
139	Great Paros Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
140	Great Syros Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
141	Great Skiathos Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
142	Great Sifnos Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
143	Great Folegandros Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
144	Great Serifos Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
145	Glory Arya Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
146	Glory Snow Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
147	Lanchu Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
148	Lancai Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
149	Lancong Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
150	New Land Leasing (Tianjin) Co.,Ltd	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
151	Lanxuan Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
152	Lanzhou Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
153	Lanyue Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
154	Landi Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
155	Lanxi Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
156	Lanzhuo Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
157	Lanhong Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
158	Lanyu Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
159	Lansheng Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
160	Lanjun Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
161	Lanxin Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
162	Lanrui Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
163	Lanrong Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
164	Lanao Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
165	Lancheng Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
166	Lanjia Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
167	Lanxiang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
168	Lanzhe Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
169	Lanyang Aircraft Leasing (Shanghai) Co. Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
170	Lanjie Aircraft Leasing (Shanghai) Co. Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
171	Lanjia Ship Leasing (Shanghai) Co. Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
172	Lanchen Equipment Leasing (Shanghai) Co. Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
173	Landao Equipment Leasing (Shanghai) Co. Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
174	Lanhuang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
175	Lanri Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
176	Lanzhang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
177	Lanying Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
178	Lansu Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
179	Lanlie Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
180	Lanzang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
181	Lanshou Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
182	Lanwang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
183	Lanlai Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
184	Lanhan Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
185	Lanlv Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
186	Landiao Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
187	Lanteng Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
188	Lanzhi Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
189	Lanje Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
190	Lanli Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
191	Landa Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
192	Languang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
193	Languo Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
194	Lanhao Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
195	Lanhe Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
196	Lanjian Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
197	Lanju Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
198	Lankun Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
199	Lanlong Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
200	Lanshui Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
201	Lanzhen Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
202	Landian No.2 Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
203	Lanyan Leasing (Guangzhou) Co., Ltd.	Guangzhou	Shanghai	Leasing	100	--	100	Investment Establishment
204	Lanfa Ship Leasing (Shanghai) Co., Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
205	Lanxiao Ship Leasing (Shanghai) Co., Ltd.	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
206	CAVIC 17 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
207	CAVIC 20 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
208	CAVIC 32 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
209	CAVIC 40 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
210	Hanjiang Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
211	Hanhe Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
212	Hanhu Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
213	Hanhai Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
214	Great Intuition Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
215	Great Invention Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
216	Great Catalina Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
217	Great Monica Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
218	Great Mercury Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
219	Great Antipsara Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
220	Great Kithira Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
221	Great Thasos Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
222	Hanyu 1 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
223	Hanyu 2 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
224	Hanyu 3 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
225	Hanyu 4 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
226	Hanyu 5 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
227	Hanyu 6 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
228	GOOD HONOR SHIPPING LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
229	CAVIC 34 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
230	CAVIC 41 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
231	CAVIC 42 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
232	CAVIC 43 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
233	CAVIC 45 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
234	CAVIC 48 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
235	Soar Nice Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
236	Noble Celsius Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
237	Hanzhou 1 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
238	Hanzhou 2 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
239	JADE 2020 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
240	GREAT RHEA LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
241	Cool Bear Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
242	Cool Lan Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
243	Great Beryl Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
244	CAVIC 49 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
245	CAVIC 46 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
246	GEM 2020 Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
247	Lanxiu Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
248	Lanmin Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
249	LanLu Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
250	Lanyi Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
251	Lanbin Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
252	Langui Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
253	Landuo Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
254	Lanping Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
255	Lande Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
256	Lanai Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
257	Lanqian Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
258	Lanshuai Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
259	Lantang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
260	Lanyou Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
261	Landan Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
262	Laner Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
263	Lantao Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
264	Lanwei Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
265	Lanya Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
266	Lanren Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
267	Lanqiong Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment
268	Landing Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment
269	Lanke Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment
270	Landong Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment
271	Lanye Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment
272	Lanming Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment
273	Lanmeng Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment
274	Lanbai Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment
275	Lanle Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
276	Lanlei Leasing (Haikou) Co., Ltd.	Haikou	Shanghai	Leasing	100	--	100	Investment Establishment
277	Landu Aircraft Leasing (Chengdu) Co., Ltd.	Chengdu	Shanghai	Leasing	100	--	100	Investment Establishment
278	Lanzi Aircraft Leasing (Chengdu) Co., Ltd.	Chengdu	Shanghai	Leasing	100	--	100	Investment Establishment
279	CAVIC 50 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
280	CAVIC 53 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
281	CAVIC 57 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
282	Glory Singapore Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
283	Glory Hongkong Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
284	Glory Sydney Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
285	Psychic Award Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
286	Psychic Trophy Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
287	Psychic Triumph Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
288	Lanman Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
289	Lanchun Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
290	Lanping Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
291	Lante Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
292	Lantong Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
293	Lanze Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
294	Lanchao Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
295	Lanchang Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
296	Lancan Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
297	Lanmiao Leasing(shanghai) Co.,Ltd	Shanghai	Shanghai	Leasing	100	--	100	Investment Establishment
298	CAVIC 47 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
299	CAVIC 51 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
300	CAVIC 52 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
301	CAVIC 54 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
302	CAVIC 55 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
303	CAVIC 56 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
304	SOAR POWER LIMITED	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
305	Glory Mercury Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
306	Glory Polaris Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
307	Glory Altair Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
308	Glory Sirius Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
309	BIG LILY SHIPPING LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
310	BIG PEONY SHIPPING LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
311	Glory Brisbane Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
312	Star Soho Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
313	Star Osceola Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
314	Star Memphis Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
315	Star Lombard Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
316	Han Ci Global Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
317	Han Bei Global Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
318	Han Xi Global Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
319	Han She Global Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
320	Honor Coral Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
321	Honor Crystal Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
322	Honor Pearl Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
323	Honor Ruby Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
324	Big G One Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
325	Big G Two Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
326	PSYCHIC BRIGHT SHIPPING LTD	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
327	PSYCHIC WISE	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
	SHIPPING LTD							
328	PSYCHIC INTELLIGENT SHIPPING LTD	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
329	PSYCHIC ELEGANT SHIPPING LTD	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
330	Bright Rizhao Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
331	BIG D SHIPPING LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
332	Bright Cathy Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
333	Bright Dictador Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
334	Bright Flax Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
335	Bright Lilac Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
336	Bright Lotus Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
337	Bright Palais Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
338	Bright Rose Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
339	CAVIC 19 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
340	CAVIC 44 DESIGNATED ACTIVITY COMPANY	Ireland	Shanghai	Leasing	100	--	100	Investment Establishment
341	Glory Heng Shan Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
342	Glory Hua Shan Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
343	Glory Song Shan Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
344	Glory Tai Shan Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
345	Glory Van General Ltd	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
346	Great Equinox Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
347	GREAT LHOTSE LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
348	GREAT MAKALU LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
349	GREAT MANASIU LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
350	GREAT NUPTSE LIMITED	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
351	Great Orbit Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
352	Great Purus One Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
353	Great Purus Three Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
354	Great Purus Two Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
355	Great Superior Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
356	Great Veloce Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
357	Great Velocity Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
358	Han Hui Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
359	Han Jing Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
360	Han Jue Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
361	Han Zheng Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
362	Han Zhi Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
363	Honor Dahlia Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
364	Honor Dochudson Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
365	Honor Francesco Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
366	Honor Iris Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
367	Honor Ixora Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
368	Honor Jasmine Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
369	Honor Mater Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
370	Honor Sally Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
371	PSYCHIC GRACE SHIPPING LTD	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
372	Glorious Luck Shipping Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
373	Soar Wealth Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
374	Lanxue Leasing(shanghai) Co.,Ltd	Shanghai Lingang	Shanghai	Leasing	100	--	100	Investment Establishment
375	Merit Solar Limited	Hong Kong	Shanghai	Leasing	100	--	100	Investment Establishment
376	Lanyao Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
377	Lanshi Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
378	Lankang Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
379	Lange Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
380	Lannuo Leasing (Tianjin) Co., Ltd.	Tianjin	Shanghai	Leasing	100	--	100	Investment Establishment
381	Niuhang Leasing (Haikou) Co.,Ltd	Haikou	Haikou	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
382	Bright Flora Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
383	Psychic Becont Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
384	Psychic Conterist Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
385	Psychic Contrait Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
386	Psychic Racont Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
387	Psychic Contest Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
388	Bright Arran Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
389	Bright Aberlour Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
390	Bright Ardmore Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
391	Great Oceano Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
392	Da Queens Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
393	Da Gramercy Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
394	Da Oxford Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
395	Da Selatar Shipping Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
396	Bright Sandu Shipping Ltd	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
397	Bright Zhuangyuan Shipping Ltd	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
398	Bright Lilstella Shipping Ltd	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
399	Bright Orcstella Shipping Ltd	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment

No.	Name of subsidiaries	Place of registration	Place of principal business	Business nature	Shareholding percentage		Voting rights (%)	Acquisition Method
					Direct	Indirect		
400	Honor Spring Sea Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
401	Honor Summer Sea Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
402	Honor Autumn Sea Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
403	Honor Winter Sea Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
404	Honor Red Sea Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
405	Honor White Sea Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
406	Honor Yellow Sea Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
407	Honor Purple Sea Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
408	Great Marconi Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
409	Great Clover Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
410	Great Maggiore Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
411	Great Lugano Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
412	Eternal Nyborg Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
413	Eternal Nibe Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
414	Eternal Nakskov Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
415	Eternal Nordby Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
416	Wise Xihu Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
417	Wise Qiandaohu Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment
418	Honor Bentley Limited	Liberia	Shanghai	Leasing	100	--	100	Investment Establishment
419	Honor Ogba Limited	Liberia	Shanghai	Leasing	100	--	100	Investment Establishment
420	Honor Ullia Limited	Liberia	Shanghai	Leasing	100	--	100	Investment Establishment
421	Glory Loyalty Hong Limited	Marshall Islands	Shanghai	Leasing	100	--	100	Investment Establishment

There are 421 subsidiaries included in the scope of consolidated financial statements during this reporting

period. See the above table for the scope of consolidated financial statements in this year.

2. Basic information of significant partly-owned subsidiaries

None.

3. Special preparation instructions for entities within the consolidation scope with inconsistent accounting periods

None.

4. Special preparation instructions in case of inconsistent accounting policies of entities within the consolidation scope

None.

5. Subsidiaries no longer included in the scope of consolidation this year

None.

6. Entities newly included in the scope of consolidation in this period

No.	Name of subsidiaries	Net assets at the closing balance	Net profit during the period	Nature of control
1	Lanyao Leasing (Tianjin) Co., Ltd.	--	--	Investment Establishment
2	Lanshi Leasing (Tianjin) Co., Ltd.	--	--	Investment Establishment
3	Lankang Leasing (Tianjin) Co., Ltd.	--	--	Investment Establishment
4	Lange Leasing (Tianjin) Co., Ltd.	--	--	Investment Establishment
5	Lannuo Leasing (Tianjin) Co., Ltd.	--	--	Investment Establishment
6	Niuhang Leasing(Haikou) Co.,Ltd	455,678,980.65	5,678,980.65	Investment Establishment
7	Bright Flora Shipping Limited	962,866.84	930,701.45	Investment Establishment
8	Psychic Becont Limited	--	--	Investment Establishment
9	Psychic Conterist Limited	--	--	Investment Establishment
10	Psychic Contrait Limited	--	--	Investment Establishment
11	Psychic Racont Limited	--	--	Investment Establishment
12	Psychic Contest Limited	--	--	Investment Establishment
13	Bright Arran Shipping Limited	3,256,005.37	3,147,235.76	Investment Establishment
14	Bright Aberlour Shipping Limited	1,648,023.86	1,592,970.23	Investment Establishment
15	Bright Ardmore Shipping Limited	1,997,939.75	1,931,196.88	Investment Establishment
16	Great Oceano Limited	7,687,598.02	7,687,598.02	Investment Establishment

No.	Name of subsidiaries	Net assets at the closing balance	Net profit during the period	Nature of control
17	Da Queens Shipping Limited	1,051,873.63	1,051,873.63	Investment Establishment
18	Da Gramercy Shipping Limited	1,051,873.63	1,051,873.63	Investment Establishment
19	Da Oxford Shipping Limited	2,281,698.34	2,281,698.34	Investment Establishment
20	Da Selatar Shipping Limited	2,472,801.90	2,472,801.90	Investment Establishment
21	Bright Sandu Shipping Ltd	--	--	Investment Establishment
22	Bright Zhuangyuan Shipping Ltd	--	--	Investment Establishment
23	Bright Lilstella Shipping Ltd	372,543.51	360,098.37	Investment Establishment
24	Bright Orcstella Shipping Ltd	556,831.44	538,230.01	Investment Establishment
25	Honor Spring Sea Limited	--	--	Investment Establishment
26	Honor Summer Sea Limited	--	--	Investment Establishment
27	Honor Autumn Sea Limited	--	--	Investment Establishment
28	Honor Winter Sea Limited	--	--	Investment Establishment
29	Honor Red Sea Limited	--	--	Investment Establishment
30	Honor White Sea Limited	--	--	Investment Establishment
31	Honor Yellow Sea Limited	--	--	Investment Establishment
32	Honor Purple Sea Limited	--	--	Investment Establishment
33	Great Marconi Limited	2,034,149.04	1,966,196.56	Investment Establishment
34	Great Clover Limited	1,590,860.93	1,537,716.87	Investment Establishment
35	Great Maggiore Limited	1,541,805.10	1,490,299.79	Investment Establishment
36	Great Lugano Limited	1,541,805.10	1,490,299.79	Investment Establishment
37	Eternal Nyborg Limited	1,324,503.45	1,280,257.29	Investment Establishment
38	Eternal Nibe Limited	1,342,718.93	1,297,864.27	Investment Establishment
39	Eternal Nakskov Limited	--	--	Investment Establishment
40	Eternal Nordby Limited	--	--	Investment Establishment
41	Wise Xihu Limited	--	--	Investment Establishment
42	Wise Qiandaohu Limited	--	--	Investment Establishment
43	Honor Bentley Limited	--	--	Investment

No.	Name of subsidiaries	Net assets at the closing balance	Net profit during the period	Nature of control
				Establishment
44	Honor Ogba Limited	--	--	Investment Establishment
45	Honor Uilia Limited	--	--	Investment Establishment
46	Glory Loyalty Hong Limited	--	--	Investment Establishment

7. Business combinations under the same control in the current period

None.

8. Business combinations not under the same control in the current period

None.

9. Reverse purchase in the current period

None.

10. Merger in the current period

None.

11. Significant restrictions on subsidiaries' use of enterprise group assets and repayment of enterprise group debts

None.

12. The relevant information of the structured entity in the scope of consolidated financial statements

The company's equity in the consolidated structured entity

- (1) AVIC Leasing 2019 Second Asset-backed Special Plan issued with a total of 2.45 billion yuan, of which the priority A and priority B asset-backed securities raised amounts were 845 million yuan and 1.446 billion yuan respectively, and the secondary bonds raised 159 million yuan. The company purchased 124 million yuan of subordinated bonds.
- (2) AVIC Leasing 2019 Third Asset-backed Special Plan issued 2.477 billion yuan, of which the priority 01, priority 02, and priority 03 asset-backed securities raised 1.16 billion yuan, 790 million yuan, and 374 million yuan, and subordinated bonds raised 153 million yuan. The Company purchased 128 million yuan of subordinated bonds.
- (3) AVIC Leasing 2020 First Asset-backed Special Plan issued 2.010 billion yuan, of which the priority A1, priority A2, and priority A3 asset-backed securities raised 910 million yuan, 690 million yuan, and 309 million yuan, and subordinated bonds raised 101million yuan. The Company purchased 81 million yuan of subordinated bonds.

- (4) AVIC Leasing 2020 Second Asset-backed Special Plan issued 2.0860 billion yuan, of which the priority A1, priority A2, and priority A3 asset-backed securities raised 1.026 billion yuan, 670 million yuan, and 285 million yuan, and subordinated bonds raised 105 million yuan. The Company purchased 80.2 million yuan of subordinated bonds.
- (5) Guoshou - AVIC Leasing 2020 First Asset-backed Special Plan issued 2.0440 billion yuan, of which the priority 01 and priority 02 asset-backed securities raised 1,150,000,000.00 yuan and 750,000,000.00 yuan, and subordinated bonds raised 144 million yuan. The Company purchased 116 million yuan of subordinated bonds.
- (6) AVIC Leasing 2020 Third Asset-backed Special Plan issued 2.174 billion yuan, of which the priority A1, priority A2, and priority A3 asset-backed securities raised 1.060 billion yuan, 670 million yuan, and 335 million yuan, and subordinated bonds raised 109 million yuan. The Company purchased 88 million yuan of subordinated bonds.
- (7) AVIC Leasing 2021 First Asset-backed Special Plan issued 1.655 billion yuan, of which the priority A1, priority A2, and priority A3 asset-backed securities raised 780 million yuan, 600 million yuan, and 180 million yuan, and subordinated bonds raised 95 million yuan. The Company purchased 76 million yuan of subordinated bonds.
- (8) AVIC Leasing 2021 Second Asset-backed Special Plan issued 2.492 billion yuan, of which the priority A1, priority A2, and priority A3 asset-backed securities raised 1.403 billion yuan, 766 million yuan, and 198 million yuan, and subordinated bonds raised 125 million yuan. The Company purchased 100.0 million yuan of subordinated bonds.
- (9) AVIC Leasing 2021 Third Asset-backed Special Plan issued 2.410 billion yuan, of which the priority A1, priority A2, and priority A3 asset-backed securities raised 1.065 billion yuan, 865 million yuan, and 323 million yuan, and subordinated bonds raised 157 million yuan. The Company purchased 125.6 million yuan of subordinated bonds.
- (10) Pingan - AVIC Leasing First Asset-backed Special Plan issued 1.812 billion yuan, of which the priority 01 asset-backed securities raised 1.7 billion yuan, and subordinated bonds raised 112 million yuan. The Company purchased 89 million yuan of subordinated bonds.

(11) Guoshou - AVIC Leasing Asset-backed Special Plan No.1 issued 1.82 billion yuan, of which the priority 01 and priority 02 asset-backed securities raised 0.70 billion yuan and 1.02 billion yuan, and subordinated bonds raised 100 million yuan. The Company purchased 79 million yuan of subordinated bonds

13. Changes in the parent company's share of owner's equity in subsidiaries

None.

14. The ability of a subsidiary to transfer funds to the parent company is strictly limited

None.

VIII Notes to the significant items of the financial statements

If the following notes are not specified, the opening balance refers to the book balance on January 1, 2022 and the closing balance refers to the book balance on June 30, 2022. The amount should be in RMB.

1. Cash at bank and on hand

Item	Closing balance	Opening balance
Cash on hand	4,510.40	50,540.40
Cash in bank	8,321,687,458.31	5,877,039,103.50
Other cash and cash equivalents	120,484,000.00	23,237,600.00
Accrued interest	400,655.02	316,690.06
Total	8,442,576,623.73	5,900,643,933.96
Including: total amount of offshore fund	1,369,793,892.99	1,126,656,443.09

Cash and cash equivalents are restricted as follow:

Item	Closing balance	Opening balance
Loan guarantee	206,504,073.93	361,914,727.71
Asset-backed Support Plan special account funds	727,546,844.78	1,625,968,566.02
Other special account funds	61,254,960.89	51,674,960.89
Total	995,305,879.60	2,039,558,254.62

2. Financial assets held for trading

Item	Closing Fair Value	Opening Fair Value
Financial assets classified as measured at fair value and the change of which shall be included in current profit or loss	1,993,261,062.44	1,984,831,586.71
Including: Debt instruments investment	1,984,347,071.27	1,974,979,280.68
Equity instruments investments	8,913,991.17	9,852,306.03
Other	—	—
Total	1,993,261,062.44	1,984,831,586.71

3. Notes receivable

(1). Notes receivable classification

Classification	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Bank acceptance notes	10,210,385.74	4,637.71	10,205,748.03	38,613,651.08	4,637.71	38,609,013.37
Trade acceptance notes	5,600,000.00	—	5,600,000.00	—	—	—
Total	15,810,385.74	4,637.71	15,805,748.03	38,613,651.08	4,637.71	38,609,013.37

(2). Notes receivable that have been endorsed or discounted but have not yet expired at the end of the period

Classification	Derecognized amount at the end of the period	Recognized amount at the end of the period
Bank acceptance notes	16,518,808.45	—
Total	16,518,808.45	—

4. Accounts receivable

Aging	Closing balance				
	Book balance		Provision for bad debts		Book Value
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
A single item of accounts receivable that is significant and a single item of provision for bad debts	—	—	—	—	—
A collection of accounts receivable that has a provision for bad debts based on the credit risk characteristics	164,040,202.98	99.88	11,770,894.94	7.18	152,269,308.04
A single item of accounts receivable that is not significant but a single item of provision for bad debts	200,000.00	0.12	200,000.00	100.00	—
Total	164,240,202.98	100	11,970,894.94	—	152,269,308.04

(Continued)

Aging	Opening balance				
	Book balance		Provision for bad debts		Book Value
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
A single item of accounts receivable that is significant and a single item of provision for bad debts	—	—	—	—	—
A collection of accounts receivable that has a provision for bad debts based on the credit risk characteristics	141,117,989.10	99.86	11,776,850.82	8.35	129,341,138.28
A single item of accounts receivable that is not significant but a single item of provision for bad debts	200,000.00	0.14	200,000.00	100.00	—
Total	141,317,989.10	100	11,976,850.82	—	129,341,138.28

(1). Bad debt reserves withdrawn, recovered or reversed based on the combination of credit risk characteristics in the current period

Provision for bad debts	Stage 1:expected credit loss in the next 12 months	Stage 2:Expected credit loss for the entire duration (no credit impairment)	Stage 3:Expected credit loss for the entire duration (credit impairment has occurred)	Total
Opening balance	—	11,776,850.82	—	11,776,850.82
Opening balance in current period	—	—	—	—
move forward to stage 2	—	—	—	—
move forward to stage 3	—	—	—	—
move back to stage 2	—	—	—	—
move back to stage 1	—	—	—	—
Provision in current period	—	1,948,021.54	—	1,948,021.54
Reversal in current period	—	1,622,291.67	—	1,622,291.67
Write-off in current period	—	—	—	—
Write-off in current period upon termination of accounts receivable	—	—	—	—
Other Changes	—	-331,685.75	—	-331,685.75

Provision for bad debts	Stage 1:expected credit loss in the next 12 months	Stage 2:Expected credit loss for the entire duration (no credit impairment)	Stage 3:Expected credit loss for the entire duration (credit impairment has occurred)	Total
Closing balance	—	11,770,894.94	—	11,770,894.94

(2) A single item of accounts receivable that is not significant but a single item of provision for bad debts

Name of debtor	Book balance	Provision for bad debt	Proportion (%)	Reason
Client A	200,000.00	200,000.00	100	In the litigation, expected not to be recovered
Total	200,000.00	200,000.00	100	—

(3) The top five of accounts receivable in the final balance:

Name of debtor	Book balance	Proportion (%)	Provision for bad debt
Client B	69,362,220.07	42.23	3,468,111.00
Client C	25,783,475.92	15.70	0.00
Client D	16,887,557.70	10.28	5,963,707.09
Client E	5,874,464.99	3.58	280,211.98
Client F	4,873,838.08	2.97	144,302.84
Total	122,781,556.76	74.76	9,856,332.91

5. Prepayments

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (include 1 year)	24,205,260.06	99.80	26,044,096.87	91.01
1-2 years (include 2 years)	47,644.33	0.2	829,600.16	2.90
2-3 years (include 3 years)	—	—	1,743,505.19	6.09
Total	24,252,904.39	100	28,617,202.22	100

(1) The top five of prepayments in the final balance:

Name of debtor	Book balance	Proportion in total prepayments (%)
Supplier A	6,085,786.72	25.09
Supplier B	2,541,562.20	10.48
Supplier C	1,600,943.38	6.6
Supplier D	1,518,845.00	6.26
Supplier E	1,418,331.68	5.85
Total	13,165,468.98	54.28

6. Other receivables

Item	Closing balance	Opening balance
Interest receivable	—	—
Dividends receivable	—	—

Item	Closing balance	Opening balance
Other receivables	48,996,027.89	20,035,154.00
Total	48,996,027.89	20,035,154.00

(1) Disclose other receivables by methods of bad debt provision

Classification	Closing balance			
	Book balance		Provision for bad debt	
	Amount	Proportion (%)	Amount	Proportion (%)
A single item of accounts receivable that is significant and a single item of provision for bad debts	—	—	—	—
A collection of accounts receivable that has a provision for bad debts based on the credit risk characteristics	52,144,899.29	100	3,148,871.40	6.04
A single item of accounts receivable that is not significant but a single item of provision for bad debts	—	—	—	—
Total	52,144,899.29	100	3,148,871.40	—

(Continued)

Classification	Opening balance			
	Book balance		Provision for bad debt	
	Amount	Proportion (%)	Amount	Proportion (%)
A single item of accounts receivable that is significant and a single item of provision for bad debts	—	—	—	—
A collection of accounts receivable that has a provision for bad debts based on the credit risk characteristics	21,658,285.23	100	1,623,131.23	7.49
A single item of accounts receivable that is not significant but a single item of provision for bad debts	—	—	—	—
Total	21,658,285.23	100	1,623,131.23	—

(2) Disclose other receivables by Nature

Item	Closing balance			Opening balance		
	Book balance	Provision for bad debt	Book Value	Book balance	Provision for bad debt	Book Value
Advance payment	1,489,478.00	71,941.78	1,417,536.22	801,296.00	39,181.16	762,114.84
Current account	2,756,283.18	—	2,756,283.18	94,244.96	—	94,244.96
Deposit	24,445,964.30	4,957.34	24,441,006.96	503,419.66	37,145.19	466,274.47
Petty cash	2,206,700.00	—	2,206,700.00	—	—	—
Guarantee deposit	21,246,473.81	3,071,972.28	18,174,501.53	20,259,324.61	1,546,804.88	18,712,519.73
Others	—	—	—	—	—	—
Total	52,144,899.29	3,148,871.40	48,996,027.89	21,658,285.23	1,623,131.23	20,035,154.00

(3) Bad debt reserves withdrawn, recovered or reversed based on the combination of credit risk characteristics in the current period

Provision for bad debts	Stage 1:expected credit loss in the next 12 months	Stage 2:Expected credit loss for the entire duration (no credit impairment)	Stage 3:Expected credit loss for the entire duration (credit impairment has occurred)	Total
Opening balance	1,623,131.23	--	--	1,623,131.23
Opening balance in current period	--	--	--	--
move forward to stage 2	--	--	--	--
move forward to stage 3	--	--	--	--
move back to stage 2	--	--	--	--
move back to stage 1	--	--	--	--
Provision in current period	1,526,254.98	--	--	1,526,254.98
Reversal in current period	--	--	--	--
Write-off in current period	--	--	--	--
Write-off in current period upon termination of accounts receivable	--	--	--	--
Other Changes	-514.81	--	--	-514.81
Closing balance	3,148,871.40	--	--	3,148,871.40

(4) The top five of other receivable in the closing balance by debtor

Name of debtor	Nature of receivable	Book balance	Aging	Proportion in total closing balance of other receivable (%)	Provision for bad debt
Company A	Guarantee deposit	13,250,000.00	1-2 years	27.04	1,550,250.00
Company B	Guarantee deposit	5,544,000.00	2-3 years	11.32	1,234,648.80
Company C	Advances	1,013,840.00	Within one year	2.07	48,968.47
Company D	Current account	1,000,000.00	Within one yea	2.04	48,300.00
Company E	Advances	342,436.80	Within one yea	0.7	16,539.70
Total	--	21,150,276.80	--	43.17	2,898,706.97

7. Inventories

Item	Closing balance			Opening balance		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Merchandise Inventory (finished products)	7,755,725.15	4,320,390.15	3,435,335.00	7,538,942.39	4,425,611.08	3,113,331.31
Total	7,755,725.15	4,320,390.15	3,435,335.00	7,538,942.39	4,425,611.08	3,113,331.31

8. Current portion of non-current assets

Item	Closing balance	Opening balance
Long-term receivables due within one year	39,985,718,838.56	39,013,333,443.91
Total	39,985,718,838.56	39,013,333,443.91

Financial Lease Receivable Due within One Year

Item	Closing balance	Opening balance
Finance Leases Receivable	47,921,064,471.42	46,746,580,123.13
Deduct: Unrealized Financing Income	6,243,794,179.64	6,289,023,989.91
Book balance	41,677,270,291.78	40,457,556,133.22
Deduct: Provision for bad debts	1,691,551,453.22	1,444,222,689.31
Net Amount of Finance Leases receivable	39,985,718,838.56	39,013,333,443.91

9. Other current assets

Item	Closing balance	Opening balance
Pending deductible VAT on purchase	114,769,463.51	126,105,569.60
VAT and other taxes prepaid	95,260,091.34	43,046,354.78
Income tax prepaid	31,313,211.23	7,050,472.23
Factoring receivable	2,540,357,005.42	3,645,291,210.56
Other	414,599.58	—
Total	2,782,114,371.08	3,821,493,607.17

10. Long-term receivables

(1) The information of Long-term receivables

Item	Closing balance		
	Book balance	Provision for impairment loss	Book Value
Financing lease receivables	160,181,050,494.97	4,360,249,699.02	155,820,800,795.95
Include: Unrealized financing income	19,847,945,552.89	—	19,847,945,552.89
Subtotal	140,333,104,942.08	4,360,249,699.02	135,972,855,243.06
Deduct: Long-term receivables due within one year	41,677,270,291.78	1,691,551,453.22	39,985,718,838.56
Total	98,655,834,650.30	2,668,698,245.80	95,987,136,404.50

(Continued)

Item	Opening balance		
	Book balance	Provision for impairment loss	Book Value
Financing lease receivables	155,154,051,918.17	4,110,607,729.74	151,043,444,188.43

Item	Opening balance		
	Book balance	Provision for impairment loss	Book Value
Include: Unrealized financing income	20,871,311,373.41	--	20,871,311,373.41
Subtotal	134,282,740,544.76	4,110,607,729.74	130,172,132,815.02
Deduct: Long-term receivables due within one year	40,457,556,133.22	1,444,222,689.31	39,013,333,443.91
Total	93,825,184,411.54	2,666,385,040.43	91,158,799,371.11

11. Long-term equity investments

(1). Classification of long-term equity investment

Items	Opening Balance	Increased	Decreased	Closing balance
Investment in subsidiaries	--	--	--	--
Investment in joint ventures	--	--	--	--
Investment in associates	744,163.34	--	--	744,163.34
Subtotal	744,163.34	--	--	744,163.34
Less: Provision for impairment loss of long-term equity investments	--	--	--	--
Total	744,163.34	--	--	744,163.34

(2). Details of long-term equity investment

Invested unit	Cost of Investment	Ownership in invested unit (%)	Opening Balance	Changes in this period			
				Increase Investment	Decrease Investment	Investment gains and losses confirmed by equity method	Other comprehensive income adjustment
Total	20,000.00	20.00	744,163.34	--	--	--	--
1. Joint ventures	--	--	--	--	--	--	--
2. Associates	20,000.00	20.00	744,163.34	--	--	--	--
Feitian No.1 Leasing (Tianjin) Co., Ltd.	20,000.00	20.00	744,163.34	--	--	--	--

(Continued)

Invested unit	Changes this period				Closing balance	Closing balance of provision for impairment loss
	Other equity changes	Declare cash dividends or profits	Provision for impairment loss	Others		
Total	--	--	--	--	744,163.34	--
1. Joint ventures	--	--	--	--	--	--
2. Associates	--	--	--	--	744,163.34	--

Invested unit	Changes this period				Closing balance	Closing balance of provision for impairment loss
	Other equity changes	Declare cash dividends or profits	Provision for impairment loss	Others		
Feitian No.1 Leasing (Tianjin) Co., Ltd.	—	—	—	—	744,163.34	—

12. Investment in other equity instruments

Item	Closing balance	Opening balance
Dalian Herong Junxin Investment Management Partnership (Limited Partnership)	7,200,427.00	7,200,427.00
Tianjin bogang [19] enterprise management partnership (limited partnership)	6,349,396.83	6,349,396.83
Dongbei Spacial Steel Group Co., Ltd.	5,110,797.16	5,110,797.16
Liaoning Yuexiu Huishan Holding Co., Ltd	2,759,225.55	2,759,225.55
Total	21,419,846.54	21,419,846.54

13. Other non-current financial assets

Item	Closing Fair Value	Opening Fair Value
Debt instrument investment	1,175,003,109.96	1,079,063,077.14
Equity instrument investment	—	—
Hybrid instrument	—	—
Derivative financial instrument	—	—
Other	—	—
Total	1,175,003,109.96	1,079,063,077.14

14. Investment properties

(1) Investment real estate measured by cost

Items	Opening Balance	Increased	Decreased	Closing Balance
1. Total original Book Value	61,226,336.69	—	—	61,226,336.69
(1) Building	61,226,336.69	—	—	61,226,336.69
(2) Land use rights	—	—	—	—
2. Total accumulated depreciation (amortization)	8,400,459.92	969,417.00	—	9,369,876.92
(1) Building	8,400,459.92	969,417.00	—	9,369,876.92
(2) Land use rights	—	—	—	—
3. Total net book value	52,825,876.77	—	—	51,856,459.77
(1) Building	52,825,876.77	—	—	51,856,459.77
(2) Land use rights	—	—	—	—
4. Total accumulated amount of impairment provision	—	—	—	—

Items	Opening Balance	Increased	Decreased	Closing Balance
(1) Building	--	--	--	--
(2) Land use rights	--	--	--	--
5. Total Book Value	52,825,876.77	--	--	51,856,459.77
(1) Building	52,825,876.77	--	--	51,856,459.77
(2) Land use rights	--	--	--	--

15. Fixed assets

Item	Closing balance	Opening balance
Fixed Assets	16,879,345,606.84	16,239,837,313.48
Disposal of Fixed Assets	--	--
Total	16,879,345,606.84	16,239,837,313.48

(1) Information of fixed assets

Items	Opening balance	Increased	Decreased	Closing Balance
1. Total original Book Value	19,987,678,562.91	1,661,149,417.00	288,396,917.23	21,360,431,062.68
Inc: Buildings	72,461,125.75	--	--	72,461,125.75
Mechanical Equipment	939,860,036.14	54,124,258.12	--	993,984,294.26
Transportation	18,969,376,963.03	1,606,087,850.81	288,396,917.23	20,287,067,896.61
Electronic equipment	5,980,437.99	937,308.07	--	6,917,746.06
2. Total accumulated depreciation (amortization)	3,747,841,249.43	766,919,846.51	33,675,640.10	4,481,085,455.84
Inc: Buildings	24,683,165.40	1,161,628.62	--	25,844,794.02
Mechanical Equipment	193,474,222.13	67,443,677.50	--	260,917,899.63
Transportation	3,526,610,273.68	697,898,689.63	33,675,640.10	4,190,833,323.21
Electronic equipment	3,073,588.22	415,850.76	--	3,489,438.98
3. Total net book value	16,239,837,313.48	--	--	16,879,345,606.84
Inc: Buildings	47,777,960.35	--	--	46,616,331.73
Mechanical Equipment	746,385,814.01	--	--	733,066,394.63
Transportation	15,442,766,689.35	--	--	16,096,234,573.40
Electronic equipment	2,906,849.77	--	--	3,428,307.08
4. Total accumulated amount of impairment provision	--	--	--	--
Inc: Buildings	--	--	--	--
Mechanical Equipment	--	--	--	--
Transportation	--	--	--	--
Electronic equipment	--	--	--	--
5. Total Book Value	16,239,837,313.48	--	--	16,879,345,606.84
Inc: Buildings	47,777,960.35	--	--	46,616,331.73
Mechanical Equipment	746,385,814.01	--	--	733,066,394.63

Items	Opening balance	Increased	Decreased	Closing Balance
Transportation	15,442,766,689.35	—	—	16,096,234,573.40
Electronic equipment	2,906,849.77	—	—	3,428,307.08

16. Construction in progress

Item	Closing Balance			Opening balance		
	Book Balance	Provision for impairment loss	Book Value	Book Balance	Provision for impairment loss	Book Value
Aircraft Renovation	25,513,601.26	—	25,513,601.26	—	—	—
Office Building	1,532,016,689.76	—	1,532,016,689.76	1,478,927,965.96	—	1,478,927,965.96
Total	1,557,530,291.02	—	1,557,530,291.02	1,478,927,965.96	—	1,478,927,965.96

Changes of important construction in progress current year

Item	Budget (Yuan)	Opening balance	Increase in current year	Amount transferred to fixed assets in the current period	Other increase in current year	Closing balance
Aircraft Renovation	100,671,000.00	—	25,513,601.26	—	—	25,513,601.26
Office Building	1,710,000,000.00	1,478,927,965.96	53,088,723.80	—	—	1,532,016,689.76
Total	4,794,352,854.50	1,478,927,965.96	78,602,325.06	—	—	1,557,530,291.02

(Continued)

Item	The proportion of project cumulative input to budget(%)	Progress (%)	Accumulated amount of capitalized interest	Inc: current capitalized interest	Current interest capitalization rate (%)	Capital source
Aircraft Renovation	25.34	25.34	—	—	—	Own Capital
Office Building	89.59	94.00	—	—	—	Own Capital
Total	—	—	—	—	—	—

17. Right-of-use assets

Items	Opening balance	Increased	Decreased	Closing Balance
1. Total original Book Value:	3,650,668,281.16	191,667,339.51	—	3,842,335,620.67
Inc: Transportation	3,624,424,766.23	190,836,989.66	—	3,815,261,755.89
Buildings	26,243,514.93	830,349.85	—	27,073,864.78
2.Total accumulated depreciation:	465,437,928.05	102,681,752.95	—	568,119,681.00
Inc: Transportation	461,462,545.97	100,042,801.78	—	561,505,347.75
Buildings	3,975,382.08	2,638,951.17	—	6,614,333.25
3. Total net book value of right-of-use assets	3,185,230,353.11	—	—	3,274,215,939.67
Inc: Transportation	3,162,962,220.26	—	—	3,253,756,408.14

Buildings	22,268,132.85	--	--	20,459,531.53
4. Total accumulated amount of impairment provision	--	--	--	--
Inc: Transportation	--	--	--	--
Buildings	--	--	--	--
5. Total Book Value of right-of-use assets	3,185,230,353.11	--	--	3,274,215,939.67
Inc: Transportation	3,162,962,220.26	--	--	3,253,756,408.14
Buildings	22,268,132.85	--	--	20,459,531.53

18. Intangible assets

Items	Opening balance	Increased	Decreased	Closing Balance
1. Total original Book Value	16,863,510.16	4,954,586.67	--	21,818,096.83
Inc: Software	16,863,510.16	4,954,586.67	--	21,818,096.83
2. Total accumulated amortization:	6,265,002.43	1,598,247.62	--	7,863,250.05
Inc: Software	6,265,002.43	1,598,247.62	--	7,863,250.05
3. Total impairment provision	--	--	--	--
Inc: Software	--	--	--	--
4. Total Book Value	10,598,507.73	--	--	13,954,846.78
Inc: Software	10,598,507.73	--	--	13,954,846.78

19. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities confirmed

Items	Closing balance		Opening balance	
	Deferred tax assets/ liabilities	Deductible / taxable temporary differences	Deferred tax assets/ liabilities	Deductible / taxable temporary differences
1. Deferred tax assets	1,636,212,420.74	8,322,585,814.31	1,496,823,999.14	7,514,426,149.07
Provision for impairment of Assets	1,143,477,125.83	4,633,853,838.60	1,076,786,026.58	4,397,771,443.39
Deductible losses	474,412,916.32	3,615,442,461.37	401,950,172.69	3,044,303,506.20
Changes in the fair value of trading financial assets	18,322,378.59	73,289,514.34	18,087,799.87	72,351,199.48
2. Deferred tax liabilities	338,758,169.64	2,710,065,357.15	277,998,729.26	2,223,989,834.13
The depreciation life of fixed assets in tax law be shorter than the accounting depreciation life	338,758,169.64	2,710,065,357.15	277,998,729.26	2,223,989,834.13

20. Other non-current assets

Item	Closing Fair Value	Opening Fair Value
Prepayment for purchase of financial lease assets	1,698,140,702.85	910,520,183.52
Continuous involvement financial asset	1,087,888,481.72	1,008,851,480.72
Total	2,786,029,184.57	1,919,371,664.24

Note: The company securitizes part of long-term receivables, and the manager sets up a structured entity, which issues priority asset-backed securities and subordinated asset-backed securities to investors, and the company holds part of subordinated asset-backed securities. The company has not transferred or retained almost all relevant risks and rewards, and recognizes relevant financial assets according to the degree of continuous involvement in the transferred financial assets, and recognizes relevant liabilities accordingly.

21. Short-term borrowings

(1) Categories of Short-term borrowings

Item	Closing balance	Opening balance
Pledge loans	483,308,241.79	2,349,314,877.47
Mortgage loans	--	340,000,183.91
Loans on credit	9,183,625,454.10	3,982,129,197.77
Total	9,666,933,695.89	6,671,444,259.15

22. Notes payable

Item	Closing balance	Opening balance
Bank acceptance notes	1,361,420,000.00	508,750,000.00
Trade acceptance notes	--	--
Total	1,361,420,000.00	508,750,000.00

23. Accounts payable

Aging	Closing balance	Opening balance
Within 1 year (include 1 year)	349,946,830.60	217,196,920.78
1-2 years (include 2 years)	47,738,136.77	20,286,300.00
2-3 years (include 3 years)	--	--
Over 3 years	--	--
Total	397,684,967.37	237,483,220.78

24. Payments received in advance

Aging	Closing balance	Opening balance
Within 1 year (include 1 year)	1,506,537,281.59	879,620,029.61
Over 1 year	68,645,118.99	87,298,680.91
Total	1,575,182,400.58	966,918,710.52

(1) The significant payment received in advance aging over 1 year:

Creditor	Closing balance	Reason
Supplier F	48,229,010.67	Settlement period not yet reached
Supplier G	14,621,264.57	Settlement period not yet reached
Supplier H	5,794,843.75	Settlement period not yet reached
Total	68,645,118.99	--

25. Contract liabilities

Item	Closing balance	Opening balance
Advances on sales	2,846,915.55	4,487,154.00
Total	2,846,915.55	4,487,154.00

26. Employee benefits payable

(1) List of employee benefits payable

Item	Opening balance	Accruals	Paid	Closing Balance
1.Short-term employee benefits payable	25,756,603.96	82,408,160.84	104,694,833.08	3,469,931.72
2.Post-employment benefits - Defined Contribution Plan Payable	91,920.64	10,462,443.42	10,462,443.42	91,920.64
3.Termination benefits	--	386,827.00	386,827.00	--
4.Other benefits due within one year	--	--	--	--
5.Other	--	--	--	--
Total	25,848,524.60	93,257,431.26	115,544,103.50	3,561,852.36

(2) List of short-term employee benefits payable

Item	Opening balance	Accruals	Paid	Closing Balance
1. Salaries, bonus, and allowances	24,583,186.23	72,916,836.42	95,684,020.11	1,816,002.54
2. Staff welfare	--	1,260,081.68	1,260,081.68	--
3. Social insurances	21,628.38	3,401,458.40	3,401,458.37	21,628.41
Inc: Medical insurance & Maternity insurance	21,628.38	3,348,384.91	3,348,384.88	21,628.41
Work injury insurance	--	53,073.49	53,073.49	--
Others	--	--	--	--
4. Housing funds	--	3,880,842.92	3,880,840.92	--
5. Union funds & Employee education funds	1,151,789.35	948,941.42	468,430.00	1,632,300.77
6. Other short-term employee benefits payable	--	--	--	--
Total	25,756,603.96	82,408,160.84	104,694,833.08	3,469,931.72

(3) List of Defined Contribution Plan Payable

Item	Opening balance	Accruals	Paid	Closing Balance
1. Primary endowment insurance	86,513.54	4,842,438.40	4,842,438.40	86,513.54
2. Unemployment insurance	5,407.10	151,656.94	151,656.94	5,407.10
3.Pension insurance	--	5,468,348.08	5,468,348.08	--
Total	91,920.64	10,462,443.42	10,462,443.42	91,920.64

27. Tax payable

Item	Opening balance	Taxes payable in this year	Taxes paid in this year	Closing balance
Value-added-tax payable	166,656,112.34	377,589,497.49	302,343,618.15	241,901,991.68
Enterprise income tax	813,557,682.67	362,524,655.56	794,433,663.71	381,648,674.52
Urban maintenance and construction tax	11,675,350.25	11,107,406.17	20,761,430.22	2,021,326.20
Property tax	--	301,594.90	301,594.90	--
land use taxes	--	2,125.26	2,125.26	--
Individual income tax	8,973,441.35	14,301,522.19	22,587,400.23	687,563.31
Educational surtax (including local education surtax)	8,356,164.82	8,112,393.23	15,024,753.58	1,443,804.47
Stamp tax	10,847.21	2,982,124.95	2,969,481.03	23,491.13
Other tax	22,614.29	3,600.00	26,214.29	--
Total	1,009,252,212.93	776,924,919.75	1,158,450,281.37	627,726,851.31

28. Other payables

Item	Closing balance	Opening balance
Interest payable	--	--
Dividends payable	--	--
Other payables	23,130,174,958.30	24,061,178,175.25
Total	23,130,174,958.30	24,061,178,175.25

(1) List of Other payables by nature

Item	Closing balance	Opening balance
Collection of civil aviation subsidies	9,580,000.00	9,580,000.00
Current account	22,335,572,483.31	22,295,511,512.63
Depoist	5,216,440.00	10,333,952.62
Withholding social insurance premium and security deposit	231,818.41	448,861.65
Interim Collection of Creditor's Rights	779,221,805.67	1,743,871,455.03
Others	352,410.91	1,432,393.32
Total	23,130,174,958.30	24,061,178,175.25

(2) Significant other payable aging over 1 year

Name of Creditor	Closing balance	Reason for outstanding debts
Company F	5,800,000.00	Settlement period not yet reached
Company G	2,970,000.00	Settlement period not yet reached
Company H	810,000.00	Settlement period not yet reached
Total	9,580,000.00	--

29. Current portion of non-current liabilities

Item	Closing balance	Opening balance
Long-term loans due within one year	10,537,227,351.81	10,695,829,823.56
Bonds due within one year	9,139,421,816.33	11,493,449,674.67
PPN due within one year	—	—
Long-term payables due within one year	1,415,243,045.15	1,770,641,542.56
Lease Liabilities payable due within one year	1,276,494,914.71	1,283,535,880.00
Other Long-term liabilities due within one year	—	—
Total	22,368,387,128.00	25,243,456,920.79

30. Other current liabilities

Item	Closing balance	Opening balance
Short-term financing bond	6,645,173,863.01	3,022,437,369.86
Private placement note	—	2,674,822,575.35
Total	6,645,173,863.01	5,697,259,945.21

Changes in short-term bonds payable

Bond name	Face value	Issuing date	Bond maturity (day)	Issuing amount
21AVIC Leasing PPN002	100	2021/3/18	365 days	1,400,000,000.00
21AVIC Leasing PPN003	100	2021/4/6	324 days	1,200,000,000.00
21AVIC Leasing SCP006	100	2021/7/29	179 days	900,000,000.00
21AVIC Leasing SCP007	100	2021/9/23	252 days	900,000,000.00
21AVIC Leasing SCP008	100	2021/10/19	160 days	1,200,000,000.00
22AVIC Leasing SCP001	100	2022/1/20	180 days	900,000,000.00
22AVIC Leasing SCP002	100	2022/2/11	227 days	1,200,000,000.00
22AVIC Leasing SCP003	100	2022/3/15	165 days	400,000,000.00
22AVIC Leasing SCP004	100	2022/3/24	129 days	1,200,000,000.00
22AVIC Leasing CP001	100	2023/4/1	365 days	1,500,000,000.00
22AVIC Leasing SCP005	100	2022/4/6	201 days	500,000,000.00
22AVIC Leasing CP002	100	2022/6/1	365 days	900,000,000.00
Total	—	—	—	12,200,000,000.00

(Continued)

Bond Name	Opening balance	Issued this period	Calculated interest at face value	Amortization of premium and discount	Repaid this period	Closing Balance
21AVIC Leasing PPN002	1,442,122,739.73	—	11,077,260.27	—	1,453,200,000.00	—
21AVIC Leasing PPN003	1,232,699,835.62	—	6,563,835.61	—	1,239,263,671.23	—

Bond Name	Opening balance	Issued this period	Calculated interest at face value	Amortization of premium and discount	Repaid this period	Closing Balance
21AVIC Leasing SCP006	909,577,972.60	--	1,412,136.99	--	910,990,109.59	--
21AVIC Leasing SCP007	906,509,589.04	--	9,894,575.34	--	916,404,164.38	--
21AVIC Leasing SCP008	1,206,349,808.22	--	7,379,506.85	--	1,213,729,315.07	--
22AVIC Leasing SCP001	--	900,000,000.00	9,347,178.08	--	--	909,347,178.08
22AVIC Leasing SCP002	--	1,200,000,000.00	10,356,164.38	--	--	1,210,356,164.38
22AVIC Leasing SCP003	--	400,000,000.00	2,698,520.55	--	--	402,698,520.55
22AVIC Leasing SCP004	--	1,200,000,000.00	7,355,835.62	--	--	1,207,355,835.62
22AVIC Leasing CP001	--	1,500,000,000.00	10,770,410.96	--	--	1,510,770,410.96
22AVIC Leasing SCP005	--	500,000,000.00	2,803,835.62	--	--	502,803,835.62
22AVIC Leasing CP002	--	900,000,000.00	1,841,917.80	--	--	901,841,917.80
Total	5,697,259,945.21	6,600,000,000.00	81,501,178.07	--	5,733,587,260.27	6,645,173,863.01

31. Long-term borrowings

(1) Classification of Long-term borrowings

Item	Closing balance	Opening balance	Interest rate range at the end of period (%)
Pledged Loan	44,165,433,955.96	38,082,511,745.41	2.20%-6.94%
Mortgaged loan	5,678,260,057.00	6,366,734,199.67	2.14%-5.62%
Credit loan	5,814,707,957.67	5,736,614,997.18	2.50%-5.65%
Subtotal	55,658,401,970.63	50,185,860,942.26	--
Less: Long-term loans due within one year	10,537,227,351.81	10,695,829,823.56	--
Total	45,121,174,618.82	39,490,031,118.70	--

32. Bonds payable

Item	Closing balance	Opening balance
Enterprise bonds	9,823,698,595.69	9,424,317,799.20
Enterprise notes	9,639,274,657.52	9,981,764,164.40
Corporate bonds	15,917,953,034.57	18,120,342,890.23
Subtotal	35,380,926,287.78	37,526,424,853.83
Less: Bond payable due within one year	9,139,421,816.33	11,493,449,674.67
Total	26,241,504,471.45	26,032,975,179.16

Changes in bonds payable

Bond Name	Face value	Issue Date	Bond maturity	Issuing amount
18 Zhongzu 02	100.00	2018/7/23	5 years	620,000,000.00
18 Zhongzu 06	100.00	2018/12/13	5 years	1,330,000,000.00
19 Zhongzu 03	100.00	2019/7/24	5 years	600,000,000.00
19 Hangzu 01 (Long)	100.00	2019/1/23	3 years	1,000,000,000.00
19 Zhongzu 04	100.00	2019/9/10	3 years	1,000,000,000.00
20 Zhongzu 01	100.00	2020/1/14	3 years	1,500,000,000.00
20 Hangzu 01	100.00	2020/7/9	3 years	870,000,000.00
20 Hangzu 02	100.00	2020/8/6	3 years	1,000,000,000.00
20 Zhongzu 02	100.00	2020/3/11	3 years	500,000,000.00
20 Zhongzu 03	100.00	2020/4/16	3 years	600,000,000.00
20 Hangzu 03	100.00	2020/8/24	3 years	600,000,000.00
21 Hangzu 01	100.00	2021/1/20	3 years	600,000,000.00

Bond Name	Face value	Issue Date	Bond maturity	Issuing amount
21 Hangzu 03	100.00	2021/3/23	4 years	1,500,000,000.00
GC Hangzu 01	100.00	2021/6/25	4 years	500,000,000.00
21 Hangzu 04	100.00	2021/7/6	3 years	1,000,000,000.00
21 Hangzu 05	100.00	2021/8/23	3 years	1,000,000,000.00
SOAR WISE N2205(4536)	US\$100.00	2019/6/3	3 years	3,140,631,767.16
SOAR WISE N2403(40630)	US\$100.00	2021/3/30	3 years	3,264,002,756.47
SOAR WISE N2410(40874)	US\$100.00	2021/10/8	3 years	1,928,541,814.71
SOAR WISE N2208(40795)	€ 1,000.00	2021/8/3	1 year	1,530,497,318.19
19 Hu AVIC Leasing ZR001 Zhongxin	100.00	2020/1/2	3 years	500,000,000.00
19 AVIC Leasing PPN001	100.00	2019/4/18	3 years	800,000,000.00
19 AVIC Leasing PPN002	100.00	2019/5/16	3 years	600,000,000.00
19 AVIC Leasing PPN004	100.00	2019/6/6	3 years	900,000,000.00
19 AVIC Leasing PPN005	100.00	2019/8/23	35 months	500,000,000.00
21 AVIC Leasing PPN001	100.00	2021/3/10	23 months	1,000,000,000.00
21 AVIC Leasing PPN004	100.00	2021/4/22	2 years	1,000,000,000.00
18 AVIC Leasing MTN001BC	100.00	2018/2/7	5 years	70,000,000.00
19 AVIC Leasing MTN001BC	100.00	2019/4/10	3 years	1,700,000,000.00
20 AVIC Leasing MTN001	100.00	2020/6/12	3 years	1,000,000,000.00
20 AVIC Leasing MTN002	100.00	2020/7/27	3 years	300,000,000.00
20 AVIC Leasing MTN003	100.00	2020/10/30	3 years	1,000,000,000.00
21 AVIC Leasing MTN001	100.00	2021/1/28	3 years	1,000,000,000.00
21 AVIC Leasing MTN002	100.00	2021/2/26	3 years	1,000,000,000.00

AVIC INTERNATIONAL LEASING CO., LTD
From January to June Year 2022
Notes to the Financial Statements

Bond Name	Face value	Issue Date	Bond maturity	Issuing amount
21 AVIC Leasing MTN004	100.00	2021/5/26	3 years	600,000,000.00
21 AVIC Leasing MTN005	100.00	2021/7/21	3 years	1,000,000,000.00
21 AVIC Leasing MTN006	100.00	2021/8/12	3 years	1,000,000,000.00
21 AVIC Leasing MTN007	100.00	2021/11/3	3 years	1,100,000,000.00
22 Hangzu 01	100.00	2022/1/14	3 years	1,000,000,000.00
22 Hangzu 02	100.00	2022/2/24	5 years	700,000,000.00
SOAR WISE N2505 (5248)	100.00	2022/5/25	3 years	450,000,000.00
22 AVIC Leasing MTN003	100.00	2022/4/21	3 years	500,000,000.00
22 AVIC Leasing MTN004	100.00	2022/5/30	3 years	900,000,000.00